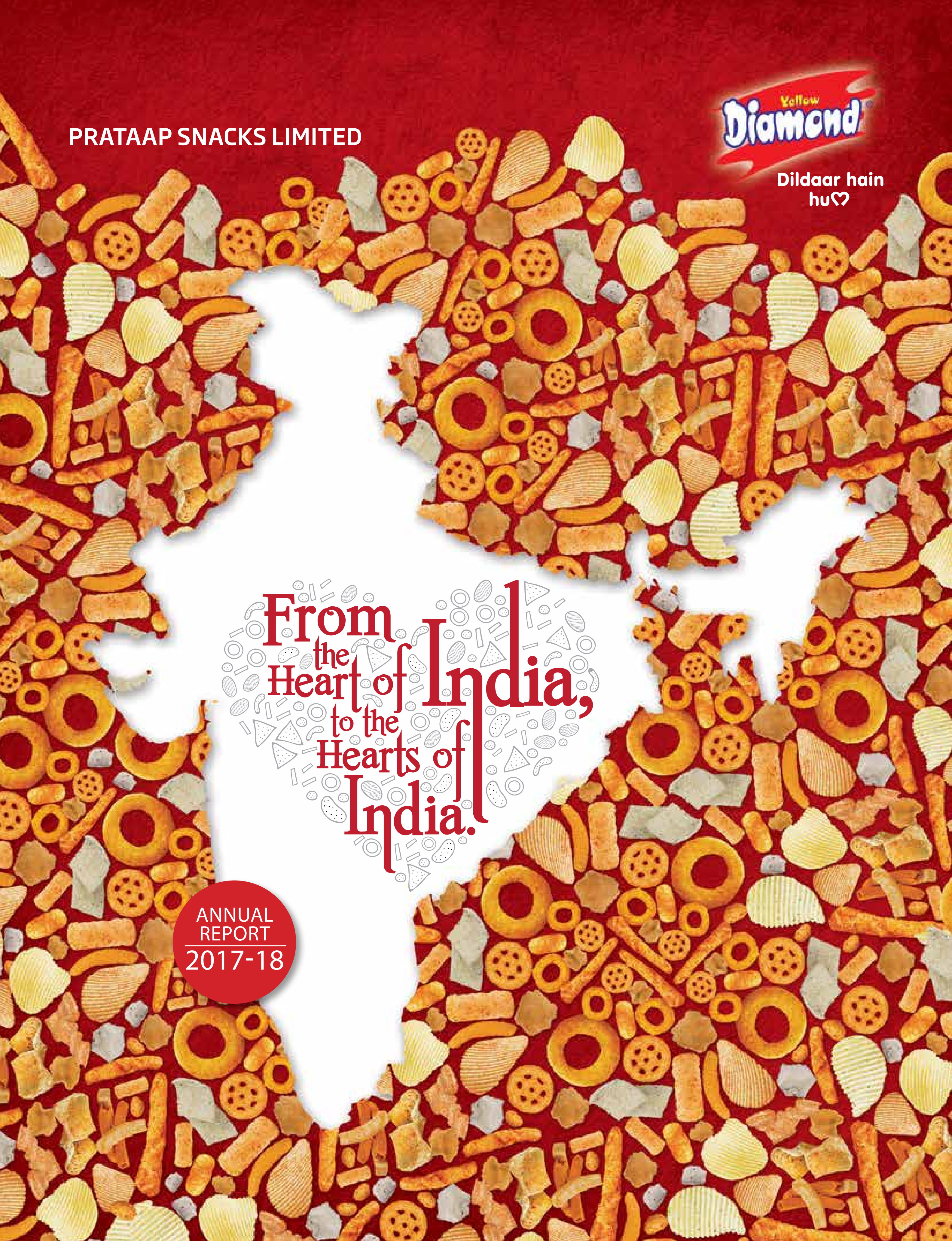
PRATAAP SNACKS LIMITED

Yellow Diamond

Dildaar hain hu♡



From the Heart of India, to the Hearts of India.

ANNUAL REPORT 2017-18

What's Inside

CORPORATE OVERVIEW

STATUTORY REPORTS

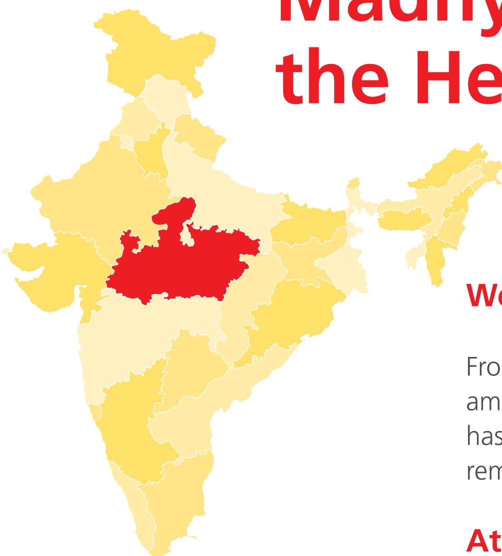
FINANCIAL STATEMENTS

www. yellowdiamond.in
Visit Company's official website to download the Annual Report.

Forward-Looking Statement

The Annual Report may contain, without limitation, certain statements that include words such as "believes", "expects", "anticipates" and words of similar connotation, which would constitute forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties that may cause actual performance or results to be materially different from those anticipated in these forward-looking statements. The Company is under no obligation to update any forward-looking statements contained herein should material facts change due to new information, future events or otherwise.

Madhya Pradesh - the Heart of India



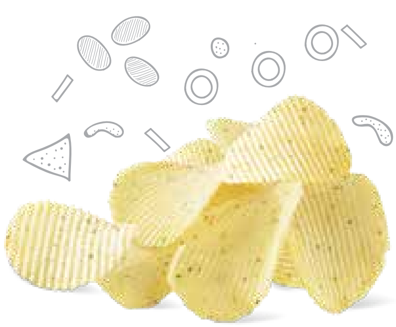
We commenced our journey from Indore.

From humble beginnings with Potato Chips manufacturing in 2005 to evolving amongst the top 5 players in the organised Indian snacks market*, our journey has been as memorable as momentous, as exciting as exceptional and as remarkable as rewarding.

At the heart of our enduring success is our heartfelt passion and commitment to deliver value.

From creating innovative products to endearing brand campaigns, from delivering consistent quality to customers to delivering consistent value to stakeholders, everything that we do at Prataap Snacks Limited, comes from the heart.

It is this heartfelt passion to excel and accelerate that has enabled us to surpass the ₹ 1,000 crore revenue milestone this year as well as have a successful IPO.



Today, our Yellow Diamond brand is amongst the top Indian snack brands reverberating with the aspirations of a young and confident new India, standing apart against the MNC brands - a true ***Make in India*** success story.

With a wide and innovative product portfolio of over 60 products across 3 segments, 9 strategically located manufacturing plants, a pan-India network and a growing youth brand, we are all about the heart - ***Dildaar Hain Hum!***

And we are ready for the next phase of our journey

*Nielsen 2017 Report

Highlights of the Year

FINANCIAL HIGHLIGHTS

Revenue (₹ in Crore)

1,038 | 16%

EBITDA (₹ in Crore)

87 | 106%

PAT (₹ in Crore)

44 | 115%

Networth (₹ in Crore)

520

BUSINESS HIGHLIGHTS

Crossing the coveted ₹ 1,000 Crore milestone in sales

The equity shares of the Company were successfully listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f. October 5, 2017.

New Products Kurves and Nachos launched in savoury snacks. Foray into sweet snacks, launched Yum-Pie

From Indore to India

In 2003, three young entrepreneurs came together, convinced in their belief that snacks had a tremendous potential in India. Arvind Mehta, Apoorva Kumat and Amit Kumat founded Prakash Snacks. Soon, another company, Prataap Snacks was also incorporated in Indore in what was to turn out to be a Karari Shuruat - a cracking start!

Eventually, Prataap Snacks took over Prakash Snacks as part of consolidation.

In 15 years, we have expanded from the city of Indore to across the country with our wide range of offerings from Chips to Rings and from Namkeens to Nachos under the Yellow Diamond brand.

THE JOURNEY

2003
Prakash Snacks incorporated. Commenced trading in Cheese Balls

2005
Set up a plant to manufacture Potato Chips in Indore

2007
Installed Chulbule plant at Prakash Snacks in Indore

2010
Prataap Snacks incorporated and set up a Potato Chips plant in Indore

2011
Sequoia's initial investment of ₹ 620 mn in the Company and Company took over the business of Prakash Snacks

2012
Commissioned Rings and Namkeen plant in Indore. Introduction of Rings, Namkeen and Wheels

2013
Doubled the capacity of Potato Chips plant at Indore from 6,000 MT per annum to 12,000 MT per annum

2014
Commissioned Guwahati plant for Rings, Chulbule and Pellets. Introduction of Scoops

2015
Introduction of Yoodles and Creamy Sticks

2016
Guwahati new plant commissioned. Increased the capacity of Chulbule and Rings plant at Indore

2017
Successful IPO – oversubscribed 47x; listed on NSE & BSE on October 5, 2017 Launched Yum-Pie, a variety of sweet snacks, under the brand name Rich Feast

2018
Entered into new contracts for third-party manufacturing at Ahmedabad, Bengaluru and Kolkata for producing potato chips. Launch of Kurves and Nachos

PRODUCTS AND SEGMENTS

POTATO CHIPS
Potato-based snack
- SKUs: 9 flavours
- Target group: All

CHULBULE*
Rice grit & Corn grit based snack
- SKUs: 7 flavours
- Target group: Youth & Children

RINGS, KURVES & PUFF*
Corn grit based snack
- Market leader in Rings
- SKUs: 4 flavours
- Target group: Children

NAMKEEN*
Gram based#
- SKUs: 23 varieties
- Target group: All

PELLET SNACKS
- Wheat based
- SKUs: 2 flavours
- Target group: Children

NACHOS
- Made from corn tortillas
- Launched in Q4FY18
- SKUs: 3 flavours
- Target group: All

YUM-PIE
- Cake with jam & chocolate
- SKUs: 3 flavours
- Target group: Children

*Chulbule – Random extruded corn-based snack, *Rings, Kurves & Puff – Shaped extruded corn-based snacks, *Namkeen – Traditional Indian snacks
Key Ingredient is Gram, however, based on the variants, multiple pulses and other condiments might be used

MANUFACTURING LOCATIONS AND UNITS

3
Own Manufacturing Units - 1 in Indore and 2 in Assam

6
Third-Party Manufacturing Units - 2 each in Kolkata, Bengaluru and Ahmedabad

REACH & DISTRIBUTION

27
States and 1 Union Territory

235+
Super Stockists

3,800+
Distributors

KEY STRENGTHS

- Diversified Portfolio with Strong Brand connect with Consumers
- Committed Management
- Lean Manufacturing Architecture
- Strong Distribution
- Committed to Value Offering

9 Million
packets sold every day

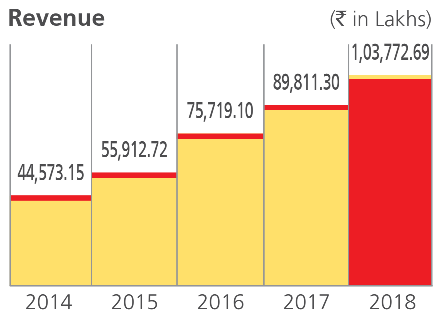
#1
in Rings

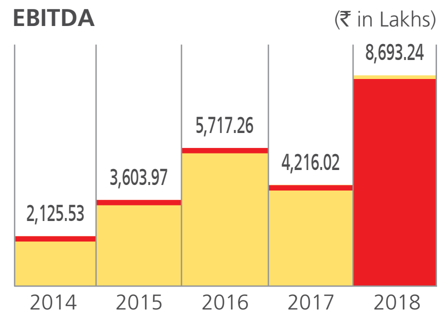
25%
5 years CAGR Revenue

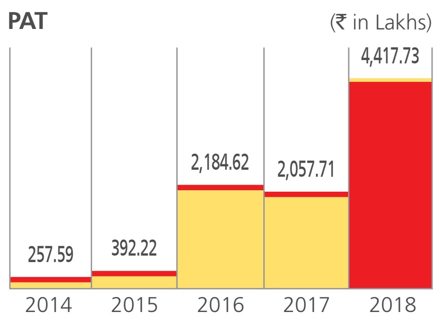
60+
SKUs

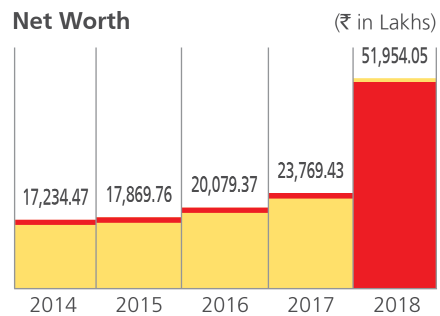
9
Manufacturing Units

CONSISTENT GROWTH AND PERFORMANCE









Pan-India
Reach and Presence

LISTING INFORMATION

The equity shares of the Company were successfully listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) w.e.f. October 5, 2017

MARKET CAPITALISATION ₹ 3,053.23* Crore as on 31st March, 2018

**NSE*

Chairman's Message

At Prataap Snacks, we have always endeavoured for our products to stand for taste, quality and value. We also aim to delight our customers with innovative packaging, interesting shapes and exciting toys.

Dear Shareholders,

Fiscal 2017-18 was a memorable milestone in our journey as we transformed into a public listed company in the month of October 2017. Our journey emanates from our larger vision to be amongst the defining snack food companies of this generation, delighting our consumers with a delectable range of products and in the process, create long-term value for all our stakeholders.

I believe that the Indian snack industry is poised for a sustained phase of growth and expansion. With strong tailwinds like growing affluent middle-class, increase in absolute population of youth and children as well as increasing per capita spend on food; the Indian snack industry is in the fast-growth lane. The implementation of the Goods and Services Act (GST) will particularly favour the organised snack businesses. I am confident that the contribution of the organised snack market, which is currently around 40% of the total ₹ 550 billion Indian snack market will increase substantially in the next few years.

At Prataap Snacks, we have always endeavoured for our products to stand for taste, quality and value. We also aim to delight our consumers with innovative packaging, interesting shapes and exciting toys. Multiple pack sizes and an unstinted focus on reaching all parts of the country from urban and metro cities to smaller towns and rural areas has also made it possible to provide access to consumers of varied backgrounds. We have always strived to leverage our deep understanding of the Indian snack market to offer greatest value to our consumers, and it is this focus on value that has made us stand apart from others.

Another key pillar at Prataap Snacks has been our uncompromising focus on ethics, transparency and governance. We have never lost sight of the fact that while profitability is important, purpose is paramount; while costs are important, quality is crucial; while results are important, responsibility is imperative. That is why, even as we continue to grow at a fast pace, we have ensured strict compliance and governance at every level. It is this over-arching framework of governance and values as well as systems and processes that sustains the value we create.

With the successful IPO, I am confident we are at the cusp of the next growth phase. Our aspiration is to become a leading pan-India player in the Indian snack market. We are focussing on achieving this as we multiply our presence across the country.

As a responsible corporate citizen, we have always followed environmental regulations and norms. Both at our manufacturing plants as well as our offices, we continue to shift towards green technology and processes with a view to minimise wastage and optimise resource intensity. We strongly believe to generate returns not only by wealth creation alone but also by giving back to the society. It is our strong belief that by pursuing economic objectives in a manner that serves larger societal purpose, we make our growth more enduring and sustainable.

Finally, I would like to reiterate our commitment to continue creating long-term stakeholder value. Since inception, we have focussed on generating value for our consumers, our partners, our employees as well as our investors. We have shared our success with the society and communities through our CSR interventions. As we grow, we shall continue with our multi-stakeholder value focus.

I thank you all for your continued trust and support and assure you we will continue to move ahead with more velocity, venture and vigour.

Yours sincerely,

Arvind Mehta
Chairman and Executive Director

Managing Director and CEO's Message to Shareholders

Dear Shareholders,

It gives me immense pride and pleasure to present before you the maiden Annual Report of your Company since its successful listing on the National Stock Exchange and Bombay Stock Exchange in the month of October 2017. I warmly welcome new shareholders and thank them for their participation in what was one of the most sought-after IPOs of 2017.

The year also saw us reach another major landmark - we crossed the coveted ₹ 1,000 crore milestones in Total Revenues for FY 2017-18. My heartiest congratulations to everyone who has made this possible.

As far as the operating environment for the year is concerned, it was a year that will be remembered for the implementation of the Goods and Services Tax (GST) - a watershed reform in indirect taxes that aims to create a unified market with one-nation, one tax principle and platform. While there were teething issues that created a short-term aberration in the first half of the fiscal year, by the second half of the year most of these issues were resolved and things were back to near normal. Other key macroeconomic factors remained favourable during the year. A near normal monsoon added to the overall positivity.

The Indian snacks industry has been witnessing a healthy growth over the last many years. Advances in food technology as well as in every aspect of the value-chain are driving new and innovative products, providing an unprecedented choice and options to the consumer. From packaging size to localised flavours to healthy variants, new products are being launched like never before in a fast expanding marketplace.

At Prataap Snacks, we believe that we are now at the cusp of the next phase of growth. Our value proposition is quite strong and differentiated; our brand is firmly entrenched in consumer minds; and we have a clear growth strategy. We will continue to penetrate deeper into the north and west markets and expand our footprint in the south. Our product innovation focus will ensure we introduce new products into the market. We will continue investing in quality and world-class manufacturing processes and practices. And we will continue to invest in branding and advertising to amplify our brand connect with a larger, pan-India consumer base.

At Prataap Snacks, we have always believed in delivering maximum value to our consumers. Every product and every pack of Yellow Diamond has a superlative value proposition in terms of quality, quantity and taste. It is this commitment to consistently deliver Dildaar value that is embedded deep in our DNA and is at the core of our brand philosophy. We constantly strive towards increasing healthier and nutritious options within our product portfolio and in this regard we had launched a healthier variety of pellets, a savory snack, which were made from hummus and lentils. We continue to innovate with the endeavor to include healthier and wholesome versions of

Our performance in terms of profitability was even better : Operating EBITDA for the year rose to ₹ **86.93** crore from ₹ **42.16** crore last year, a rise of **106.2%**. Profit After Tax (PAT) for the year was ₹ **44.18** crore against ₹ **20.58** crore last year, a rise of **114.7%**.

existing products without any compromise in taste and texture. It is our single-minded focus on value that has catapulted us among the top 5 players in the organised Indian snack business. I would like to emphasise here that this has been achieved against stiff competition from MNC as well as competition from the unorganised players.

Against this backdrop, we delivered another year of excellent performance. The total revenue for the year crossed the ₹ 1,000 crore threshold to ₹ 1,037.73 crore against ₹ 898.11 crore last year. This reflects a 15.5% growth in revenues in a year where the business saw a lot of disruption in the trade due to GST implementation. This is a strong validation of the Yellow Diamond brand and product proposition - even in a challenging operating environment, we were able to grow our sales by 15.6%.

Our performance in terms of profitability was even better: Operating EBITDA for the year rose to ₹ 86.93 crore from ₹ 42.16 crore last year, a rise of 106.2%. Profit After Tax (PAT) for the year was ₹ 44.18 crore against ₹ 20.58 crore last year, a rise of 114.7%. We have proposed a maiden dividend of ₹ 1 per equity share of ₹ 5/-, subject to the approval of shareholders.

We have launched new products - Nachos and Kurves and added new contract manufacturing facilities in Kolkata, Ahmedabad and Bengaluru and also foray into new category of sweet snacks.

The Indian organised snacks markets continue to expand and evolve. Driven by a growing affluent middle class with increasing spend on food, the Indian organised snacks market is on a high-growth trajectory. The recent implementation of GST is a positive development for players in the organised segment. The opportunities and the potential continue to be extremely promising.

As a publicly listed Company, we will ensure that we adhere to the highest level of compliance and governance, as we always have. As a responsible corporate citizen, we are committed to protect the values of all our stakeholders - internal as well as external. My heartfelt gratitude to all our consumers, employees, business associates, investors and bankers for their sustained trust and faith. This journey would not have been possible without their support. We would like to assure all our stakeholders that we are committed to win more hearts as we continue our journey from the Heart of India to Hearts of India.

Yours sincerely,

Amit Kumat
Managing Director and CEO

Yellow Diamond
Our Brand with a Heart

Indian snacks have been an integral part of the Indian life and lifestyle since times immemorial. A crispy, crunchy and crackling snack always uplifts any meal and any cuisine. And one can never have enough of it and more is always welcome!

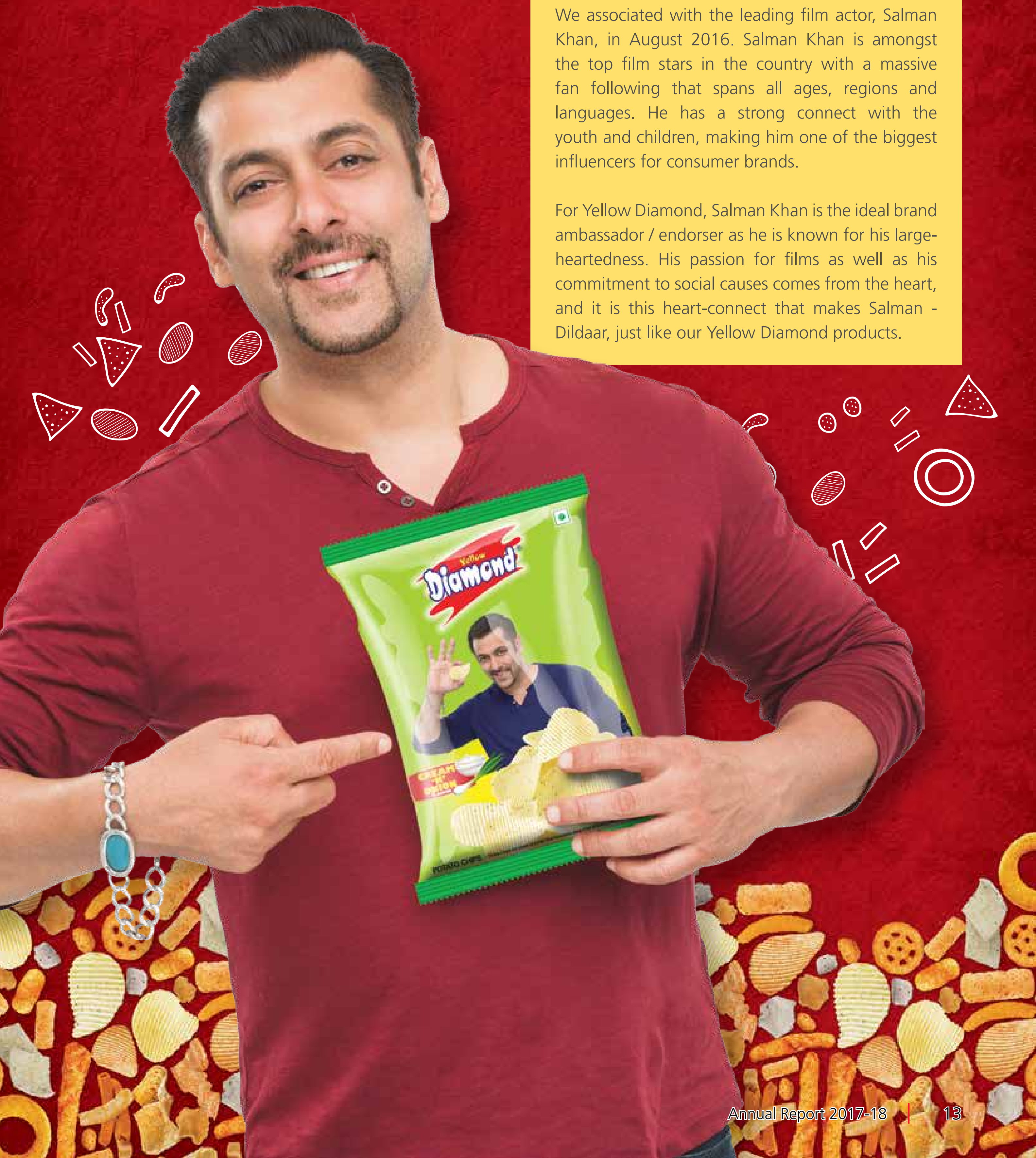
It is this simple and timeless truth that shaped and defined our brand - Yellow Diamond. The brand was built around the key thought and philosophy of Dildaar hain hum - when it comes to crispy chips or crunchy namkeens, it is about more, it is about maximum.

Our brand philosophy emphasises delivery of Maximum Value To Consumers

Salman Khan - Dildaar hain hum

We associated with the leading film actor, Salman Khan, in August 2016. Salman Khan is amongst the top film stars in the country with a massive fan following that spans all ages, regions and languages. He has a strong connect with the youth and children, making him one of the biggest influencers for consumer brands.

For Yellow Diamond, Salman Khan is the ideal brand ambassador / endorser as he is known for his large-heartedness. His passion for films as well as his commitment to social causes comes from the heart, and it is this heart-connect that makes Salman - Dildaar, just like our Yellow Diamond products.



The Wide World of Yellow Diamond


Ungliyo pe lagaye, jum ke khaaye! Tamatar bhari masti, ghar le aye!
Chowpatty ke chatpate chaat ka mazza now on 'wheels'.
Love spice? You are bound to love our teekha tadka!
Ek scoop tamatar. Ek scoop namkeen. Jab mil bethe dono, hojaye mamla rangeen!
seedhi ungli se kam nahi chalega to ungli ko kurve karna padega
Khilaana aur khilona, dono humaare favourite hain!
Diamond
Fungroo
Tomato Flavour
Wheels
Chatpata Masala Flavour
Chulbule
Scoops
Tomato
Rings
FREE EXCITING TOY INSIDE
₹15/-
Kurves
Tomato Flavour
NAMKEEN

Innovation that Redefines

Always Kuch Naya! Always Kuch Alag!

Whether as an accompaniment to main meal or as an anytime munch, something new and something different in snack is always exciting. Be it a different flavour or a different ingredient, innovation is the key to the Indian snack business.

2009

Potato Chips
- Cream & Onion
- Nimbu Masala

Chulbule
- Taaza Tomato

2010

Potato Chips
- Mast Masala

2011

Potato Chips
- Tasty Punch

Chulbule
- Achari

2012

Potato Chips
- Black Pepper
- Introduction of Rings, Namkeen and Wheels

2013

Namkeen
- Banana Wafer Black Pepper
- Banana Wafer Salted
- Cornflake Mixture
- Mitha Falahar
- Bhel
- Sev Murmura

Potato Chips
- Yummy Masala
- Chatpata

Kurves and Nachos

New Products launched

Sweet snacks - launched Yum-Pie

New category created

Taste bhi, Toy bhi

In 2012, we launched Rings - a playful snack primarily aimed for kids. Rings snack was limited to north India before we entered the segment. We expanded the category from north India to pan-India with our innovative thinking and marketing. The inclusion of a toy inside every packet of Yellow Diamond Rings proved to be a super-hit with kids across the country. In a short span of just three years, we emerged as the market-leader in this category and today, are the no. 1 player in this growing segment.

2014

Namkeen

- Garlic Sev Mamra
- Masala Matar
- Gathiya Masala

Chulbule

- Cream & Onion
- Introduction of Scoops

2015

Namkeen

- Chana Choor
- Introduction of Yoodles and Creamy Sticks

2016

Ring

- Mango Chutney
- MRP ₹ 15/- pack with bigger toys

2017-18

Kurves

- Cheese
- Masala
- Tomato
- Launched Yum-Pie, a variety of sweet snacks, under the new umbrella brand name Rich Feast in Nov 2017
- Launched Nachos and Kurves in Feb 2018

From the Heart of India to Hearts of India

We have always believed in the power of conviction - of our idea and our aspiration. This conviction was backed by a heartfelt commitment and a heartfelt passion to take our idea from the Heart of India - Indore, to billions of Hearts of India.

Since our first step in 2003, we have grown and expanded - from Indore to pan-India. As we evolved and expanded from Indore to India, we have added capacities and capabilities - from manufacturing to distribution, that enables us to deliver 9 million packets of smiles everyday to across India.

OUR MANUFACTURING UNITS

From one Potato Chip manufacturing unit in Indore, today we have 9 manufacturing facilities at strategic locations across India. Three of these units - one at Indore and two in Assam, are owned while the other six units - two each in Kolkata, Bengaluru and Ahmedabad, are third-party contract manufacturers. This gives us economies of scale and scope, as well as ensures proximity and locational advantage to the key geographical markets. Each manufacturing location is chosen to get maximum value in terms of sourcing and logistics advantages.

OWN FACILITY

MADHYA PRADESH

Distribution benefits

- Caters to the Northern and Western Zones
- Well connected between Mumbai and Delhi which are key distribution hubs for North and West Zones

Production benefits

- Indore in MP is a key hub for sourcing quality Potatoes

Cost benefits

- Benefits from attractive reverse logistics trends given that MP is a major consumer state

ASSAM

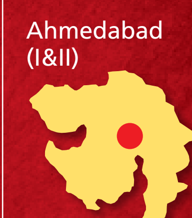
- Caters to the Eastern Zone
- Guwahati's location benefits from attractive reverse logistic trends
- The manufacturing facilities at Guwahati are eligible for Income Tax exemption

THIRD-PARTY FACILITY

WEST BENGAL

KARNATAKA

GUJARAT



Contract Manufacturing

- 7%-8% business comes from contract manufacturing
- Kolkata – shared contract manufacturing unit for potato chips to cater East India market
- Bengaluru – dedicated contract manufacturing unit for Rings and Pellets to cater to South India market
- Recently entered into new contracts for third-party manufacturing at Ahmedabad, Gujarat, Bengaluru, Karnataka and Kolkata, West Bengal for producing potato chips
- Nachos manufactured at Ahmedabad

OUR REACH AND PRESENCE

9 million packets of Yellow Diamond products are enjoyed everyday by happy consumers from Chandigarh to Chennai and from Ahmedabad to Aizawl. From the heart of India - Madhya Pradesh, we are now reaching out to millions of hearts in most of the major towns and cities of India.

NORTH

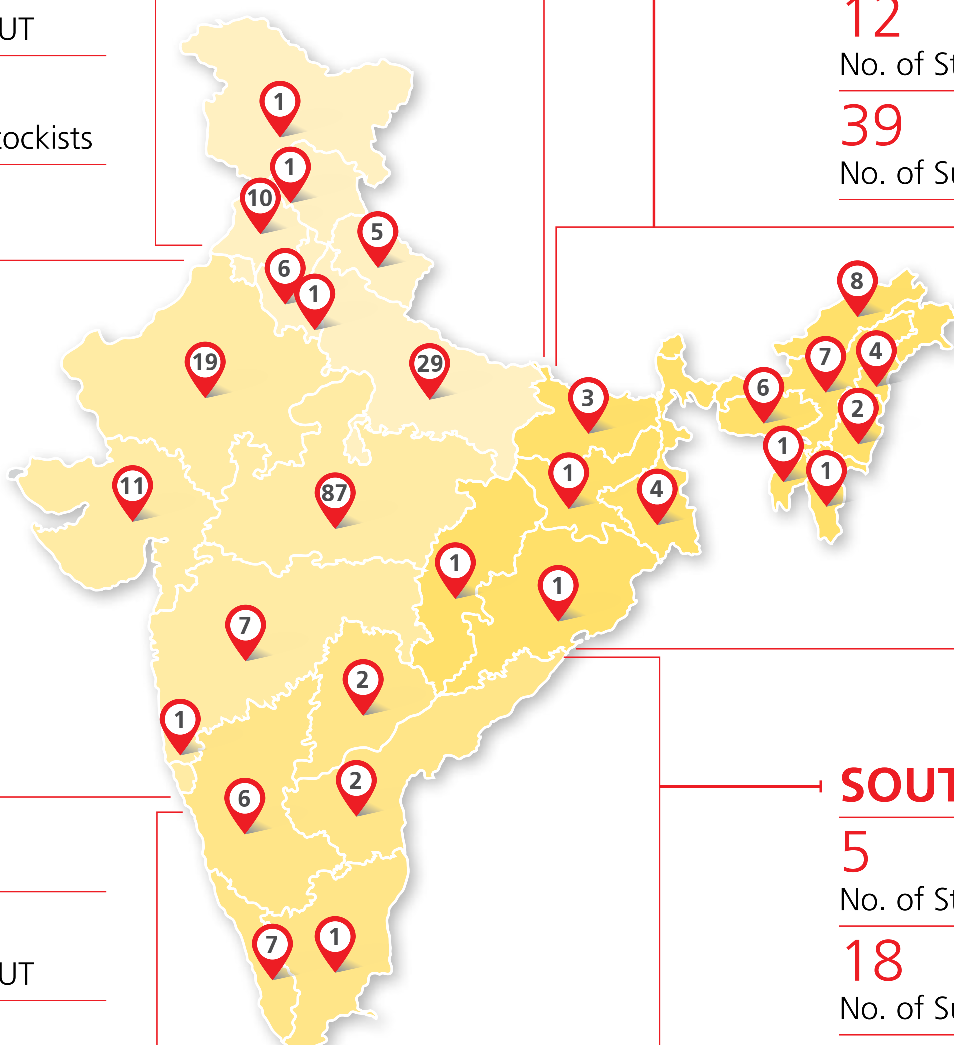
7
No. of States / UT

53
No. of Super Stockists

EAST

12
No. of States / UT

39
No. of Super Stockists



WEST

5
No. of States / UT

125
No. of Super Stockists

SOUTH

5
No. of States / UT

18
No. of Super Stockists

27+ States*

235+ Super Stockists

3,800+ Distributors

Includes one Union Territory, Map not to scale

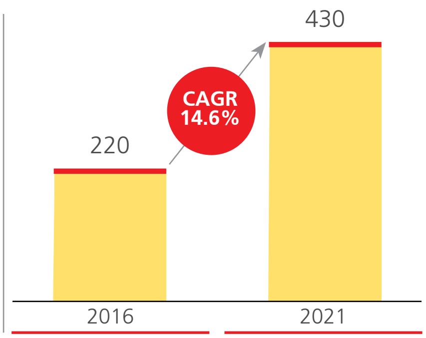
The Opportunity called India

The Indian snacks industry is estimated to be around ₹ 550 billion. Of this, the share of organised snacks market is around 40% or ₹ 220 billion. With the recent changes like GST, we assume there will be an increasing shift in favour of organised snack manufacturers.*

**Frost & Sullivan Report 2017*

With a CAGR of 14.6% between 2016 and 2021, a big opportunity in the organised snacks market is unfolding in India.

India Organised Snacks market - Demand Forecast: 2016-21, by Value (₹ Billion)



At Prataap Snacks, we are perfectly positioned to capitalise on this big growth opportunity. We have the right building blocks in place to catapult into the next phase of growth and expansion in India.

OUR STRATEGY FOR GROWTH AND EXPANSION

We are confident to continue with our momentum of strong performance as we set our aim higher. Our strategic growth plan focusses on:

Expanding and Deepening Reach and Presence

We plan to penetrate deeper in the north and west zones where we already have presence. Similarly, in the east, where we are a leading player, we have plans to launch our entire product range and expand our presence to more locations. In south, our strategy is to leverage our market leadership in Rings to enhance our presence.

We also have a dedicated team that services the modern trade format consisting of national chains of hypermarkets and supermarkets.

Enhancing Manufacturing and Production Strength

We have always invested regularly in increasing capacity, and in line with increased demand. We have recently tied-up with three contract-manufacturing facilities. We are increasingly focussing on third-party contract-manufacturing as part of our strategy to have manufacturing base close to each region. This ensures faster servicing of the distributor network using a hub-and-spoke model. Third-party manufacturing also gives us the added advantage and flexibility of low gestation period for setting up a new unit. Moreover, it is an asset-light model where we do not need large capital expenditure.

New technology in the form of advanced machinery and equipment is also being considered. Similarly, for our third-party contract-manufacturing units, we have plans in place to add newer machines and production lines. The capital expenditure requirement will be partly met with the proceeds of the recent IPO.

Investing in brand building

Investing in the Yellow Diamond brand is integral to our future growth and expansion. In FY 2017-18, we invested ₹ 3,413.60 lakhs in advertising, marketing and sales promotions. Our plans include widening our campaigns across more channels as well as strengthen our campaigns on the kids channels. As we penetrate deeper, we also have plans to use vernacular channels. We are already present on the social medial through our digital marketing campaigns, with plans to increasingly use digital media to further amplify our brand.

Healthier Snack Products

As part of our continuous commitment to maximise value, we have already launched healthier variety of savour snacks under the Better For You segment. These include pellets made from hummus and lentils. As we go forward, we are working with nutritionists and dieticians to create more healthy snacking products.

We are also looking at the chocolate-based confectionery segment. We recently launched Yum-Pie, under the brand Rich Feast. We are actively working on many such exciting products that we plan to launch as part of our product innovation and expansion strategy.

Caring for the Community

The CSR Policy of the Company spells out its philosophy towards social responsibilities and lays down the guidelines, framework and mechanism relating to the implementation, monitoring, reporting, disclosure, evaluation and assessment of projects, programmes and activities forming part of the Company's CSR agenda. CSR activities are a host of measures to help promote education, animal welfare, reduce poverty and debilitating conditions of the weaker sections in society. The Company has spent a total amount of ₹ 43.08 lakhs during FY 2017-18.

KEY INITIATIVES

ANIMAL WELFARE

The Company consistently donated a portion of its profit for treatment of injured and old animals so as to make them healthy or worthy of survival. To achieve this objective, the organisation donated ₹ 3.72 lakhs to Animal Welfare Society, a non-governmental organisation, where approximately 150 animals per day benefit by way of food, medicine and shelter.

WELFARE OF ORPHANS

The Company is concerned about the welfare of orphans. ₹ 2.50 lakhs were donated for construction of ceiling work at Shraddhanand Anathalya which provides facilities for welfare of orphan girls, in terms of their schooling, caring and finally settling them in marriage in respectable homes.

PROMOTING HEALTHCARE

A huge amount of the Company's budget is allocated for promotion of healthcare. In this regard, the Company contributed ₹ 4.50 lakhs to Indore Eye Hospital for purchase of useful equipment: (i) fully automatic Ethylene Oxide Steriliser Machine with SCADA Software, (ii) Air Compressor and (iii) Line filter pre-oil, carbon mounting pad.

The Company also made a donation of ₹ 12.36 lakhs to Parpeeda Har Welfare Society Samity for purchase of Ventilator and Humidifier which was later donated to Maharaja Yeshwantrao Hospital, a government hospital in Indore.

WELFARE OF DISABLED PERSONS

Welfare of the disabled persons is a matter of concern to the organisation. ₹ 4 lakhs were donated to Mahesh Dristiheen Kalyan Sangh, an organisation working since 40 years, for the benefit of blind girls. The Company contributed towards construction of toilet blocks to provide sanitation to 188 blind girls.

ASSISTANCE TO SOCIALLY AND ECONOMICALLY BACKWARD GROUPS

An amount of ₹ 3 lakhs were provided to Sri Devi Matoshri Samajik Seva Sansthan, an organisation working towards the welfare and integration of individuals with mental challenges, thus helping them to connect with the main stream of society, through capacity building and research and analysis on reasons for their mental disorder by birth.

Socially and economically backward persons were supported with a contribution of ₹ 13.00 lakhs to Sewadham Ashram, an organisation engaged in providing lifetime shelter and a rehabilitation centre for the homeless, helpless, differently-abled, mentally ill, dying and destitute people from different parts of the country, without any family support.

Board of Directors

Mr. Arvind Mehta
Chairman and Executive Director

Over 29 years of experience in real estate business along with over 15 years in the snack foods industry and in the financing business

Mr. Amit Kumat
Managing Director and Chief Executive Officer

Over 22 years in the snacks foods industry

Mr. G.V. Ravishankar
Non-Executive / Non-Independent Director

Over 17 years in consulting and investing.

Previously worked at McKinsey & Company and Wipro Technologies

Mr. V.T. Bharadwaj
Non-Executive / Non-Independent Director

Over 17 years in management consultancy & PE investments

Previously worked with McKinsey & Company

Dr. Om Prakash Manchanda
Independent Director

CEO & Exe. Director
(Dr. Lal Pathlabs) and earlier with Hindustan Lever, Ranbaxy Laboratories Limited

Mrs. Anisha Motwani
Independent Director

Partner (Storm the Norm Ventures)

Earlier with General Motors India & Max Life Insurance Company

Mr. Vineet Kumar Kapila
Independent Director

COO (RPC North of United Spirits) & earlier MD (Spencer's Retail)

Mr. Haresh Ram Chawla
Independent Director

Partner (India Value Fund) & earlier CEO (TV18)

Mr. Chetan Kumar Mathur
Independent Director

Finance professional with over 30 years of experience and worked in the Foods & Beverages industry with PepsiCo India for more than 23 years.

Senior Management Team

Mr. Apoorva Kumat
President - Operations

He holds bachelor degree in Commerce. He has over 22 years of experience in the Snacks food industry.

Mr. Sumit Sharma
Chief Financial Officer

Member of Institute of Chartered Accountants of India. He has over 16 years of experience in accounting, finance, banking and taxation and worked with Crompton Greaves, L&T and New Holland Group.

Mr. Subhashis Basu
Chief Operating Officer

He holds bachelor degree in Science (economics). He has over 26 years of experience in the FMCG industry and worked with Parle, PepsiCo India and Mother Dairy.

Mr. Subhash Bhatt
Vice President - Production

He holds bachelor degree in Technology. He has over 22 years of experience in the Snacks food industry and worked with Prakash Snacks and Hello Agro.

Mr. Deepak Brahme
Vice President - Production

He holds bachelor degree in Science. He has over 22 years of experience in the Snacks food industry and worked with Prakash Snacks and Hello Agro.

Mr. Raj Kumar Kalra
General Manager Sales - North

He holds bachelor degree in Arts. He has around 30 years of experience in the FMCG industry and worked with Moon beverages, Aqua Minerals, Super Cassettes and Paras Aqua.

Mr. Awadh Bihari Singh
General Manager Sales - East

He holds bachelor degree in Science. He has over 30 years of experience in the FMCG industry and worked with Prakash Snacks and Hello Agro.

Mr. Mahesh Purohit
General Manager Sales - West

He holds bachelor degree in Commerce. He has over 21 years of experience in the FMCG industry and worked with Parke-Davis, BPL Synergy and Candico.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Arvind Mehta
(Chairman)

Mr. Amit Kumat
(Managing Director and Chief Executive Officer)

Non-Executive / Non-Independent Directors

Mr. G.V. Ravishankar
Mr. V.T. Bharadwaj

Independent Directors

Mr. Vineet Kumar Kapila

Mr. Haresh Ram Chawala

Dr. Om Prakash Manchanda

Mrs. Anisha Motwani

Mr. Chetan Kumar Mathur
w.e.f. 7th August, 2018 - additional Director (Independent)

CFO

Mr. Sumit Sharma

COO

Mr. Subhashis Basu

Company Secretary and Compliance Officer

Mr. Rishabh Kumar Jain

Auditors

Statutory Auditor

M/s S.R.B.C. & Co., LLP,
Chartered Accountants

Internal Auditor

M/s Grant Thornton India LLP

COMMITTEES

Audit Committee

Mr. Vineet Kumar Kapila
(Chairman)

Mr. G.V. Ravishankar

Mrs. Anisha Motwani

Nomination and Remuneration Committee

Dr. Om Prakash Manchanda
(Chairman)

Mr. V.T. Bharadwaj

Mr. Vineet Kumar Kapila

CSR Committee

Mrs. Anisha Motwani
(Chairperson)

Mr. Arvind Mehta

Mr. Amit Kumat

Mr. V.T. Bharadwaj

Mr. Haresh Ram Chawala

Stakeholders' Relationship Committee

Mr. Haresh Chawla
(Chairman)

Mr. Arvind Mehta

Mr. V.T. Bharadwaj

Mr. Vineet Kumar Kapila

Mrs. Anisha Motwani

Risk Management Committee

Dr. Om Prakash Manchanda
(Chairman)

Mr. Amit Kumat

Mr. G.V. Ravishankar

Mr. Haresh Ram Chawala

Bankers

ICICI Bank Limited
Kotak Mahindra Bank Limited
HDFC Bank Limited
Yes Bank Limited

Registered Office

Khasra No. 378/2,
Nemawar Road, Near
Makrand House,
Dist. Indore – 452020 (M.P.)

Tel. +91 731 2439999
Email: complianceofficer@
yellowdiamond.in
Website: yellowdiamond.in

Registrar and Transfer Agent

Karvy Computershare Private Limited
Karvy Selenium Tower B,
Plot 31-32, Gachibowli, Finance
District, Nanakramguda,
Hyderabad - 500 032, India

Tel. +91 40 67161700
Fax: +91 40 67161680
Email: Prataap.ipo@karvy.com
Website: www.karvy.com
CIN: L15311MP2009PLC021746

Plant locations

Owned Location

- Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist. Indore - 452 020, (M.P.)
- North Guwahati, IOC Road, Main Road, Gauripur, Near Gauripur Thana, Amingaon, Dist. Kamrup, Guwahati - 781 031
- Plot No. 40-41, Brahmputra Industrial Park, Amingaon Guwahati - 781 031

Job Work Location

- No. 260, Bommasandra Jigani Link Road, Jigani Hobli, Rajapura Village, Anekal Jaluk, Bengaluru - 560 105
- Sy. No. 168/1, Machohalli Village, Dasanapura Hobli, Near Sri Vani Education Centre, Off Magadi Main Road, Bengaluru - 560 091
- Plot No. F-11, Kandua Food Park, JL No. 05, Mouza, Kandua, P.S. Sankrail, Howrah - 711 302 (W.B.)
- Chakundi Dankuni, Hooghly - 712 310 (W.B.)
- Plot No. 26/A, Ozone Industrial Park, Near Kerala GIDC, Taluka Bavla, Ahmedabad, Rajkot National Highway, Dist. Ahmedabad - 382 220 (Gujarat)
- Plot No. 1282, Village Motibhoyan, Taluka Kalol, Gandhinagar - 382 721 (Gujarat)

9th Annual General Meeting on Friday, 28th September, 2018 at 11.00 A.M. at The Grand Bhagwati Palace, Omaxe City, Bypass Road, Mayakhedi, Indore - 452 016, Madhya Pradesh, India

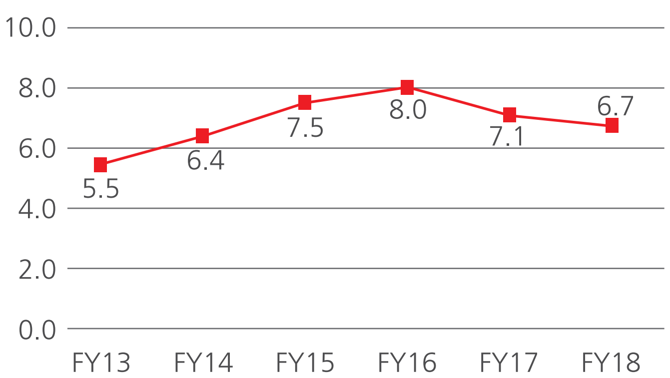
Management Discussion and Analysis

Economic Scenario

The past year saw the global economy regaining its footing with a growth of 3.7%; the fastest growth witnessed in the last six years. The resurgence in trade, manufacturing and investments is expected to drive growth going forward. As per IMF estimates, global growth for 2018 and 2019 is likely to be in the range of 3.8%.

India is well equipped to reap the international opportunity and domestic demand factors, although focus on the twin challenges in the domestic space slowed growth. As per second advanced estimates issued by the Central Statistics Organisation (CSO), India's GDP at constant prices is estimated to grow by 6.7% in FY 2017-18 as compared to 7.1% in the previous year. The effects of demonetisation (to purge the economy of black money), and the landmark indirect tax reform in the form of GST implementation; albeit futuristic impacted the growth. The first half of FY 2017-18 witnessed slow growth but a significant rise in Consumer Confidence Index, acceleration in industrial growth and private consumption, ease in inflation and gradual revival in investments helped the economy regain momentum in the second half. India has regained its position as the fastest growing economy in the world in the fourth quarter with a stellar growth of 7.7% which is the fastest growth seen in last seven quarters. Going forward IMF (International Monetary Fund) estimates Indian GDP growth at 7.4% for FY 2018-19.

INDIA GDP GROWTH TREND



Source: Central Statistics Organisation

The Indian growth story has largely been bolstered by a strong domestic market. Expectations of a favourable monsoon and benefits trickling in from a host of reforms from the 2018 budgetary boosts to infrastructure, employment, agriculture, and rural development will lead to an uptick in demand. Additionally, the paybacks from the seventh pay commission will put more money in the hands of the Indian consumer.

Rural markets in India are the key drivers of consumption. In FY 2018, according to Nielsen, consumption growth in rural India at 9.7% has outpaced urban spending at 8.6% by the widest margin in the last five years. This was encouraged by dedicated Government investments in rural infrastructure, healthy rainfall, and employment creation in agriculture and allied sectors. This consumption uptick is also seen in the record high growth in tractor volumes at 14% (ICRA estimate) and a 15% growth in two wheelers sold in FY 2018. Going forward, forecast of a good monsoon and setting of Minimum Support Prices (MSP) at 1.5 times the cost of production of kharif crops will boost rural disposable income.

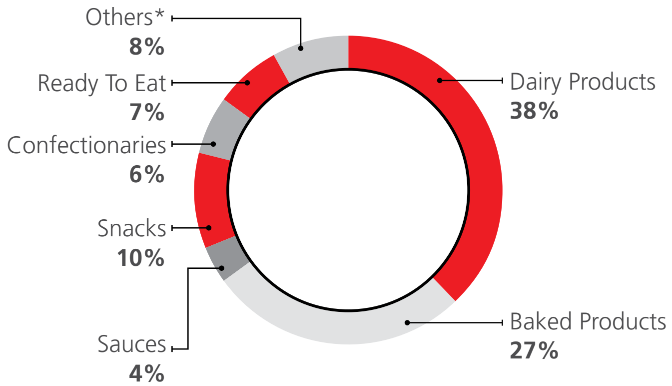
India is at a tipping point both in terms of opportunity and reforms. Revival in manufacturing and capital formation coupled with a large, vibrant, underpenetrated domestic demand look well placed to provide a fillip to consumption. This opens ample avenues for companies operating in the discretionary consumption space.

INDUSTRY OVERVIEW

INDIAN PACKAGED FOOD

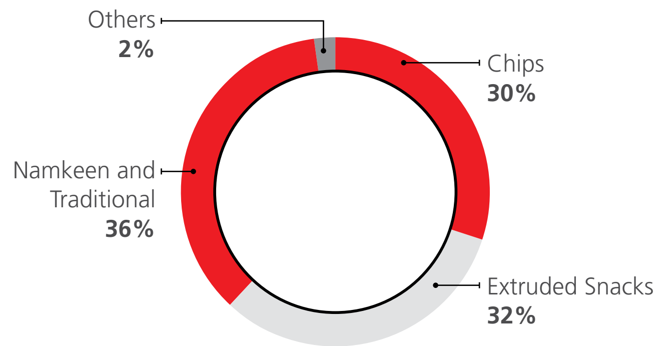
The Indian packaged foods industry pegged at roughly ₹ 2,185 billion in 2016 as per Frost and Sullivan estimates. This includes sub categories like dairy products, baked products, confectionaries, sauces, snacks, ready-to-eat, and other products like packaged soups, canned foods, frozen food, etc. The dairy products dominate the mix with a 38% share while the packaged snack and savouries categories contribute about 10%. This industry is well placed to benefit from growing demand for packaged foods due to the changing consumer mix, the change in food habits, lifestyle changes, rapid urbanisation, innovative packaging, heightened focus on healthy food and the growth in e-retailing.

INDIA ORGANISED PACKAGE FOOD MARKET SPLIT



Source: Frost and Sullivan analysis;
** Others include products like packaged soups, canned foods, frozen food, etc.*

ORGANISED SNACKS MARKET BY TYPE



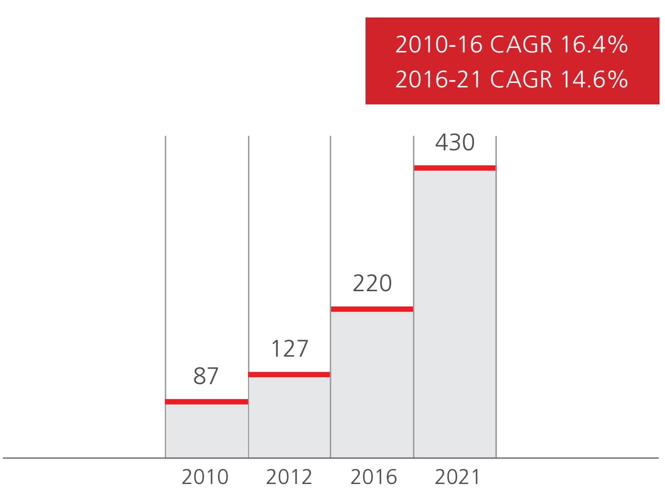
Source: Frost and Sullivan analysis

INDIAN PACKAGED SNACKS AND SAVOURIES MARKET

The packaged snacks and savouries market is pegged at ₹ 550 billion in 2016. Currently, only about 40% of this market, which amounts to ₹ 220 billion is organized. This is because many Indian snacks are specific to region, tastes, preferences and material availability. Multiple small players cater to these specific local demands usually catering to a single snack category. Thus the opportunity for organised players in this market is immense with a growing market and possible migration of unorganised players.

It is expected that in the coming five to seven years, the organised and the unorganised players will hold almost equal market share. The organised snack market grew at a CAGR of 16.4% in the period FY 2010-16 and is expected to grow at 14.6% CAGR over the next five years.

ORGANIZED SNACKS MARKET GROWTH (₹ BN)



Source: Frost and Sullivan analysis

COMPONENTS OF SNACKS AND SAVOURIES SPACE

This space can be divided by type into chips, extruded snacks, namkeen and traditional snacks, and others that includes nuts, popcorn and tortilla chips. Tortilla chips is a relatively newer product line that has caught the fancy of urban consumers.

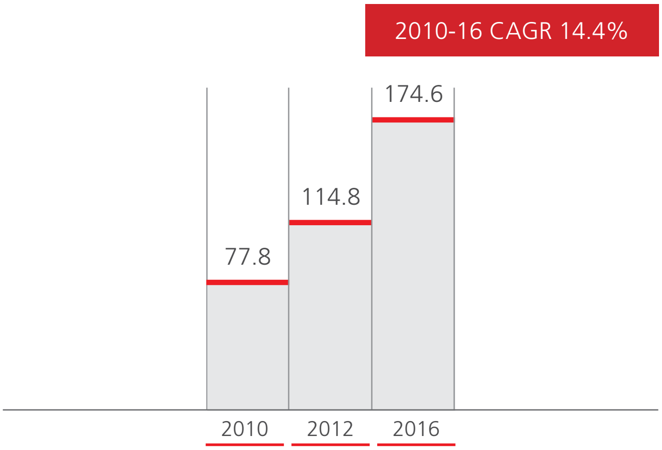
EXTRUDED SNACKS MARKET

Extrusion is a process that combines several operations like mixing, kneading, forming, shaping and shearing. It is widely used in snack making as it is energy efficient and allows for versatile shape and texture options. The snacks prepared through this process are called extruded snacks. Snacks in this category are largely potato or corn flour based, but now different flour combination is also being incorporated into the manufacturing process.

Extruded snacks is a promising segment that allows for products differentiation and launch of multiple variants. Hence, almost all the organised players are launching products that can be mass produced and marketed in this category. Many medium-sized companies have entered this space thereby widening their product range and market base. The organized extruded snacks space is expected to grow at a CAGR of 15% over the FY 2016-21 period.

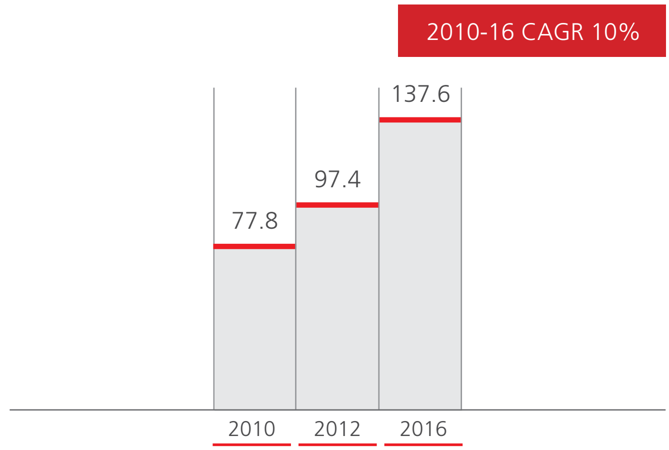
Increasing disposable income, a younger population, changing tastes and preferences and higher exposure to newer ideas and western culture will drive the growth in this category. This is the segment that can offer medium-sized companies an advantage to take on the bigger players through positioning of new and innovative products.

OVERALL EXTRUDED SNACKS MARKET GROWTH (₹ BN)



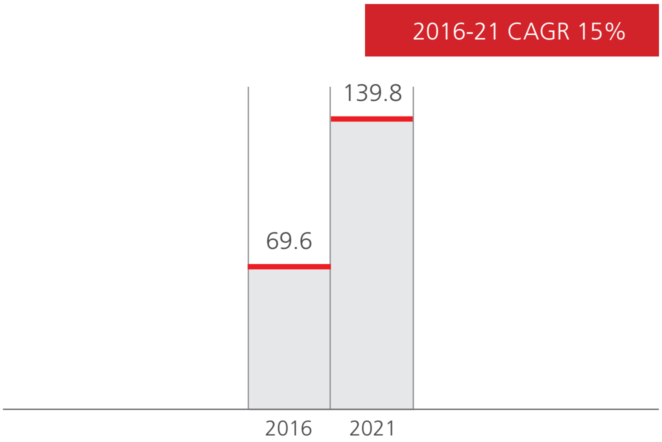
Source: Frost and Sullivan analysis

OVERALL CHIPS MARKET GROWTH (₹ BN)



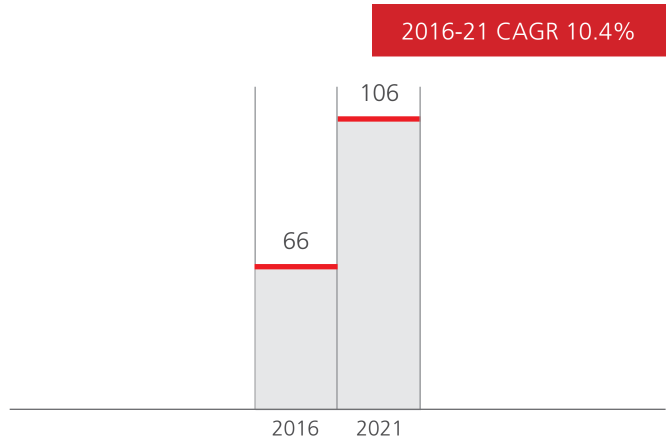
Source: Frost and Sullivan analysis

ORGANISED EXTRUDED MARKET GROWTH



Source: Frost and Sullivan analysis

ORGANISED CHIPS MARKET GROWTH (₹ BN)



Source: Frost and Sullivan analysis

CHIPS MARKET IN INDIA

Chips is a large segment within the snacks market. Potato chips account for over 90% of the overall chips market. The other variants like tapioca, banana have a smaller niche market. The chips space was largely dominated by MNC players, but in the last five years, many Indian companies have successfully made inroads in this space and established brands that have connected with the market.

A large variety of SKUs, new and innovative tastes targeting traditional as well as global flavors, ease of availability across shops, multi-pack sales aggressive promotions through celebrities and sponsoring sporting events are some of the prime reasons for the success of the chips segment in the market. This segment is mature and is expected to witness 10% growth in the period FY 2016-21.

NAMKEEN MARKET

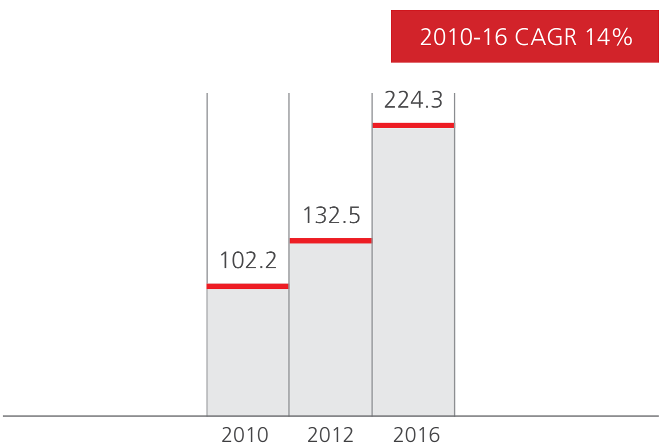
The namkeen products are part of the ethnic offerings of the snacks space. Namkeen covers a broad range of products that are traditionaly consumed in India. Most of the products were traditionaly cooked at home and consumed. However, current lifestyles restrict the time availability for such activities, forcing consumers to purchase these products. This has resulted in the indian market experiencing high growth over the last few years. In response, many companies are adding more namkeen in their product portfolios. Moong dal and Aloo bhujia are the most popular products in the segment. Due to varied eating habits across India, the preference for traditional snacks differs across the country.

Regional and local preferences matter in this segment and large players have to account for the same to penetrate new markets.

The market in South India has its own set of distinctive snacks like murukkus and its variants that are catered to by regional companies.

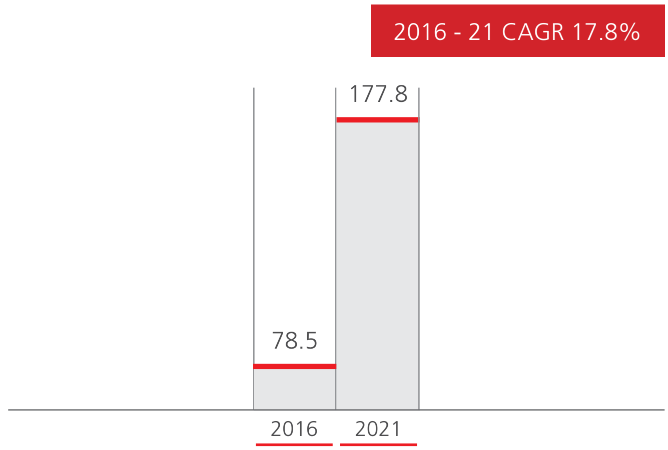
The organised namkeen market is expected to grow at a 17.8% CAGR over FY 2016-21. This is one of the fastest growing segments and is a viable opportuntiy for existing players and new entrants alike.

OVERALL NAMKEEN MARKET GROWTH (₹ BN)



Source: Frost and Sullivan analysis

ORGANISED NAMKEEN MARKET GROWTH (₹ BN)



Source: Frost and Sullivan analysis

The Indian demand for snacks is on the rise and this bodes well for the growing organised players. Changing lifestyles, tastes and preferences, supported by rising disposable incomes have opened ample growth opportunities for existing players and new entrants alike.

SWOT Analysis

STRENGTHS
- Diversified portfolio with strong brand connect with consumers
- Committed management
- Innovation backed approach
- Lean manufacturing Architecture
- Strong Distribution
- Committed to value offering

OPPORTUNITIES
- Favourable demographic changes
- Changing perspectives and greater awareness
- Increasing affordability and changing lifestyles
- Innovations in product and packaging
- Several regions across the country are underpenetrated

THREATS (CHALLENGES)
- High competitive intensity
- Raw material sourcing and availability
- Adverse impact on brand image
- Need for continuous innovation
- Constant focus on quality control

WEAKNESSES
- Limited control over raw material supply and pricing
- Nascent presence in modern trade outlets and class A/B outlets
- Product and geographical concentration

KEY BUSINESS STRENGTH

DIVERSIFIED PORTFOLIO WITH STRONG BRAND CONNECT WITH CONSUMERS

The Company has over the period assiduously added new products and flavours to its portfolio. It now has a diversified portfolio of snack foods, flavours and SKUs, spanning across three main segments of snacks and savouries. It has over 60 SKUs across all its products at strategic price points and pack sizes.

It is the market leader in the Rings product and favourite among the kids. With its variety of products and flavours in extruded snacks and chips, it caters to the growing target markets of kids and the youth, while the namkeen cater to all markets. This in some measure insulates it from changing preferences and market trends in specific target markets. The addition of sweet snacks to its portfolio is a significant positive.

A well-diversified portfolio is a vital tool to counter competition from established, cash-rich MNCs and the unorganised space. The Company has seen its brands gain quick acceptance in every market they have entered. It had launched its campaign "Dildaar Hain Hum" to connect with the audience and enhance recall of the Yellow Diamond brand. It has also enlisted Salman Khan; a popular Bollywood superstar with a huge fan following as the brand ambassador. The products have appealed to the consumer and the philosophy has reinstated the delivery of value. The philosophy of the Company is to give value to the consumer in the form of better taste, better quality and higher quantity. The Company's strategy to provide a toy in every packet of Rings has worked to attract kids to the product. It is the market leader in the Rings segment. Additionally, it has a tie-up with famous cartoon character "Motu-Patlu" to promote the Rings.

COMMITTED MANAGEMENT

The Company backed by a committed management has made a significant presence as a competitive player in the highly competitive snacks space. It has proven its mettle by successfully establishing nationwide footprint in a short span of time in a space dominated by cash-rich MNCs, and large Indian corporates with strong parent support. The management has nurtured the business and made it a name to reckon with in the snacks space. Its market share expanded from 1% in 2010 to 5.1% in 2017

Its ability to read the local market, adapt to the changes in preferences of customer groups, quickly launch products and variants, and scale its local success at a national level have put it on a fast growth trajectory. Its flexible manufacturing and broad distributions give it the agility to grab market shares from other players. Not only does this help the Company establish its brand faster but also allows for launch of more products in the same market. This has also helped it cater to different age groups simultaneously. It has launched 40 flavours of Chips and extruded snacks with different SKUs to appeal to relevant markets. This is a potent capability that will help the Company maintain its fast pace of growth.

The sustained focus on growing the business while sustaining the margins is vital to the success of the Company. With a view to drive the growth, the Company is focussed on decentralising its manufacturing footprint which will enable the Company to respond the demand in faster way by optimising the logistics cost.

Innovation-backed approach: The Company has been constantly innovating with flavour and varieties to appeal to different consumer groups. It is also innovating by varying the basic input of these products keeping in mind prevailing trends and preferences in the market. The Company's portfolio has transformed from selling only chips to selling over 40 flavours of Chips and extruded snacks and 23 varieties of namkeen. It currently has over 60 SKUs across its product range. Recent launches include products like Nachos, Kurves and Yum-Pie launched in multiple flavours.

Sweet Snacks: The Company has forayed into sweet snacks in FY 2018 with the launch of Yum-Pie. This is triple-layered cake with jam and chocolate targeted at children. The Company is planning a variety of sweet snacks under the brand name "Rich Feast". This segment is expected to see rapid growth in the coming years.

Healthier Chips segment: The Company has undertaken research and development to proactively gauge consumer tastes and preferences. The consumers are increasingly looking at healthier snacking options. To cater to this demand, it has launched a variety of healthy snack products like pellets made of lentils, quinoa etc. under the sub-brand "7 wonders".

LEAN MANUFACTURING ARCHITECTURE

The Company has strategically located its manufacturing facilities in Indore, Ahmedabad, Bengaluru, Guwahati, and Kolkata to support the aggressive growth planned. It has ten units with four owned facilities and six contract manufacturing facilities. The primary facility is in Indore and two other owned facilities in Guwahati, Assam. The facilities at Guwahati enjoy tax benefits. These locations at Indore and Guwahati provide benefits from reverse logistics. The estimated capacity for the owned facilities is 80,500 MTA. The contract manufacturing facilities are located in Kolkata, Bengaluru and the most recent one in Ahmedabad. These facilities are strategically located to service the different geographies effectively and also reap benefits of being located close to raw material sources.

MANUFACTURING UNITS

Location	Type	Products
Indore I	Owned	Chips, Rings & Puff, Namkeen, Chulbule
Indore II	Owned (by wholly-owned subsidiary)	Sweet Snacks such as Yum-Pie
Guwahati I	Owned	Rings & Puff, Chulbule
Guwahati II	Owned	Rings & Puff, Chulbule
Kolkata I	Shared Contract Manufacturing	Chips
Kolkata II	Shared Contract Manufacturing	Chips
Bengaluru I	Dedicated Contract Manufacturing	Rings & Puff
Bengaluru II	Shared Contract Manufacturing	Chips
Ahmedabad I	Shared Contract Manufacturing	Chips
Ahmedabad II	Shared Contract Manufacturing	Nachos

STRONG DISTRIBUTION

The Company has set up a strong distribution base with more than 235 stockists and 3,800 distributors. The distribution network covers urban, semi-urban and rural markets in the respective geography and the Company products can be found across 27 states. The Company has a very strong connect with the masses and hence has tapped the retail stores in lanes and bylanes. This is significant given that 75% of the organised snack market sales happen through independent small grocers. The total Retail touchpoints across the country stands at around 81 lakh and the Company is already present in over 17 lakh in a short span of time.

The three key core foundation pillars of achieving success in this consumer-centric business are: Taste, Affordability and Reach. Keeping this in mind, while constantly focusing on the taste quotient of its products, the Company has established fundamentally the third strong pillars of competitive advantage through its strong retail network. This business strategy has ensured the evolution of the brand with deep penetration pan-India. The Company continues to strengthen its reach in the existing markets while constantly working to make deeper inroads in the Southern and Northern regions.

Region	No. of States / UT	No. of Super Stockists
North	7	53
West	5	125
East	12	39
South	5	18

COMMITTED TO VALUE OFFERING

It is the Company's constant endeavour to improve quality and taste to suit the Indian palate across different regions. The single-focussed obsession of being innovative in taste is manifest in every aspect of the varied offerings. Further, the ability to match optimise processes and control costs ensure that the quality products are available at affordable prices and this is the cornerstone of our success. The conscious efforts to deliver different variety, quality, quantity and at affordable price points along with interesting freebies like toys for children ensures sustained brand loyalty. Overall, the strategy to always deliver value while enticing the consumers' taste buds with something refreshingly new and tasty is the core of our strength and steers the successful launch of new and more attractive offerings for consumers.

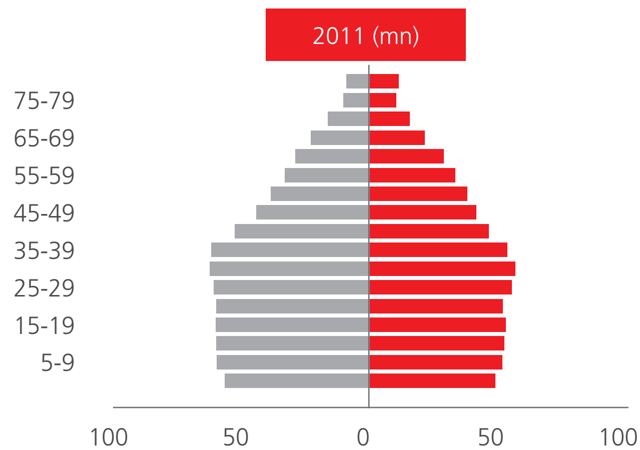
OPPORTUNITIES

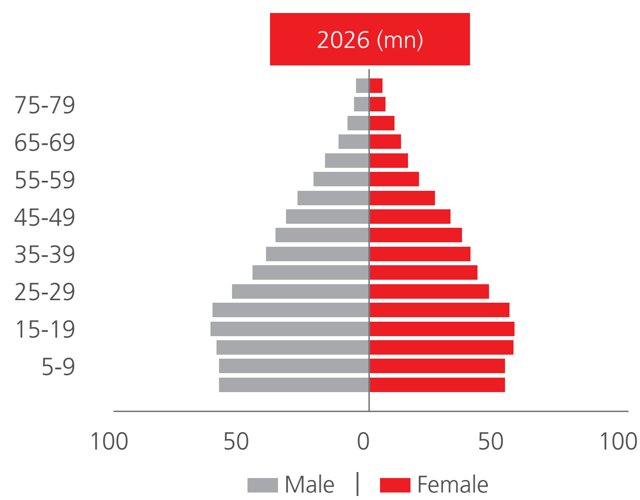
The organised snacks market has immense potential for existing players and also for medium-sized enterprises who have carved a niche for themselves with their differentiated offerings and innovative marketing strategies. Despite a foreseeable increase in competition there still exists ample growth opportunity in the space.

The Company has been constantly innovating with flavour and varieties to appeal to different consumer groups. It is also innovating by varying the basic input of these products keeping in mind prevailing trends and preferences in the market.

FAVOURABLE DEMOGRAPHIC CHANGES

The Indian consumer story is shaped by 440 mn Millennials (born in 80's 90's) and 390 mn Gen Z (born after 2000). About 64% of India's population is expected to fall in the 15-59 years group by 2026. This provides a large pool of young and working consumers. This throws open a huge opportunity for consumption driven sectors. Majority of the snacks brands are targeted at kids and the youth and a bulging target group with the willingness to spend and experiment bodes well for the industry.





Source: Census of India projections

CHANGING PERSPECTIVES AND GREATER AWARENESS

Advancements in technology and communication have reduced physical and virtual distance in the world. This has led to Indian consumers accepting practices, cuisines, habits from cultures around the world resulting in marked changes in tastes and preferences of consumers. The case of tortilla chips and nachos gaining popularity is an example of this trend. Another example of changed perspectives is the rising trend of namkeen, snacks, and confectionaries replacing traditional Indian sweets at festivals and special occasions.

Advertisements, social media and campaigns by governments have heightened awareness of consumers. Further, the spread of modern retail has also improved accessibility and variety. This has made consumers aware of their rights and more demanding in terms of variety and quality. Knowledge about nutritional information and demand for healthier snacks is on the rise. Rise of lifestyle-related diseases has led to consumers demanding products that undergo lesser processing, are less oily, with lower preservatives and are deemed healthy.

INCREASING AFFORDABILITY AND CHANGING LIFESTYLES

Rising disposable incomes, easy availability of credit, increasing per capita income and the trend of BPL and lower income progressing into middle income category, are some factors that are expected to result in India having a middle-class strength of 128 million households by 2026. The consumption pattern of the middle-class reveals that 30% of spend is on food. This will be a big factor driving consumption of packaged foods.

Increasing urbanisation and migration to urban areas for employment has led to more nuclear families. Increase in number of working women, time constraints, resource constraints and adjustment to urban way of life have led to higher dependence on processed and packaged foods. Processed foods offer convenience and hygiene. Urban India accounts for 78% of Indian snacks market.

The number of people undertaking domestic travel has increased dramatically from less than 200 million in 1997 to 1.4 billion in 2015. This is a result of a variety of factors like rising car ownership, improvements in transport, better infrastructure, improved air travel and rising disposable incomes. The number of foreign tourists and business travellers coming into the country and the international travel by Indians has also increased in a big way. With these changes, the demand for packaged snacks, rready-to-eat meals and confectionaries is on the rise. India has a variety of cuisines and Indians often prefer carrying snacks as per their tastes while they travel.

INNOVATIONS IN PRODUCT AND PACKAGING

Innovation on the product front keeping in mind the changing preferences and needs of the consumer is the way forward for companies. New product lines like baked snacks, low calorie snacks, fortified snacks, dietary supplements etc. are readily accepted in the market. Consumers are more comfortable buying packaged snacks that are backed by quality assurance. Safe packaging and communication of health benefits, ingredients, calories, etc. connect with the aware consumer. Packed sweets and snacks are considered safer as they are prepared in hygienic environment using carefully selected ingredients and where quality is sacrosanct as compared to unbranded, loose snacks which are perishable. The Company has also invested in innovating packaging that is not just attractive but ensures products are safe and retain its origin flavors and freshness.

SEVERAL REGIONS ACROSS THE COUNTRY ARE UNDERPENETRATED

The snacks market in the country is still characterised by unorganised players across segments. A large variety of traditional snacks, that are specific to regions, tastes and preferences continue to dominate this market. This allows ample scope to grab share from the unorganised market and increase organised presence. Growing awareness and preference of packaged foods, high growth rates of organised retail, investments by large food majors in the country, improved logistics and distribution are some factors that will help tap these underpenetrated markets.

CHALLENGES OR THREATS

Every industry that has a budding opportunity is faced with its set of challenges that have to be overcome to capitalise on the prevailing opportunity.

HIGH COMPETITIVE INTENSITY	RAW MATERIAL SOURCING AND AVAILABILITY	ADVERSE IMPACT ON BRAND IMAGE	NEED FOR CONTINUOUS INNOVATIONS	CONSTANT FOCUS ON QUALITY CONTROL
↓	↓	↓	↓	↓

Sustainable growth

HIGH COMPETITIVE INTENSITY

The industry is characterised by relatively lower entry barriers although distribution and brand building are the extensive and expensive task. However, the high level of competition can result in price wars, market disruption, and margin impact. This is a key threat that players in the segment have to foresee and take appropriate steps to counter.

RAW MATERIAL SOURCING AND AVAILABILITY

Company profitability is heavily dependent on effective raw material sourcing. Agriculture in India has its vagaries and is also largely traditional in nature. Effective logistics and timely availability of material is vital to the process of manufacturing as raw material and packaging costs of companies in this space typically account for 60-70% of revenues. Given the highly competitive nature of the business and price wars, sharp escalation in prices of key raw material can hamper margins and impact growth.

ADVERSE IMPACT ON BRAND IMAGE

The building of a credible brand takes a lot of investment. Especially in the food space, brands are associated with quality and safety and are very valuable assets. Any negative development or adverse news flow can hamper the brand image and result in considerable loss of value. Additionally, efforts at rebuilding the image will involve investment and extensive damage control exercises. This can impact performance in the interim.

NEED FOR CONTINUOUS INNOVATION

Product innovation and development is a crucial element to succeed in this industry. Timely introduction of new products and its variants will go a long way in gaining market share and sustaining it. Entering newer geographies and targeting new customer groups will also require product customisation as per local tastes and preferences. Thus innovation is a key element that will determine the success.

CONSTANT FOCUS ON QUALITY CONTROL

Control over quality throughout the procurement, production, and distribution process is a crucial element in the success of this business. Brands can lose all their value due to quality issues as consumers are very particular about the quality of the packaged product. Quality of raw material and effective production process also matter as the consumer is very aware in present times.

WEAKNESSES

LIMITED CONTROL OVER RAW MATERIAL SUPPLY AND PRICING

The Company procures raw material from various suppliers and does not have any contract manufacturing set up. Given the uncertain nature of agriculture and the high share of raw material costs in the business, this could impact profitability in case the crops of the key raw material like potatoes sees negative impact.

NASCENT PRESENCE IN MODERN TRADE OUTLETS AND CLASS A/B OUTLETS

Yellow Diamond is a very popular brand across the country at C, D & E class outlets. However, it is still a new entrant at modern trade and A/B class outlets. This will necessitate brand building exercises and promotional strategies to compete with the existing large and small brands in the snacks space. Additionally, the brand presence in modern trade outlets is in the nascent stage as the markets it has hitherto focussed on necessitated reliance on distributors and stockists to reach the consumer.

PRODUCT AND GEOGRAPHICAL CONCENTRATION

The Company is present in 27 states in the country, but the presence in southern markets is limited. Additionally, its presence in snacks segments unique to the southern markets is also limited. The Company is planning to tap the southern markets and spread its Yellow Diamond brand in the region. Establishing itself in a relatively newer market with its own unique set of snacks may take time and resources.

COMPANY OVERVIEW

The Company was incorporated in 2009 and commenced operations of manufacturing Potato Chips in Indore. In 2012, to consolidate the business Company took over the business of Prakash Snacks Private Limited (a group company, which has commenced manufacturing of Potato Chips in 2004) on a slump sale basis. In a short span of time, it has established "Yellow Diamond" brand as a name to reckon within the packaged snacks space. It started off as a manufacturer of chips and then expanded it to Extruded Snacks and Namkeen. This allowed the Company to offer a diversified product range to its consumers of extruded snacks, chips and namkeen.

Over the period, the Company has expanded its manufacturing footprint across the country. Currently, the Company has four owned manufacturing facilities, two each at Indore and Guwahati and six contract manufacturing facilities, two in Kolkata, two in Ahmedabad and two in Bengaluru. In FY 2018, the Company has established its presence in 27 states through over 3,800 distributors in the country. It has a wide presence across the country that is equally spread in metro cities and urban clusters as well as in rural areas and Tier 2 and 3 cities and towns. Its products are available at independent grocers and small retail stores in the lanes and by-lanes of its key markets and it is now building up its presence in supermarkets, hypermarkets and modern trade outlets.

According to the Nielsen Prataap Snacks is one of the top 5 players in the organised snack industry. It has a market share of 5.1% as of 2017 according to Nielsen reports and also became the market leader in the Rings (extruded snacks) segment. Recently, the Company has forayed into Sweet Snacks category through its wholly-owned subsidiary company, Pure N Sure Food Bites Private Limited and launched Yum-Pie under a new umbrella brand of "Rich-Feast".

FUNDRAISING THROUGH IPO

During the year, the Company tapped the capital markets with a public issue of ₹ 48,156 lakhs with an offer for sale for 30 lakh shares of face value ₹ 5 each and the Company raising ₹ 19,984 lakhs. It offered 21 lakh shares at ₹ 938 per share. The issue was a resounding success and was oversubscribed 47 times. The number of shares stands at 235 lakhs post the IPO. The proceeds from the issue will be used by the Company to repay debt, invest in capacities and brand building exercises.

FINANCIAL REVIEW

During the year under review, the Company reported full year consolidated revenues of ₹ 1,03,773 lakhs, a growth of 15.6% over FY 2017, thereby crossing the milestone of ₹ 1,00,000 lakh in revenues.

Gross margins improved to 33.9% in FY 2018 from 30.3% in FY 2017. This was largely because of an improved product mix, rationalisation of grammages and input cost management with long-term contracts. Managing cost of raw materials is a vital task to maintain gross margins. Despite issues with potato availability in part of the year the Company has managed to improve margins through proactive procurement and long-term contracts.

At the operating level, the Company posted an EBITDA growth of 106.2% over FY 2017 mainly reflecting the gross margin expansion and fall in other expenses. The EBITDA stood at ₹ 8,693 lakhs against ₹ 4,216 lakhs for FY 2017. The EBITDA margins improved to 8.4% from 4.7%.

The net profit for the year stood at ₹ 4,418 lakhs; a growth of 114.7% as a result of EBITDA growth and lower interest costs. The net margins stood at 4.3% against 2.3% in FY 2017. The EPS post dilution stood at ₹ 19.9 for the year.

The Company has announced a dividend recommended a final dividend of 20% on equity shares of ₹ 5 each of the Company (i.e. ₹ 1 per equity share)

HUMAN RESOURCES

As of March 2017, the Company has 830 full time employees in India in addition to contract manpower used at manufacturing facilities. There is no labourer or workers' union at the facilities and till date there has been no disruption of work due to labour trouble. The Company places significant emphasis on training its personnel and enhancing their skills in a bid to attract and retain good talent. It has engaged services of a consulting firm to run its operation excellence programme. It has implemented several human resource policies like anti-corruption policies, policies against sexual harassment and other policies to make the work environment favourable and conducive for productive work.

Company believes in the philosophy of collective growth of all the stakeholders including employees and therefore allowed them to become owner of the Company by way of giving shares under Employee Stock Purchase Plan (ESPP). The ESPP allowed all the permanent employees to participate in the wealth creation process and based on the eligibility criteria, a wide range of employees from the juniormost peon and driver to the seniormost Vice Presidents got the shares of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Company has constituted a Corporate and Social Responsibility committee and adopted a CSR policy pursuant to which it will carry out CSR activities. Its main aim is to lay out policies that can be followed to make CSR a key business process for sustainable development. The aim is to establish the Company image as a reliable, credible, responsible business partner by making a positive difference in society. Some indicative CSR activities can be drives to help promote education, animal welfare, reduce poverty and other debilitating conditions in society.

RISK FACTORS AND MITIGATION STRATEGIES

Risk of competition: The Company competes with many large Indian corporates and MNCs in the highly competitive organised snacks segment. Sustaining brand market shares in such markets needs substantial and sustained investment in product innovation, marketing and promotions, packaging and distribution. Players with deeper pockets and wider reach may be at an advantage as compared to medium-sized players like the Company. Additionally, given the diverse nature of tastes and preferences in the Indian context niche players may have an advantage and this will result in greater efforts to enter those markets.

The Company is looking to enhance investment in product development to ensure that it has the right product to cater to the right market. The strategy of offering lower price point SKUs (₹ 5) and offering higher grammage are effective competitive strategies to gain quick consumer acceptance. Additionally, use of contract manufacturing facilities in different parts of the country, closer to markets allows the Company flexibility that large players may not have. It has also enlisted Salman Khan as a brand ambassador for its brand to differentiate its products.

Change in preferences of customer group: The snacks segment as is the case with any consumption space is dynamic and varies with changing tastes and preferences. Different customer groups go through various fads and products go in and out of favour. This could impact revenues from specific products targeted at the relevant customer group.

The Company is looking to target multiple customer segments with its wide portfolio to even out the fluctuations in any one category. Further, the continuous focus on innovation is expected to keep appealing to the upcoming tastes of the consumers. It is also increasing its spend on advertising and entering tie-ups (Kids TV channel) to keep connecting with the consumer.

Sustaining brand name: The brand Yellow Diamond is a well-established name in the snacks space. However, any negative event related to quality of product or raw material or packaging or freebies offered with product can drastically impact the consumer perception of the brand. This could lead to significant revenue loss.

The Company is working to put in place efficient quality control systems to ensure effective control over the chain right from procurement to the end sale.

Raw material price fluctuations: Raw material costs (potatoes, edible oil) are a significant part of total costs and any disruption in either availability or pricing of the same will have a material impact on operations. Potatoes comprise a major part of raw material and crop failures in the country may impact supply of products.

The Company is working to procure material in bulk and use cold storage facilities to ensure uninterrupted supply of raw material throughout the year. It is also broadbasing its procurement areas and is now also procuring from Gujarat in addition to Madhya Pradesh. Company also targets to have forward contract whenever opportunity comes.

Disruption in manufacturing supply chain: Any disruption in contract manufacturing agreements or the distribution chain will impact the operations and profitability of the Company. Inability to manage the multiple distributors could result in stock not reaching the consumer and blocking capital.

The Company is enhancing capacity and decentralising its manufacturing and modernising its own factories. This will buffer any temporary renegotiation with third-party manufacturers. On the distribution front, the Company has entered into formal agreements with their super stockists and has committed commercial relationships with most of their stockists for over three years. It also has a dedicated sales team monitoring the stockists regularly. Going forward, the Company is also looking to increase its sale through modern retail outlets.

INTERNAL CONTROL SYSTEM

The Company has put in place adequate internal control systems to ensure safety of all the assets and authorisation, recording and correct reporting of all transactions. Regular internal audits and checks are carried out to ensure that the responsibilities are executed effectively and that the systems are adequate. Management continuously reviews the internal control systems and procedures to ensure the efficient conduct of business.

INDIAN ACCOUNTING STANDARD

The Company has adopted Indian Accounting Standards ("Ind AS") and accordingly the financial statements presented in this Annual Report comply with these new accounting standards. The date of transition to Ind AS is 01st April, 2016. The change in balance sheet items as per Ind AS has been explained in details in the Financial Statements.

CAUTIONARY STATEMENTS

Certain statements in this document may be forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties, like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Prataap Snacks Limited (PSL) will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Board's Report

To the Members,

Your Board of Directors ("Board") is pleased to present the 9th Board Report of Prataap Snacks Limited ("Prataap" or "the Company" or "your Company"), for the financial year ended March 31, 2018 ("the year under review" or "the year" or "FY18").

In compliance with the applicable provisions of Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Regulations"), this report covers the financial results and other developments during the financial year April 01, 2017 to March 31, 2018 and upto the date of the Board meeting held on August 7, 2018 to approve this report, in respect of Prataap and Prataap Consolidated comprising Prataap, its subsidiary and trust. The consolidated entity has been referred to as "Prataap Group" or "Your Group" or "the Group" in this report.

FINANCIAL HIGHLIGHTS

The Company reports a successful performance during the year. The consolidated income from operations of the Company increased to ₹ 103,772.69 Lakhs compared to ₹ 89,811.30 Lakhs in the previous year, registering a growth of 15.55%. Net profit after tax increased to ₹ 4,417.73 Lakhs from ₹ 2,057.72 Lakhs representing a growth of 114.69%. The standalone income from operations of the Company increased to ₹ 103,091.86 Lakhs compared to ₹ 89,811.30 Lakhs in the previous year, registering a growth of 14.79%. Net profit after tax increased to ₹ 4,878.25 Lakhs from ₹ 2,175.73 Lakhs representing a growth of 124.21%. The financial performance of the Company for the year is given in the table below:

(₹ in lakhs)

Particular	Consolidated		Standalone	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	103,772.69	89,811.30	103,091.86	89,811.30
Profit Before Tax	6,166.06	1485.81	6,779.50	1,627.60
Less: Provision for Tax	1,529.89	341.96	1,526.82	341.96
Less: Deferred Tax	218.44	(913.87)	374.43	(890.09)
Net Profit after tax	**4,417.73**	**2,057.72**	**4,878.25**	**2,175.73**
Other Comprehensive Income	6.78	(24.50)	5.75	(24.50)
Surplus brought forward	8,061.97	6,028.75	8,699.28	6,548.05
Surplus carried forward	**12,486.48**	**8,061.97**	**13,583.28**	**8,699.28**

There has been no change in the nature of business of the Company.

INITIAL PUBLIC OFFERING

The directors are pleased to inform that the Initial Public Offer ("the IPO") of 51,37,966 Equity Shares of face value of ₹ 5/- (Rupee Five Only) consisting of Fresh issue of 21,32,196 Equity shares and Offer for sale of 30,05,770 Equity shares by way of book building process, received an overwhelming response from the investors. The Issue was opened on September 22, 2017 and closed on September 26, 2017.The issue was oversubscribed by 47.39 times, with QIB portion getting oversubscribed by 76.89 times, non-institutional portion by 101.15 times, the retail portion by 8.48 times and the employee portion by 1.50 times.

The Equity Shares offered through the IPO was at an Issue price of ₹ 938 per Equity Share with an Employee Discount of ₹ 90/- per Equity Share to the Eligible Employees Bidding in the Employee Reservation Portion.

The trading of equity shares of the Company commenced on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on October 5, 2017.

UTILISATION OF IPO PROCEEDS

The proceeds of the funds raised through IPO by the Company are being utilized as per the Objects of the Issue. The disclosure compliance with the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter refer to as "the Listing Regulations") is as under:

Amount in ₹ lakhs

Sr. No.	Particulars	Planned utilization	Utilised upto March 31, 2018	Unutilised as at March 31, 2018	Deviation (if any)
1.	Repayment/pre-payment of borrowings	5,098.20	3,700.00	1,398.20	Nil
2.	Funding capital expenditure requirements	6,699.80	-	6,699.80	Nil
3.	Investment in subsidiary for repayment/pre-payment of borrowing	2,937.00	2,937.00	-	Nil
4.	Marketing and brand building activities	4,000.00	-	4,000.00	Nil
5.	General corporate purposes	5,025.10	3,200.00	1,825.10	Nil
	Total	**23,760.10**	**9,837.00**	**13,923.10**	

There has been no deviation in the utilization of the IPO proceeds by the Company. The unutilized IPO proceeds as on March 31, 2018, were invested in deposits with scheduled commercial banks.

DIVIDEND

Your directors are pleased to recommend a dividend at the rate of 20% i.e. ₹ 1 (One) per equity share of face value of ₹ 5 (Five).

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, top five hundred listed entities based on market capitalization are required to formulate a Dividend Distribution Policy. The Board has approved and adopted the Dividend Distribution Policy given in **"Annexure I"**, the policy is also available on the Company's Website viz. www.yellowdiamond.in.

RESERVES

For the financial year ended March 31, 2018, the Company do not propose to carry any amount to General Reserve Account, however ₹ 4878.45 Lakhs has been taken to surplus in the statement of profit and loss.

CHANGES IN SHARE CAPITAL

a) **Authorised share Capital**

During the year the authorised share capital was change from 5,00,00,000 Equity share of ₹1/- each and 15,504, 0.001% Compulsorily Convertible Preference Shares ("CCPS") of ₹100 to 3,00,00,000 Equity shares of ₹5/- each.

b) **Paid up share Capital**

Conversion of CCPS to Equity

During the year 15,504, 0.001% CCPS of ₹ 100 were converted into 69,30,240 Equity Shares of ₹ 1/- each.

Consolidation

The entire paid up capital was consolidated into 51,96,960 Equity Shares of ₹ 5/- each from 2,59,84,800 Equity shares of ₹ 1/- each.

Bonus share

During the year under review, your Company issued Bonus shares of 1,55,90,880 equity shares of ₹ 5/- to existing shareholders in the ratio of 3 new equity shares of ₹ 5/- to holder of 1 equity share of ₹ 5/-.

Private Placement

During the year Company has issued 5,33,000 equity shares of ₹ 5/- each on private placement basis to shareholders other than existing shareholders.

Initial Public Offer

During the year Company has issued 21,32,196 equity shares of ₹ 5/- each in IPO as a fresh issue.

INFORMATION AND DETAILS OF SUBSIDIARY COMPANY:

INFORMATION:

S. No	Name	Status of wholly owned Subsidiary	Date of becoming wholly owned Subsidiary	Date of ceasing as Subsidiary wholly owned
1.	Pure N Sure Food Bites Private Limited	Indian Company	January 8, 2015	NA

DETAILS:

Pursuant to sub-section (3) of section 129 of the Act, the statement containing the salient feature of the financial statement of a wholly owned subsidiary Company is given as **"Annexure II"**.

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. Further, pursuant to Indian Accounting Standard 110 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

Further all the necessary details of wholly owned subsidiary are attached herewith in form AOC 1 in **"Annexure II"**.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of the loans, guarantees and investments covered under the Section 186 of the Act, are given in the notes to the standalone financial statement of the Company.

PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the financial year, were in the ordinary course of business and on an arm's length basis.

During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' (i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements entered into individually or taken together with previous transactions during the financial year) according to the policy of the Company on materiality of Related Party Transactions. Accordingly, there are no transactions that are required to be reported in form AOC-2.

However, you may refer to Related Party transactions in Note No.40 of the Standalone Financial Statements.

MATTERS RELATED TO DIRECTORS AND KEY MANAGERIAL PERSONNEL

APPOINTMENTS

The constitution of the Board of Directors is in accordance with Section 149 of the Companies Act and Listing Regulations. Further during the year the company has not appointed any new director.

RETIRE BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Arvind Mehta (DIN: 00215183), is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment. Necessary resolution for his re-appointment is included in the Notice of AGM for seeking approval of Members. The Directors recommended his re-appointment for your approval.

A brief resume and particulars relating to him is given separately as an annexure to the AGM Notice.

KEY MANAGERIAL PERSONNEL

There were no changes in the Key Managerial Personnel during the year.

DECLARATIONS BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each independent director under Section 149 of the Companies Act, 2013 and pursuant to Regulation 25 of the Listing Regulations., that he/she meets the criteria of independence under aforesaid act and regulation.

FAMILIARIZATION PROGRAMME

The Company has conducted familiarization programme for the Independent Directors of the Company covering the matters as specified in Regulation 25(7) of the Listing Regulations. The Company has conducted the programme to familiarize them with their roles, rights and responsibility as Directors, working of your Company, nature of the industry in which your Company operates, business model etc. The details of the familiarization programme are available on the website of the Company at www.yellowdiamond.in

DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

BOARD MEETINGS

The Board of Directors met seven times during the financial year under review. The details of the Board meetings and the attendance of Directors details are provided in the Corporate Governance Report forming part of the Annual Report.

AUDIT COMMITTEE

The composition of the Audit Committee is in conformity with the provisions of the Section 177 of the Companies Act, 2013 and pursuant to Regulation 18 of the Listing Regulations. The Audit Committee comprises of:

Name of members	Category	Position
Mr. Vineet Kumar Kapila	Independent Director	Chairman
Mr. G.V. Ravishankar	Non-Executive / Non-Independent Director	Member
Mrs. Anisha Motwani	Independent Director	Member

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise. The terms of reference of the Audit Committee and the particulars of meetings held and attendance details are mentioned in the Corporate Governance Report forming part of the Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee is in conformity with the provisions of the Section 178 of the Companies Act, 2013 and pursuant to Regulation 19 of the Listing Regulations.

The Nomination and Remuneration Committee comprises:

Name of members	Category	Position
Dr. Om Prakash Manchanda	Independent Director	Chairman
Mr. Vineet Kumar Kapila	Independent Director	Member
Mr. V.T. Bharadwaj	Non-Executive / Non-Independent Director	Member

The terms of reference of the Nomination and Remuneration Committee and the particulars of meetings held and attendance detials are mentioned in the Corporate Governance Report forming part of the Annual Report.

The Company has Nomination and Remuneration Policy, which provides the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees in accordance with the provisions of Section 178 of the Companies Act, 2013. There is no change done in the policy during the financial year under review. Further the policy is available on the Company's Website viz. www.yellowdiamond.in

STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises of:

Name of members	Category	Position
Mr. Haresh Ram Chawla	Independent Director	Chairman
Mr. Vineet Kumar Kapila	Independent Director	Member
Mrs. Anisha Motwani	Independent Director	Member
Mr. Arvind Mehta	Executive Director	Member
Mr. V.T. Bharadwaj	Non-Executive / Non-Independent Director	Member

The terms of reference of the Stakeholder Relationship Committee and the particulars of meetings held and attendance details are mentioned in the Corporate Governance Report forming part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate and Social Responsibility committee in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Corporate Social Responsibility Committee comprises of:

Name of members	Category	Position
Mrs. Anisha Motwani	Independent Director	Chairperson
Mr. Haresh Ram Chawla	Independent Director	Member
Mr. Arvind Mehta	Executive Director	Member
Mr. Amit Kumat	Executive Director	Member
Mr. V.T. Bharadwaj	Non-Executive / Non-Independent Director	Member

The terms of reference of the Corporate Social Responsibility Committee and the particulars of meetings held and attendance details are mentioned in the Corporate Governance Report forming part of the Annual Report. The Committee has adopted the Corporate Social Responsibility policy ("CSR Policy") which enables company

- to undertake/promote directly or indirectly programmes that benefit the community;
- help fulfil social responsibilities;
- to provide general charities;
- maintain an eco-friendly and harmonious environment. is entrusted with the responsibility of:

The committee has not made any changes in the CSR policy during the year under review. Further the CSR Policy is available on the Company's Website viz. www.yellowdiamond.in.

The brief outline of the Company's CSR initiatives undertaken during the year under review is disclosed in "**Annexure III**" in the format as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

RISK MANAGEMENT

Pursuant to Regulation 21 of the Listing Regulations, the Board has constituted Risk Management Committee to frame, implement and monitor risk management plan of the Company. The Board has adopted the Risk Management Policy and guidelines to mitigate foreseeable risks, avoid events, situations or circumstances, which may lead to negative consequences on the Company's businesses. The major risks identified are systematically approached through mitigating actions on continual basis. Risk evaluation is an ongoing and continuous process within the Company and it is regularly updated to the Board of the Company.

The Risk Management Committee has been entrusted with the responsibility to assist the Board in overseeing and approving the Company's enterprise wide risk management framework.

The said Committee comprises of:

Name of members	Category	Position
Dr. Om Prakash Manchanda	Independent Director	Chairman
Mr. Haresh Ram Chawla	Independent Director	Member
Mr. Amit Kumat	Executive Director	Member
Mr. G.V. Ravishankar	Non-Executive / Non-Independent Director	Member

The terms of reference of the Risk Management Committee and the particulars of meetings held and attendance details are mentioned in the Corporate Governance Report forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) & Section 134(5) of the Companies Act, 2013 the board of directors of the Company confirms that:

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

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

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

d. The annual accounts have been prepared on a going concern basis;

e. proper internal financial controls to be followed by the Company were laid down and such internal financial controls are adequate and were operating effectively; and

f. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 and in accordance with Regulation 22 of the Listing Regulations, the Company had adopted 'Whistle Blower Policy' for Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud that could adversely impact your Company's operations, business performance and / or reputation.

The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. It is your Company's Policy to ensure that no employee is victimized or harassed for bringing such incidents to the attention of the Company. The practice of the Whistle Blower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The policy is also available on the website of the Company viz www.yellowdiamond.in.

The committee did not receive any complain during the year 2017-18.

ANNUAL EVALUATION OF BOARD PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of all Committees of the Board for the year under review.

The performance of the Board as a whole and of its Committees was evaluated by the Board through structured questionnaire, which was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate on parameters such as level of engagement and contribution, independence of judgments, safeguarding the interest of the Company and its minority shareholders etc. the performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors.

In terms of requirements of Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on December 13, 2017 to review:

- The performance of Non- Independent Directors (including the Chairperson);
- The performance of the Board as a whole and its Committees thereof, taking into views of Executive and Non-executive Directors: and
- To assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

Performance evaluation of the Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosures pertaining to remuneration and other details as required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the prescribed format and annexed herewith as **"Annexure IV"** to this report.

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and rule 5(2) and rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company for inspection and shall be made available to any shareholder on request.

AUDITORS AND AUDITORS' REPORT

OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

The Auditors' Report for the financial year ended March 31, 2018 does not contain any qualification, adverse remark or reservation and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

Further a certificate has also been obtained from the Auditors to the effect that the Company is in compliance with the conditions of Foreign Direct Investment for the downstream investment made by the Company in wholly owned subsidiary of the company.

SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2018

The Secretarial Audit Report, pursuant to the provisions of Section 204 read with Section 134(3) of the Companies Act, 2013, was obtained from M/s Ritesh Gupta & Co., Practicing Company Secretaries in Form MR-3 for the financial year 2017-18. The Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks. The said Report is disclosed under **"Annexure V"** and forms part to this report.

STATUTORY AUDITORS

At the Annual General Meeting held on August 7, 2014, M/s. SRBC & Co. LLP, Chartered Accountants, Mumbai, (Firm Registration No. 324982E/E300003) were appointed as statutory auditors of the Company to hold office till the conclusion of tenth Annual General Meeting to be held in the calendar year 2019. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification# at every Annual General Meeting. Accordingly, the appointment of M/s. SRBC & Co. LLP, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders. In this regard, the Company has received a certificate from the auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

 # As per notification dt. May 7, 2018 issued by Ministry of Corporate Affairs, ratification of Statutory Auditor in every Annual General Meeting will not require. As a part of previous shareholder's approval for appointment of Statutory Auditor of the Company, subject to ratification at every Annual General Meeting, Your Company incorporates ratification of Statutory Auditors as part of notice of this Annual General Meeting only.

INTERNAL AUDITORS

M/s. Grant Thornton India LLP, Chartered Accountants, Mumbai perform the duties of internal auditors of your Company and their report is reviewed by the Audit committee.

COST AUDITORS

Provisions of Section 148 of the Companies Act, 2013 read with Rules made under Companies (Cost Account and Audit) Rules, 2014 were not applicable on the Company. Hence Company has not appointed any Cost Auditor during the year.

OTHER DISCLOSURES

Other disclosures as per the provisions of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are furnished as under:

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT 9 in accordance with Section 92(3) of the Act, read with the Companies (Management and Administration) Rules, 2014, are enclosed as **"Annexure VI"** to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO:

The particulars as required to be furnished as per the provisions of Section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo are disclosed under **"Annexure VII"** which forms part of this Report.

REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS

A separate report on Corporate Governance is provided together with the Certificate from the statutory auditors confirming compliance of conditions of Corporate Governance as stipulated under the Listing Regulations. Pursuant to the provisions of Regulation 34 read with Schedule V of the Listing Regulations, a report on Management Discussion & Analysis is attached separately, which forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

The Company's sustainability initiatives as provided in the Business Responsibility Report are in line with the key principles enunciated in "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" framed by the Ministry of Corporate Affairs. Pursuant to the provisions of Regulation 34 of the Listing Regulations, the said report is attached separately, which forms part of this Annual Report.

SECRETARIAL STANDARDS COMPLIANCE

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government pursuant to Section 118 of the Companies Act, 2013.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The company has in place a policy for prevention of sexual harassment in accordance with the requirements of the Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year 2017-18, the Company received 2 complaints on sexual harassment and the same were disposed off to the satisfaction of the complainant.

GREEN INITIATIVES

The Company sends the Annual Report to its members in electronic form, whose email addresses are registered with the Company/Depository Participants(s). For members who have not registered email addresses, physical copies are sent in the permitted mode.

In case of any change in your email address, you are requested to please inform the same to your Depository (in case you hold the shares in dematerialized form) or to the Company/RTA (in case you hold the shares in physical form).

HUMAN RESOURCE

People remain the most valuable asset of your Company. Your Company follows a policy of building strong teams of talented professionals. Your Company continues to build on its capabilities in getting the right talent to support different products and geographies and is taking effective steps to retain the talent. It has built an open, transparent and meritocratic culture to nurture this asset.

Your Company recognizes people as its most valuable asset and your Company has kept a sharp focus on Employee Engagement. Your Company's Human Resource is in commensurate with the size, nature and operations of your Company. As on March 31, 2018. The Company's Industrial Relations continued to be harmonious during the period under review.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions for the same during the year under review:

1. Deposits covered under Chapter V of the Companies Act, 2013;

2. Material changes and/ or commitments that could affect the Company's financial position, which have occurred between the end of the financial year of the Company and the date of this report;

3. Significant or material orders passed by the Regulators or Courts or Tribunals, impacting the going concern status and Company's operations in future;

4. Non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;

5. Receipt of any remuneration or commission from any of its subsidiary companies by the Managing Director or the Whole-time Directors of the Company.

6. During the period under review, the Company has not bought back any of its securities/ has not issued any sweat equity shares / has not provided any Stock Option Scheme to its employees, / has not issued any equity shares with differential rights.

7. There have been no instances of fraud reported by the Statutory Auditors or Internal Auditors under Section 143(12) of the Act and Rules framed thereunder either to the Audit Committee, the Board of Directors or to the Central Government.

8. There was no revision of the previous year's financial statements during the financial year under review.

ACKNOWLEDGEMENTS AND APPRECIATION

Your Directors wish to express their grateful appreciation to the continued co-operation received from the banks, government authorities, customers, vendors and shareholders during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed service of the executives, staff and workers of the Company.

For and on behalf of the Board of Directors of
Prataap Snacks Limited

ARVIND MEHTA	**AMIT KUMAT**
Chairman and Executive Director	Managing Director and Chief Executive Officer
DIN: 00215183	DIN: 02663687

Place : Indore
Date : August 7, 2018

Dividend Distribution Policy

1. INTRODUCTION

Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") notified on July 08, 2016 provides for top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy.

As Prataap Snacks Limited ("Company") is one of the top 500 listed companies based on Market Capitalization as on March 31, 2018, the Board of Directors of the Company have adopted this policy on Dividend Distribution.

2. OBJECTIVES AND SCOPE

This Policy lays down the broad framework which will act as a guiding principle for the purpose of declaring or recommending dividend during or for any financial year, by the Company.

The policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. Through this policy, the Company shall endeavour to bring a transparent and consistent approach to its dividend pay-out plans.

The Policy, however, is not an alternative to the decision making process of the Board for recommending Dividend and the Board may take into consideration other factors as well in addition to the ones enumerated in this policy.

3. DEFINITIONS

i. **"Act"** shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.

ii. **"Applicable Laws"** shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; as amended from time to time and such other act, rules or regulations which provides for the distribution of dividend.

iii. **"Company"** shall mean Prataap Snacks Limited.

iv. **"Board"** or **"Board of Directors"** shall mean Board of Directors of the Company.

v. **"Dividend"** shall mean Dividend as defined under Companies Act, 2013.

vi. **"Policy or this Policy"** shall mean the Policy on Dividend Distribution.

vii. **"SEBI Regulations"** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

4. PARAMETERS FOR DECLARATION OF DIVIDEND

In line with the philosophy stated above, the Board of Directors shall consider the following parameters for declaration of dividend:

- **Financial Parameters**
  - Consolidated current year Net operating profit after tax
  - Working capital requirements
  - Capital expenditure requirements
  - Likelihood of crystallization of contingent liabilities, if any
  - Resources required to fund acquisition of brands/ business(es);
  - Cash flow required to meet contingencies;
  - Outstanding borrowings, including debt to equity ratios;
  - Cost of borrowings

- **Internal factors**
  - Outlook of the company in line with its business plan
  - Potential opportunities available for growth/ expansion
  - Past Dividend Trends;
  - Expectation of major shareholders;
  - Prudential requirements for cash conservation
- **External factors**
  - Prevailing legal requirements, regulatory conditions or restrictions laid down under applicable laws including tax laws;
  - Dividend Pay-out ratios of companies in similar industries
  - Economic Environment
  - Cost of raising funds from alternative sources

5. CIRCUMSTANCES UNDER WHICH SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

The Shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all expenses, depreciation, other non-cash charges etc. and complying all other statutory requirements of the Applicable Laws.

The Board shall consider the factors mentioned under Clause 4 above and before determination of any dividend pay-out, analyse the prospective opportunities and threats, viability of the option of dividend pay-out or retention etc. The Board shall not recommend dividend if they are of the opinion that it is financially not prudent to do so.

6. UTILIZATION OF RETAINED EARNING

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Expansion plan;
- Enhancement of production capacity;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- Acquisition of brands/business (es);
- Entry into Joint Ventures;
- Where the cost of debt is expensive;
- Such other criteria as the Board may deem fit from time to time.

7. PROVISION WITH REGARD TO VARIOUS CLASS OF SHARES

The holders of the equity shares of the Company, as on the record date, are entitled to receive dividends. Since the Company has issued only one class of equity shares with equal voting rights, all the members of the Company shall be entitled to receive the same amount of dividend per share. The policy shall be suitably revisited at the time of issuance of any new class of shares depending upon the nature and guidelines prevailing thereon.

8. AMENDMENT(S)

- The Board of Directors may review or amend this policy, in whole or in part, from time to time, as it may deem fit.
- In case of any amendment(s) issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s) shall be treated as part of this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s).
- In case of any clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then this Policy shall be read along with such clarification(s), circular(s) so issued, from the effective date as laid down under such clarification(s), circular(s) etc.

9. DISCLOSURE

The Company shall disclose this policy in its Annual Report & website.

ANNEXURE II

Statement Containing Salient Features of the Financial Statement of Subsidiaries/Associate Companies/Joint Ventures

FORM AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

PART "A": WHOLLY OWNED SUBSIDIARY

Amount in ₹ lakhs

Sr. No.	Particulars	Details
1.	Name of the wholly owned subsidiary	Pure N Sure Food Bites Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of the Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiary	NA
4.	Share capital	93.00
5.	Reserves & surplus	2,621.25
6.	Total assets	6,029.13
7.	Total Liabilities	3,314.88*
8.	Investments	Nil
9.	Turnover	680.82
10.	Profit(Loss) before taxation	(453.46)
11.	Provision for taxation	(155.58)
12.	Profit(loss) after taxation	(297.88)
13.	Proposed Dividend	Nil
14.	% of shareholding	100%**

** Total Liabilities excluding of share capital and Reserves & Surplus*

*** 1(One) share held by Mr. Arvind Mehta as a Nominee Shareholder on behalf of the Company.*

Names of the subsidiary which are yet to commence operations – NIL

Names of subsidiary which have been liquidated or sold during the year – NIL

For and on behalf of the Board of Directors of
Prataap Snacks Limited

ARVIND MEHTA
Chairman and
Executive Director
DIN: 00215183

AMIT KUMAT
Managing Director and
Chief Executive Officer
DIN: 02663687

SUMIT SHARMA
Chief Financial Officer

RISHABH KUMAR JAIN
Company Secretary

Place : Indore
Date : August 7, 2018

ANNEXURE III

Report on CSR Activities

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

1. **Brief Outline of Company's CSR Policy and a web-link to CSR Policy on Company's website**

   Corporate Social Responsibility (CSR) forms an important part of the Prataap's overall philosophy of giving back to the society. The Company is committed to bring about positive changes in the environment it operates. The guiding principles of the Company's CSR policy provide the businesses of the Company various means of achieving social integration.

   The focus areas of our CSR initiatives are supporting animal welfare, orphanage for children, rehabilitation center for socially and economically backward groups, medical facilities for economically backward groups. The CSR Policy is available on the Company's website. The web link of the same is http://www.yellowdiamond.in/investor-relations.

2. **The composition of the CSR Committee**

Name of members	Category	Position
Mrs. Anisha Motwani	Independent Director	Chairperson
Mr. Haresh Ram Chawla	Independent Director	Member
Mr. Arvind Mehta	Executive Director	Member
Mr. Amit Kumat	Executive Director	Member
Mr. V.T. Bharadwaj	Non-Executive / Non-Independent Director	Member

3. **Average Net Profit of the Company for last three financial years:** ₹ 2,144.67/- Lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as per item 3 above):** ₹ 42.89/- Lakhs

5. **Details of CSR spent during the financial year:**

   a. Total amount spent during the financial year: ₹ 43.08 Lakhs

   b. Amount unspent if any : Nil

   c. Manner in which the amount spent during the financial year is detailed below:

Amount in ₹ lakhs

Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Donation to welfare of Animal	Animal welfare	Indore, Madhya Pradesh	3.72	3.72	3.72	Directly
2.	Donation for welfare of orphans	Welfare of orphans	Indore, Madhya Pradesh	2.50	2.50	6.22	Directly
3.	Donation to Hospital	Promoting health care	Indore, Madhya Pradesh	4.50	4.50	10.72	Directly
4.	Donation to Hospital	Promoting health care	Indore, Madhya Pradesh	12.36	12.36	23.08	Directly
5.	Donation for welfare of disable person	Welfare of disable person	Indore, Madhya Pradesh	4.00	4.00	27.08	Directly

Amount in ₹ lakhs

Sr. No.	CSR project or activity identified.	Sector in which the Project is covered.	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
6.	Donation for Socially and economically backward groups	Measure for socially and economically backward groups	Indore, Madhya Pradesh	13.00	13.00	40.08	Directly
7.	Donation for Socially and economically backward groups	Measure for socially and economically backward groups	Indore, Madhya Pradesh	3.00	3.00	43.08	Directly

6. **In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report :** Not Applicable

   We hereby state that implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of Directors of
Prataap Snacks Limited

ARVIND MEHTA
Chairman and
Executive Director
DIN: 00215183

AMIT KUMAT
Managing Director and
Chief Executive Officer
DIN: 02663687

Place : Indore
Date : August 7, 2018

ANNEXURE IV

Information Required Under Section 197 of the Companies Act, 2013 Read With Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Ratio of Remuneration of each Director to the median remuneration of all the employees of the Company for the financial year 2017-18 is as follows.

Name of Director	Remuneration (₹ in lakhs)	Sitting Fees (₹ in lakhs)	Ratio of remuneration of Director to the Median remuneration
Mr. Arvind Mehta	56.25	-	26.29
Mr. Amit Kumat	56.25	-	26.29
Dr. Om Prakash Manchanda	-	7.50	3.50
Mrs. Anisha Motwani	-	8.20	3.83
Mr. Vineet Kapila	-	3.80	1.78
Mr. Haresh Ram Chawala	-	7.40	3.46

Notes:

a. Remuneration comprises salary, allowances, Company's contribution to provident fund and taxable value of perquisites.

b. During the year under review no remuneration has been paid to the Non-Executive / Non-Independent Directors Mr. G.V. Ravishankar and Mr. V.T. Bharadwaj.

c. The median remuneration of the Company for all its employees is ₹ 2.14 lakhs for the financial year 2017-18. For calculation of median remuneration, the employee count taken is 902 which comprises employees who have served in the financial year 2017-18.

d. The percentage increase in the median remuneration of employees in the financial year 2017-18 was 15.78%.

e. Average percentage increase made in the salaries of Employees other than the managerial personnel in the financial year was 14.37% whereas the increase in the managerial remuneration for executive directors was 12.50%. The increases in remuneration are as per the policy of the Company.

2. Details of percentage increase in the remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year 2017-18 are as follows:

Name of Director	Designation	Gross Remuneration (₹ in lakhs)		Increase / (Decrease) %
		2016-17	2017-18	
Mr. Arvind Mehta	Chairman and Executive Director	50.00	56.25	12.50
Mr. Amit Kumat	Managing Director and Chie Executive Officer	50.00	56.25	12.50
Dr. Om Prakash Manchanda	Independent Director	2.70	7.50	177.78
Mrs. Anisha Motwani	Independent Director	5.00	8.20	64.00
Mr. Vineet Kapila	Independent Director	4.80	3.80	-20.83
Mr. Haresh Ram Chawala	Independent Director	3.10	7.40	138.71
Mr. Sumit Sharma	Chief Financial Officer	29.72	30.52	2.69
Mr. Rishabh Kumar Jain	Company secretary and Compliance Officer	4.13	7.90	91.28

Notes:

a. No remuneration has been paid to the Non – Executive / Non-Independent Directors Mr. G.V. Ravishankar and Mr. V.T. Bharadwaj in financial year 2016-17 and 2017-18.

b. The independent directors were eligible for sitting fees in the financial year 2016-17 and 2017-18, which was based on the number of board and its committee meeting attended.

c. The number of permanent employees on the rolls of Company as on March 31, 2018 was 830.

d. The remuneration is as per the Nomination and Remuneration Policy of the Company.

e. Mr. Rishabh kumar Jain has been Appointed as the Company Secretary and Compliance officer w.e.f. September 13, 2016.

3. Statement of particulars of employees pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2018

Mr. Subhashis Basu, Chief Operating Officer, Bachelor's degree in science (economics), 26 years of experience, ₹ 103.69 lakhs, May 01, 2017, 50, Business head (dairy products), Mother Dairy Fruit and Vegetables Private Limited.

Notes

a. Gross remuneration shown above is subject to tax and comprises leave encashment, provident fund.

b. Appointments is contractual in nature.

c. The employee mentioned above is not related to any Director of the Company.

d. The employee mentioned above did not receive remuneration which in the aggregate is in excess of that drawn by the Whole-Time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

ANNEXURE V

Secretarial Auditor Report

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

For The Financial Year Ended March 31, 2018

To,
The Members,
M/S. Prataap Snacks Limited
Khasra No 378/2, Nemawar Road,
Near Makrand House,
Indore MP 452020 IN

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PRATAAP SNACKS LIMITED** having **CIN: L15311MP2009PLC021746** (hereinafter called 'The Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

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

(ii) The Securities Contract (Regulations) Act, 1956 (SCRA) and the rules framed there under;

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-

a. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

e. The Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

(vi) Other laws applicable specifically to the Company (as given in 'Annexure-I' to the Report).

I have also examined compliances with the applicable clause of the following:-

a. Secretarial Standards issued by The Institute of Company Secretaries of India were applicable during the year.

b. The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

I report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

1. The following provisions, regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company during the financial year under report :-

   a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and

c) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998.

I further report that based on the information, representation and reports provided by the Company, its Board of Directors, its designated Officers and authorized representatives during the conduct of audit and also review on quarterly compliance report submitted by the department heads and taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable Laws, Rules and Regulations and happening of events etc. to the Company.

I further report that the compliances of applicable financial, cost and tax laws has not been reviewed in this audit since the same have been subject to review by statutory financial auditor and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors during the period under review.

Adequate notice, agenda and detailed notes on agenda of Board Meetings were sent to all directors and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of directors or committees of the Board, as the case may be.

I further report that during the audit period the company has:-

- The company has converted 1,15,504 (One Lakh Fifteen Thousand Five Hundred and Four) 0.001% Compulsory Convertible Preference Shares of ₹ 100 (Rupees Hundred) each into 69,30,240 (Sixty Nine Lakh Thirty Thousand Two Hundred Forty)equity shares of ₹ 1 (One) each dated May 26, 2017.
- The Company has increased its Authorised share capital from ₹ 6,15,60,000 (Rupees Six Crore Fifteen Lakh Sixty Thousand) divided into 5,00,00,000 (Five Crore) equity shares of ₹ 1 (Rupees One) each and 1,15,600 (One Lakh Fifteen Thousand Six Hundred) Compulsory Convertible Preference Shares of ₹ 100 (Rupees Hundred) each to ₹ 150,000,000 (Rupees Fifteen Crore) divided into 30,000,000 (Three Crore) equity shares of ₹ 5 (Rupees Five) each.
- The Company has allotted 1,55,90,880 (One Crore Fifty Five Lakh Ninety Thousand Eight Hundred Eighty) Equity Shares as Bonus Shares in proportion of 3 (Three) new equity share for every 1 (One) equity share to the Existing Equity Shareholders of the Company dated June 16, 2017.
- The Company has raised ₹ 50,00,00,000 (Rupees Fifty Crore) by way of issue of 5,33,000 (Five Lakh Thirty Three Thousand) Equity Shares under Private Placement dated August 25, 2017.
- Made Initial Public offer of 51,37,966 (Fifty One Lakh Thirty Seven Thousand Nine Hundred Sixty Six) equity Shares aggregating up to ₹ 481.94 Crore with fresh issue of 21,32,196 (Twenty One Lakh Thirty Two Thousand One Hundred Ninety Six) Equity Share and Offer For Sale of 30,05,770 (Thirty Lakh Five Thousand Seven Hundred Seventy) Equity Shares dated September 30, 2017.

For Ritesh Gupta & Co.
Company Secretaries

Date: August 7, 2018
Place: Indore

RITESH GUPTA
CP: 3764, FCS: 5200

ANNEXURE I

Important Laws Applicable Specifically to the Company

The Company has complied with the following laws and legislations applicable specifically to the Company.

1) Factories Act, 1948;
2) Food Safety And Standards Authority of India Act, 2006;
3) The Trademarks Act, 1999
4) Legal Metrology Act, 2009

For **Ritesh Gupta & Co.**
Company Secretaries

Date: August 7, 2018
Place: Indore

RITESH GUPTA
CP: 3764, FCS: 5200

ANNEXURE A

Annexure A to the Secretarial Audit Report

To,
The Members,
Prataap Snacks Limited

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

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

2. I have followed the audit practice and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for our opinion.

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

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happenings of events etc.

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

6. The Secretarial Audit report is neither an assurance as to the future liability of the Company nor of the efficiency of effectiveness with which the management has conducted the affairs of the Company.

For Ritesh Gupta & Co.
Company Secretaries

Date: August 7, 2018
Place: Indore

RITESH GUPTA
CP: 3764, FCS: 5200

ANNEXURE VI

Form No. MGT - 9

Extract of Annual Return as on Financial Year Ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L15311MP2009PLC021746
Registration Date	March 23, 2009
Name of the Company	PRATAAP SNACKS LIMITED (Formerly known as Prataap Snacks Private Limited)
Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
Address of the Registered office and contact details	Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist. Indore – 452020 (M.P.)
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Finance District, Nanakramguda, Hyderabad - 500 032, India

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Business of manufacture, producer, processor, stockiest of and dealers in processed foods, vegetables, fruits including potato snacks.	1030	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the company	CIN / GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	Pure N Sure Food Bites Private Limited Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist. Indore – 452020 (M.P.) India	U15440MP2011PTC027377	Wholly-Owned Subsidiary	100%	Section 2(87) of the Companies Act 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I. CATEGORY-WISE SHARE HOLDING

	Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoter**									
1)	**Indian**									
a)	Individual/ HUF	82,86,240	-	82,86,240	43.49	54,04,047	-	54,04,047	23.04	(20.45)
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp	-	-	-	-	-	-	-	-	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total(A)(1):	**82,86,240**	**-**	**82,86,240**	**43.49**	**54,04,047**	**-**	**54,04,047**	**23.04**	**(20.45)**
2)	**Foreign**									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.*	-	-	-	-	83,93,451	-	83,93,451	35.79	35.79
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A)(2):	**-**	**-**	**-**	**-**	**83,93,451**	**-**	**83,93,451**	**35.79**	**35.79**
	Total Shareholder of Promoter (A) = (A)(1)+(A)(2)	**82,86,240**	**-**	**82,86,240**	**43.49**	**1,37,97,498**	**-**	**1,37,97,498**	**58.83**	**15.34**
B.	**Public Shareholding**									
1.	Institutions									
a)	Mutual Funds	-	-	-	-	21,63,079	-	21,63,079	9.22	9.22
b)	Banks / FI	-	-	-	-	627	-	627	0.01	0.01
c)	Central /State Govt	-	-	-	-	-	-	-	-	-
d)	Venture Capital Fund	-	-	-	-	-	-	-	-	-
e)	Insurance Companies	-	-	-	-	-	-	-	-	-
f)	FIIs/Foreign Portfolio Investor	-	-	-	-	19,32,984	-	19,32,984	8.24	8.24
g)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
h)	Others -									
	Alternative investment Fund	-	-	-	-	8,33,212	-	8,33,212	3.55	3.55
	Sub-total (B)(1)	**-**	**-**	**-**	**-**	**49,29,902**	**-**	**49,29,902**	**21.02**	**21.02**
2.	**Non Institutions**									
a)	Bodies Corporates									
	(i) Indian	-	-	-	-	2,71,998	-	2,71,998	1.16	1.16
	(ii) Overseas	1,02,43,020	-	1,02,43,020	53.75	33,81,570	-	33,81,570	14.42	(39.33)
b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,05,720	4,19,580	5,25,300	2.76	6,67,417	9,181	6,76,598	2.88	0.12
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	3,34,399	-	3,34,399	1.43	1.43

Category of Shareholders		No. of Shares held at the beginning of the year (As on April 01, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	**Others (Specify)**									
	Clearing Member	-	-	-	-	8,708	-	8,708	0.04	0.04
	Trust	-	-	-	-	547	-	547	0.00	0.00
	NBFC	-	-	-	-	30,580	-	30,580	0.13	0.13
	HUF	-	-	-	-	21,236	-	21,236	0.09	0.09
	Sub-total (B)(2)	**1,03,48,740**	**4,19,580**	**1,07,68,320**	**56.51**	**47,16,455**	**9,181**	**47,25,636**	**20.15**	**(36.36)**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**1,03,48,740**	**4,19,580**	**1,07,68,320**	**56.51**	**96,46,357**	**9,181**	**96,55,538**	**41.17**	**(15.34)**
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**1,86,34,980**	**4,19,580**	**1,90,54,560**	**100.00**	**2,34,43,855**	**9,181**	**2,34,53,036**	**100.00**	-

*SCI Growth Investment II has been classified as promoter in financial year 2017-18, pursuant to named as promoter in prospectus.

II. SHAREHOLDING OF PROMOTERS

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on April 01, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Rajesh Mehta	13,04,220	6.84	-	6,81,456	2.91	-	(3.94)
2.	Mr. Naveen Mehta	13,04,220	6.84	-	9,04,176	3.86	-	(2.99)
3.	Mr. Arvind Mehta	9,29,280	4.88	-	5,59,684	2.39	-	(2.49)
4.	Mr. Arun Mehta	8,88,720	4.66	-	5,71,776	2.44	-	(2.23)
5.	Mrs. Kanta Mehta	3,75,000	1.97	-	2,33,180	0.99	-	(0.97)
6.	Mrs. Rita Mehta	4,08,000	2.14	-	3,26,400	1.39	-	(0.75)
7.	Mrs. Premlata Kumat	7,96,320	4.18	-	5,59,106	2.38	-	(1.80)
8.	Mrs. Swati Bapna	2,83,080	1.49	-	2,04,209	0.87	-	(0.61)
9.	Mr. Aporva Kumat	8,31,240	4.36	-	5,48,062	2.34	-	(2.03)
10.	Mr. Amit Kumat	8,66,160	4.55	-	5,75,998	2.46	-	(2.09)
11.	Mrs. Sandhya Kumat	1,62,000	0.85	-	1,29,600	0.55	-	(0.30)
12.	Mrs. Rakhi Kumat	1,38,000	0.72	-	1,10,400	0.47	-	(0.25)
13.	SCI Growth Investment II*	63,45,480	33.33	-	83,93,451	35.79	-	35.79
	Total	**1,46,31,720**	**76.79**	**-**	**1,37,97,498**	**58.83**		**15.34**

* SCI Growth Investment II has been classified as promoter in financial year 2017-18, pursuant to named as promoter in prospectus.

III. CHANGE IN PROMOTERS' SHAREHOLDING AS ON MARCH 31, 2018 (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sr. No.	Name of the Promoter	Shares at the beginning of the year (01.04.2017)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Rajesh Mehta	13,04,220	6.84	03-Jun-17	(10,43,376)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	2,60,844	5.02
				16-Jun-17	7,82,532	Bonus issue	10,43,376	5.02
				30-Sep-17	(3,61,920)	Sale	6,81,456	2.91
	At the end of the year (31.03.2018)						**6,81,456**	**2.91**
2	Mr. Naveen Mehta	13,04,220	6.84	03-Jun-17	(10,43,376)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	2,60,844	5.02
				16-Jun-17	7,82,532	Bonus issue	10,43,376	5.02
				30-Sep-17	(1,39,200)	Sale	9,04,176	3.86
	At the end of the year (31.03.2018)						**9,04,176**	**3.86**
3	Mr. Arvind Mehta	9,29,280	4.88	03-Jun-17	(7,43,424)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,85,856	3.58
				16-Jun-17	5,57,568	Bonus issue	7,43,424	3.58
				30-Sep-17	(1,83,740)	Sale	5,59,684	2.39
	At the end of the year (31.03.2018)						**5,59,684**	**2.39**
4	Mr. Arun Mehta	8,88,720	4.66	03-Jun-17	(7,10,976)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,77,744	3.42
				16-Jun-17	5,33,232	Bonus issue	7,10,976	3.42
				30-Sep-17	(1,39,200)	Sale	5,71,776	2.44
	At the end of the year (31.03.2018)						**5,71,776**	**2.44**
5	Mrs. Kanta Mehta	3,75,000	1.97	03-Jun-17	(3,00,000)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	75,000	1.44
				16-Jun-17	2,25,000	Bonus issue	3,00,000	1.44
				30-Sep-17	(66,820)	Sale	2,33,180	0.99
	At the end of the year (31.03.2018)						**2,33,180**	**0.99**
6	Mrs. Rita Mehta	4,08,000	2.14	03-Jun-17	(3,26,400)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	81,600	1.57
				16-Jun-17	2,44,800	Bonus issue	3,26,400	1.57
	At the end of the year (31.03.2018)						**3,26,400**	**1.39**
7	Mrs. Premlata Kumat	7,96,320	4.18	03-Jun-17	(6,37,056)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,59,264	3.06
				16-Jun-17	4,77,792	Bonus issue	6,37,056	3.06
				30-Sep-17	(77,950)	Sale	5,59,106	2.38
	At the end of the year (31.03.2018)						**5,59,106**	**2.38**

Sr. No.	Name of the Promoter	Shares at the beginning of the year (01.04.2017) No. of shares	% of total shares of the Company	Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) No. of shares	% of total shares of the Company
8	Mrs. Swati Bapna	2,83,080	1.49	03-Jun-17	(2,26,464)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	56,616	1.09
				16-Jun-17	1,69,848	Bonus issue	2,26,464	1.09
				30-Sep-17	(22,255)	Sale	2,04,209	0.87
	At the end of the year (31.03.2018)						**2,04,209**	**0.87**
9	Mr. Apoorva Kumat	8,31,240	4.36	03-Jun-17	(6,64,992)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,66,248	3.20
				16-Jun-17	4,98,744	Bonus issue	6,64,992	3.20
				30-Sep-17	(1,16,930)	Sale	5,48,062	2.34
	At the end of the year (31.03.2018)						**5,48,062**	**2.34**
10	Mr. Amit Kumat	8,66,160	4.55	03-Jun-17	(6,92,928)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,73,232	3.33
				16-Jun-17	5,19,696	Bonus issue	6,92,928	3.33
				30-Sep-17	(1,16,930)	Sale	5,75,998	2.46
	At the end of the year (31.03.2018)						**5,75,998**	**2.46**
11	Mrs. Sandhya Kumat	1,62,000	0.85	03-Jun-17	(1,29,600)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	32,400	0.62
				16-Jun-17	97,200	Bonus issue	1,29,600	0.62
	At the end of the year (31.03.2018)						**1,29,600**	**0.55**
12	Mrs. Rakhi Kumat	1,38,000	0.72	03-Jun-17	(1,10,400)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	27,600	0.53
				16-Jun-17	82,800	Bonus issue	1,10,400	0.53
	At the end of the year (31.03.2018)						**1,10,400**	**0.47**
13	SCI Growth Investment II	63,45,480	33.30	26-May-17	57,92,700	Conversion of CCPS	1,21,38,180	46.71
				03-Jun-17	(97,10,544)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	24,27,636	46.71
				16-Jun-17	72,82,908	Bonus issue	97,10,544	46.71
				30-Sep-17	(13,17,093)	Sale	83,93,451	35.79
	At the end of the year (31.03.2018)						**83,93,451**	**35.79**

Note:

1. SCI Growth Investment II has been classified as promoter in financial year 2017-18, pursuant to named as promoter in the prospectus.
2. Please refer Change in Share Capital section in Board Report for Changes done in share capital.

IV. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):

Sr. No.	Name of the Promoter	Shares at the beginning of the year (01.04.2017)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Sequoia Capital GFIV Mauritius Investments	31,36,020	16.46	26-May-17	2,68,800	Conversion of CCPS	34,04,820	13.10
				03-Jun-17	(27,23,856)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	6,80,964	13.10
				16-Jun-17	20,42,892	Bonus issue	27,23,856	13.10
				30-Sep-17	(3,69,451)	Sale	23,54,405	10.04
	At the end of the year (31.03.2018)						**23,54,405**	**10.04**
2	SBI Mutual Fund	-	-	30-Sep-17	2,06,023	AllotmentinIPO	2,06,023	0.88
				06-Oct-17	24,071	Purchase	2,30,094	0.98
				13-Oct-17	11,06,317	Purchase	13,36,411	5.70
				17-Nov-17	55,400	Purchase	13,91,811	5.93
				24-Nov-17	13,088	Purchase	14,04,899	5.99
				15-Dec-17	1,000	Purchase	14,05,899	5.99
	At the end of the year (31.03.2018)						**14,05,899**	**5.99**
3	Malabar India Fund Limited	-	-	25-Aug-17	4,26,439	Allotment as Preferential allotment	4,26,439	2.00
				06-Oct-17	28,792	Purchase	4,55,231	1.94
				13-Oct-17	33,689	Purchase	4,88,920	2.08
				27-Oct-17	26,491	Purchase	5,15,411	2.20
				31-Oct-17	10,224	Purchase	5,25,635	2.24
				03-Nov-17	2,01,667	Purchase	7,27,302	3.10
				10-Nov-17	27,929	Purchase	7,55,231	3.22
				17-Nov-17	65,231	Purchase	8,20,462	3.50
				24-Nov-17	9,066	Purchase	8,29,528	3.54
				01-Dec-17	9,349	Purchase	8,38,877	3.58
				26-Jan-18	1,809	Purchase	8,40,686	3.58
				02-Feb-18	15,974	Purchase	8,56,660	3.65
				09-Feb-18	42,092	Purchase	8,98,752	3.83
				16-Feb-18	3,204	Purchase	9,01,956	3.85
				23-Feb-18	46,214	Purchase	9,48,170	4.04
				02-Mar-18	7,424	Purchase	9,55,594	4.07
				09-Mar-18	4,213	Purchase	9,59,807	4.09
				16-Mar-18	36,079	Purchase	9,95,886	4.25
	At the end of the year (31.03.2018)						**9,95,886**	**4.25**
4	Smallcap World Fund, Inc	-	-	30-Sep-17	2,75,775	Allotment in IPO	2,75,775	1.18
				13-Oct-17	5,10,525	Purchase	7,86,300	3.35
	At the end of the year (31.03.2018)						**7,86,300**	**3.35**

Sr. No.	Name of the Promoter	Shares at the beginning of the year (01.04.2017) No. of shares	Shares at the beginning of the year (01.04.2017) % of total shares of the Company	Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) No. of shares	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018) % of total shares of the Company
5	Sequoia Capital India Growth Investment Holdings I	-	-	26-May-17	8,68,740	Conversion of CCPS	8,68,740	3.34
				03-Jun-17	(6,94,992)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,73,748	3.34
				16-Jun-17	5,21,244	Bonus issue	6,94,992	3.34
				30-Sep-17	(94,266)	Sale	6,00,726	2.56
	At the end of the year (31.03.2018)						**6,00,726**	**2.56**
6	Faering Capital India Evolving Fund II	7,61,520	4.00	03-Jun-17	(6,09,216)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,52,304	2.93
				16-Jun-17	4,56,912	Bonus issue	6,09,216	2.93
				16-Jun-17	(1,28,265)	Sales	4,80,951	2.31
	At the end of the year (31.03.2018)						**4,80,951**	**2.05**
7	BNP Paribas Mutual Fund	-	-	30-Sep-17	18,555	Allotment in IPO	18,555	0.08
				13-Oct-17	3,41,665	Purchase	3,60,220	1.54
				20-Oct-17	5,000	Purchase	3,65,220	1.56
				27-Oct-17	(7,000)	Sale	3,58,220	1.53
				31-Oct-17	5,000	Purchase	3,63,220	1.55
				01-Dec-17	3,000	Purchase	3,66,220	1.56
				08-Dec-17	9,000	Purchase	3,75,220	1.60
				29-Dec-17	2,000	Purchase	3,77,220	1.61
				12-Jan-18	3,000	Purchase	3,80,220	1.62
				19-Jan-18	2,000	Purchase	3,82,220	1.63
				26-Jan-18	5,000	Purchase	3,87,220	1.65
				09-Mar-18	(25,150)	Sale	3,62,070	1.54
				16-Mar-18	(9,850)	Sale	3,52,220	1.50
				23-Mar-18	(4,760)	Sale	3,47,460	1.48
				30-Mar-18	(7,240)	Sale	3,40,220	1.45
	At the end of the year (31.03.2018)						**3,40,220**	**1.45**
8	Kotak Mahindra Mutal Fund	-	-	30-Sep-17	89,255	Allotment in IPO	89,255	0.38
				06-Oct-17	(252)	Sales	89,003	0.42
				13-Oct-17	17,325	Purchase	1,06,328	0.50
				27-Oct-17	14,783	Purchase	1,21,111	0.57
				31-Oct-17	2,782	Purchase	1,23,893	0.58
				03-Nov-17	18,415	Purchase	1,42,308	0.67
				10-Nov-17	6,171	Purchase	1,48,479	0.70
				24-Nov-17	10,879	Purchase	1,59,358	0.75
				08-Dec-17	20,701	Purchase	1,80,059	0.84
				15-Dec-17	(14,779)	Sales	1,65,280	0.78
				22-Dec-17	(6,669)	Sales	1,58,611	0.74
				29-Dec-17	(261)	Sales	1,58,350	0.74
				02-Feb-18	86	Purchase	1,58,436	0.74
				16-Feb-18	10,000	Purchase	1,68,436	0.79
				23-Feb-18	6,843	Purchase	1,75,279	0.82
				02-Mar-18	20,038	Purchase	1,95,317	0.92
				09-Mar-18	45,000	Purchase	2,40,317	1.13
				16-Mar-18	15,000	Purchase	2,55,317	1.20
				23-Mar-18	2,164	Purchase	2,57,481	1.21
	At the end of the year (31.03.2018)						**2,57,481**	**1.10**

Sr. No.	Name of the Promoter	Shares at the beginning of the year (01.04.2017)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
9	Parvest Equity India	-	-	13-Oct-17	2,13,000	Purchase	2,13,000	1.00
				22-Dec-17	20,016	Purchase	2,33,016	1.09
	At the end of the year (31.03.2018)						**2,33,016**	**0.99**
10	Malabar Value Fund	-	-	25-Aug-17	1,06,561	Allotment as Preferential allotment	1,06,561	0.50
				06-Oct-17	4,699	Purchase	1,11,260	0.52
				13-Oct-17	8,373	Purchase	1,19,633	0.56
				27-Oct-17	7,868	Purchase	1,27,501	0.60
				31-Oct-17	2,501	Purchase	1,30,002	0.61
				03-Nov-17	41,258	Purchase	1,71,260	0.80
				10-Nov-17	16,000	Purchase	1,87,260	0.88
				17-Nov-17	4,000	Purchase	1,91,260	0.90
	At the end of the year (31.03.2018)						**1,91,260**	**0.82**

Notes:

1. Paid up Share Capital of the Company (Face Value ₹ 5) at the end of the year is 2,34,53,036 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up share capital of the Company at the time of change in capital of the Company

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name of the Promoter	Shares at the beginning of the year (01.04.2017)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
Directors								
1	Mr. Arvind Mehta (Chairman and Executive Director)	9,29,280	4.88	03-Jun-17	(7,43,424)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,85,856	3.58
				16-Jun-17	5,57,568	Bonus issue	7,43,424	3.58
				30-Sep-17	(1,83,740)	Sale	5,59,684	2.39
	At the end of the year (31.03.2018)						**5,59,684**	**2.39**
2	Mr.Amit Kumat (Managing Director and Chief Executive Officer)	8,66,160	4.55	03-Jun-17	(6,92,928)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	1,73,232	3.33
				16-Jun-17	5,19,696	Bonus issue	6,92,928	3.33
				30-Sep-17	(1,16,930)	Sale	5,75,998	2.46
	At the end of the year (31.03.2018)						**5,75,998**	**2.46**
3	Mr. G.V. Ravishankar (Non – Executive / Non – Independent Director)	-	-	-	-	Nil Holding	-	-
	At the end of the year (31.03.2018)						**-**	**-**

Sr. No.	Name of the Promoter	Shares at the beginning of the year (01.04.2017)		Date	Increase / (Decrease) in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
4	Mr. V. T. Bharadwaj (Non-Executive / Non-Independent Director)	-	-	-	-	Nil Holding	-	-
	At the end of the year (31.03.2018)						**-**	**-**
5	Mr. Vineet Kumar Kapila (Independent Director)	-	-	-	-	Nil Holding	-	-
	At the end of the year (31.03.2018)						**-**	**-**
6	Mr. Haresh Ram Chawala (Independent Director)	-	-	-	-	Nil Holding	-	-
	At the end of the year (31.03.2018)						**-**	**-**
7	Mrs. Anisha Motwani (Independent Director)	-	-	-	-	Nil Holding	-	-
	At the end of the year (31.03.2018)						**-**	**-**
8	Dr. Om Prakash Manchanda (Independent Director)	-	-	-	-	Nil Holding	-	-
	At the end of the year (31.03.2018)						**-**	**-**
Key Managerial Personnel								
1	Mr.Sumit Sharma (Chief Financial Officer)	1,05,720	0.55	03-Jun-17	(84,576)	Consolidation of every five equity shares of face value of ₹ 1 each into one Equity Share of face value of ₹ 5 each	21,144	0.41
				16-Jun-17	63,432	Bonus issue	84,576	0.41
				30-Sep-17	585	Allotment in IPO	85,161	0.36
	At the end of the year (31.03.2018)						**85,161**	**0.36**
2	Mr.Rishabh Kumar Jain (Company Secretary and Compliance Officer)	-	-	30-Sep-17	90	Allotment in IPO	90	0.00
				13-Oct-17	(90)	Sale	-	-
	At the end of the year (31.03.2018)						**-**	**-**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹ lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial				
i) Principal Amount	4,375.00	1,000.45	-	5,375.45
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	22.55	0.45	-	23.00
Total (i+ii+iii)	**4,397.55**	**1,000.90**	**-**	**5,398.45**
Change in Indebtedness during the financial year				
Additions (Principal)	-	-	-	-
Reduction (Principal)	(3,627.15)	(1,000.45)	-	(4,627.60)
Net Change	(3,627.15)	(1,000.45)	-	(4,627.60)
Indebtedness at the beginning of the financial year				
i) Principal Amount	747.85	-	-	747.85
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.39	-	-	0.39
Total (i+ii+iii)	**748.24**	**-**	**-**	**748.24**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER

(Amount in ₹ lakhs)

Sr. No.	Particulars	Name of MD/ WTD/ Manager		Total
		Mr. Arvind Mehta Chairman and Executive Director	Mr. AmitKumat Managing Director and Chief Executive Officer	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	56.25	56.25	112.5
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.32	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	– as % of profit	-	-	-
	– others, specify	-	-	-
5.	Others -Employers Contribution to Provident Fund	-	-	-
	Total (A)	**56.25**	**56.57**	**112.82**
	Ceiling as per the Act*			

* Remuneration paid to the Managing Director and Whole-time Director is within the ceiling provided under Section 197 of the Companies Act, 2013.

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in ₹ lakhs)

Sr. No.	Particulars	Name of Directors				Total
		Dr. Om Prakash Manchanda	Mrs. Anisha Motwani	Mr. Vineet Kapila	Mr. Haresh Chawla	
1.	**Independent Directors**					
	(a) Fee for attending Board /Committee Meetings	7.50	8.20	3.80	7.40	26.90
	(b) Commission	-	-	-	-	
	(c) Others, please specify	-	-	-	-	
	Total (1)	**7.50**	**8.20**	**3.80**	**7.40**	**26.90**
2.	**Other Non-Executive / Non-Independent Directors**	**Mr. G.V. Ravishankar**	**Mr. V. T. Bharadwaj**			
	(a) Fee for attending Board /Committee Meetings	-	-			-
	(b) Commission	-	-			-
	(c) Others, please specify	-	-			-
	Total (2)	**-**	**-**			**-**
	Total B = (1+2)	**26.90**				
	Managerial Remuneration (Total A+B)	**139.72**				
	Overall Ceiling as per the Act	₹ 778.32 lakhs (being 11% of Net Profit of the Company calculated as per section 198 of the Companies Act, 2013)				

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER /WTD

(Amount in ₹ lakhs)

Sr. No.	Particulars	Key Managerial Personnel			Total
		Mr. Amit Kumat Managing Director and Chief Executive Officer*	Mr. Sumit Sharma Chief Financial Officer	Mr. Rishabh Kumar Jain Company Secretary and Compliance Officer	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	29.22	7.59	36.81
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0.32	-	0.32
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5.	Others -Employers Contribution to Provident Fund	-	1.30	0.32	1.62
	Total (A)	**-**	**30.84**	**7.91**	**38.75**

*Chief Executive Officer remuneration is already reported in Para VI A above, as he is managing both the profiles.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compoundingfees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers in Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors of
Prataap Snacks Limited

Arvind Mehta
Chairman and
Executive Director
DIN: 00215183

Amit Kumat
Managing Director and
Chief Executive Officer
DIN: 02663687

Place : Indore
Date : August 7, 2018

ANNEXURE VII

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2018 is given below and forms part of the Directors' Report.

A. CONSERVATION OF ENERGY

I. Steps taken or impact on conservation of energy.

Your Company continues to endeavor to improve energy efficiencies and conservation. During the year, a host of initiatives were undertaken across the manufacturing locations to reduce the impact on environment. Some of the initiatives taken by the Company towards power and fuel conservation during FY2017-18 are outlined below:

- Use of Briquette Boilers which has resulted in Reduction of fossil fuel consumption.
- Implementation of Rainwater Harvesting for the company's plant.
- Sewage Treatment plants have been installed at Indore plant to reduce load on municipal corporation. Treated wastewater is used for gardening purposes.
- Effluent Treatment plants have been installed at owned plants of the Company. Treated wastewater is used for gardening purposes. This helps in substantial reduction of water requirement in the project.
- Changes have been made in boiler out process, this has resulted in the reduction of boil out time.
- Installation of LED Lights.
- Dedicated transformer for light installed.
- Improvement in efficiency of packaging line.

These measures have also led to better pollution control, reduced the impact on environment, reduced maintenance time and cost, improved hygienic condition and consistency in quality and improved productivity.

II. The steps taken by the Company for utilizing alternate sources of energy.

1. During the year under review the Company has entered into tri party agreement for supply of solar energy at Indore Plant. The use of solar energy has already started as per aforesaid agreement. During the year under review approx. 20% of monthly power requirement at Indore Plant has been fulfilled using solar energy.

   The Company is also mulling to enter into such agreement for the other owned manufacturing pants.

2. Solar water heater is used instead of electronic geyser for fulling the warm water need at Indore plant.

III. The Capital investment on energy conservation equipment – Nil.

B. CONSERVATION OF ENERGY

I. The efforts made by the Company towards technology absorption.

The Company is continuously putting its effort toward absorption and development of technology, during the year under review out of the steps taken by the Company few are mentioned hereunder:

- Upgrading of the Conveyer belts at the plant and loading platform.
- Installation of new and modernised packing machine.
- Using new and improved cutter at the chips plant.

II. The benefits derived like product improvement, cost reduction, product development or import substitution.

- The upgradation of the conveyer belts at the plant and lodging platform has resulted in increased in efficiency.

- The use of new packing machine has resulted in the increase in the packing efficiency, improved packing quality and reduced the power consumption cost.

- The use of new and improved cutter at the chips plant has helped in reducing the cost.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –The Company has not imported any technology in last three years reckoned from the beginning of the financial year, hence nothing to report under this section.

IV. The expenditure incurred on Research and Development.

As Research & Development is part of the ongoing quality control and manufacturing costs, the expenditure is not separately allocated and identified.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Amount in ₹ lakhs)

Particulars	2016-17	2017-18
Foreign Exchange Earned	37.28	26.22
Foreign Exchange Used	142.40	291.52

Corporate Governance Report

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2018, in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (The "Listing Regulations").

COMPANY'S PHILOSOPHY

The governance philosophy of your Company is based on the three pillars i.e. Trusteeship, Transparency and Accountability. The responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We don't practice Corporate Governance as an act of compliance but with the spirit of governance.

A company which is proactively compliant with the law and which adds value to it through the corporate governance initiatives would also command a higher value in the eyes of present and prospective shareholders, Our People and Our business partners. The Company therefore believes this is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

The Company's governance framework which is based on the aforesaid three pillars are:-

a) Appropriate composition and size of the board, with each member bringing in expertise in their respective domains;

b) Availability of information to the members of the board and board committees to enable them to discharge their fiduciary duties;

c) Ethical business conduct of board, senior management and Employees;

d) Systems and processes in place for internal control;

e) Timely and accurate disclosure of all material, operational and financial information to the stakeholders.

THE BOARD OF DIRECTORS

The board is broad-based and consists of eminent individuals from industrial, managerial, technical, financial and marketing background. The Company is managed by the Board of Directors in co-ordination with the Senior Management team. The composition and strength of the board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

As on March 31, 2018, the Board of Directors of your Company comprised of 8 directors out of which 2 were Executive Directors (where one is Chairman and another is Managing Director and Chief Executive Officer), 2 Non Executive and 4 Independent Directors (including 1 Woman director). The composition of the Board is in conformity with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations.

Directors' attendance record and their other directorships/ committee memberships

As mandated by Regulation 26(1) of the Listing Regulations, none of the directors is a member of more than ten committees (considering only audit committee and stakeholders relationship committee) or chairman of more than five committees across all listed entities in which he/ she is a Director. Further all directors have informed about their directorships, committee memberships/ chairmanships including any changes in their positions.

The names and categories of Directors and the number of directorships / chairmanships and memberships held by them in other public limited companies as on March 31, 2018 is given below:

Name of the Director	Category	No. of other directorships and committee membership (s) / chairmanship (s)		
		Directorships	Committee membership	Committee chairmanship
Mr. Arvind Mehta DIN: 0215183	Promoter/ Chairman and Executive Director	Nil	Nil	Nil

Name of the Director	Category	No. of other directorships and committee membership (s) / chairmanship (s)		
		Directorships	Committee membership	Committee chairmanship
Mr. Amit Kumat DIN- 02663687	Promoter/ Managing Director and Chief Executive Officer	Nil	Nil	Nil
Mr. G.V. Ravishankar DIN- 02604007	Non-Executive / Non-Independent Director	Nil	Nil	Nil
Mr. V.T. Bharadwaj DIN- 02918495	Non-Executive / Non-Independent Director	Nil	Nil	Nil
Dr. Om Prakash Manchanda DIN- 02099404	Independent	1	1	Nil
Mrs. Anisha Motwani DIN- 06943493	Independent	Nil	NIL	Nil
Mr. Vineet Kumar Kapila, DIN- 00056582	Independent	Nil	Nil	Nil
Mr. Haresh Ram Chawla DIN- 00029828	Independent	NIL	Nil	Nil

Notes:

1. Directorships exclude private limited companies, foreign companies and Section 8 companies.
2. Chairmanship/membership of committee only includes audit committee and stakeholders relationship committee in indian public limited companies other than Prataap Snacks Limited.
3. None of the directors were related to any Director or member of an extended family.
4. The Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the Listing Regulations. The terms of appointment to Independent Directors as provided in Companies Act, 2013 has been issued and disclosed on website of the Company viz. www.yellowdiamond.in.
5. None of the Independent Directors of the Company served as an Independent Director in more than 7 listed companies
6. Details of director(s) retiring or being re-appointed are given in notice to annual general meeting.
7. Brief profiles of each of the above directors are available on the Company's website: www.yellowdiamond.in

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiary. The board meetings are pre-scheduled and a tentative annual calendar of the board meeting is circulated to the directors well in advance to facilitate them to plan their schedules accordingly.

The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each director and in exceptional cases tabled at the meeting with the approval of the board. This ensures timely and informed decisions by the board.

Minimum four prescheduled board meetings are held every year (one meeting in every calendar quarter). Additional meetings are held to address specific needs, if any, of the Company. During the financial year 2017-18, the board of directors met seven times i.e., on May 26, 2017, June 16, 2017, August 2, 2017, August 25, 2017, August 29, 2017, December 13, 2017 and January 30, 2018. The maximum time gap between two consecutive meetings was less than one hundred and twenty (120) days as stipulated under Section 173(1) of the Act and Regulation 17(2) of the Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

Sr. No.	Name of Director	Category	No. of Board meetings attended	Attendance at the AGM held on September 15, 2017*
1.	Mr. Arvind Mehta DIN- 0215183	Promoter/ Chairman and Executive Director	7 of 7	Yes
2.	Mr. Amit Kumat DIN- 02663687	Promoter/ Managing Director and Chief Executive Officer	7 of 7	Yes
3.	Mr. G.V. Ravishankar DIN- 02604007	Non-Executive/ Non-independent Director	4 of 7	No
4.	Mr. V.T. Bharadwaj DIN- 02918495	Non-Executive/ Non-independent Director	6 of 7	No
5.	Dr. Om Prakash Manchanda DIN- 02099404	Independent	4 of 7	No
6.	Mrs. Anisha Motwani DIN- 06943493	Independent	4 of 7	No
7.	Mr. Vineet Kumar Kapila DIN- 00056582	Independent	2 of 7	No
8.	Mr. Haresh Ram Chawla DIN- 00029828	Independent	4 of 7	No

* The provision of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 were not applicable as on the date of AGM.

Information placed before the Board

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of the Listing Regulations to the board and the board committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meetings.

Post meeting mechanism

The important decisions taken at the board/board committee meetings are communicated to the concerned department/ division.

Board support

The company secretary attends the board meetings and advises the board on compliances with applicable laws and governance.

Roles, responsibilities and duties of the board

The duties of board of directors have been enumerated in Listing Regulations, Section 166 of the Companies Act, 2013 and Schedule IV of the said Act (Schedule IV is specifically for Independent Directors). There is a clear demarcation of responsibility and authority amongst the board of directors.

Meeting of Independent Directors

During the year, the Independent Directors of the Company met on December 13, 2017, without the presence of executive directors and other members of management. At the meetings they assessed the quality and adequacy of the information between the Company's management and the board.

Familiarisation programme for the Independent Director

The Company has formulated policy on familiarisation programme for independent directors to provide them an opportunity to familiarize with the Company, its management and its operations so as to gain a clear understanding of their roles and responsibilities. They have full opportunity to interact with senior management personnel and are provided all documents required and sought by them for enabling them to have a good understanding of the Company, its various operations and the industry of which it is a part. This policy is available on the website of the Company i.e. www.yellowdiamond.in.

GOVERNANCE CODES

Code of business conduct and ethics

The Company has adopted Code of Conduct ("the Code") which is applicable to the board of directors and all the senior management employees of the Company. The board of directors and the members of senior management team (one level below the board of directors) of the Company are required to affirm annual compliance of this code. A declaration signed by the chairman and managing director of the Company to this effect is placed at the end of this report. The code requires directors and employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The code is displayed on the Company's website www.yellowdiamond.in.

Conflict of interests

Each director informs the Company on an annual basis about the board and the committee positions he occupies in other companies including chairmanships and notifies changes during the year. The members of the board while discharging their duties, avoid conflict of interest in the decision making process. The members of board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

Insider trading code

The Company has adopted code of practices and procedures for fair disclosure of unpublished price sensitive information and internal code of conduct for regulating, monitoring and reporting of trades by insiders ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("PIT Regulations").

The code is applicable to promoters and promoter's group, all directors and such designated employees who are expected to have access to unpublished price sensitive information relating to the Company. The company secretary is the compliance officer for monitoring adherence to the said PIT regulations. This code is displayed on the Company's website www.yellowdiamond.in.

COMMITTEES OF THE BOARD

The board of directors have constituted board committees to deal with specific areas and activities which concern the Company and requires a closer review. The board committees are formed with approval of the board and function under their respective charters. These committees play an important role in the overall management and governance of the Company. The board committees meet at regular intervals and take necessary steps to perform its duties entrusted by the board. The minutes of the committee meetings are placed before the board for noting.

The Company has the following board level committees:

A. Audit Committee,

B. Nomination and Remuneration Committee,

C. Stakeholder Relationship Committee,

D. Corporate Social Responsibility Committee,

E. Risk Management Committee, and

F. IPO Committee

A. Audit Committee

Audit committee of the board of directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the Listing Regulations. The members of the audit committee are financially literate and bring in experience in the fields of finance, taxation, economics and risk. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The audit committee met 4 (four) times during the financial year 2017-18. The maximum gap between two meetings was not more than 120 days. The committee met on May 26, 2017, August 29, 2017, December 13, 2017 and January 30, 2018.

The table below provides the composition and attendance of the audit committee:

Name of members	Category	Position	No. of meetings attended
Mr. Vineet Kumar Kapila	Independent Director	Chairman	2 of 4
Mr. G.V. Ravishankar	Non-Executive/ Non-Independant Director	Member	3 of 4
Mrs. Anisha Motwani	Independent Director	Member	4 of 4

Mr. Rishabh Kumar Jain, Company Secretary of the Company was the secretary of the committee.

Terms of reference

The terms of reference of the audit committee include the following:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2. Recommending to the board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company;

3. Reviewing and monitoring the statutory auditor's independence and performance and effectiveness of audit process and the fixation of audit fee;

4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;

5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;

b. Changes, if any, in accounting policies and practices and reasons for the same;

c. Major accounting entries involving estimates based on the exercise of judgment by management;

d. Significant adjustments made in the financial statements arising out of audit findings;

e. Compliance with listing and other legal requirements relating to financial statements;

f. Disclosure of any related party transactions; and

g. Qualifications in the draft audit report.

6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed offer by the Company;

8. Approval or any subsequent modifications of transactions of the Company with related parties;

9. Scrutinizing of inter-corporate loans and investments;

10. Valuing of undertakings or assets of the Company, wherever it is necessary;

11. Evaluating of internal financial controls and risk management systems;

12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

13. Reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;

14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. Discussing with internal auditors on any significant findings and follow up there on;

16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. Reviewing the functioning of the whistle blower mechanism;

20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and

21. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. Nomination and Remuneration Committee

The nomination and remuneration committee comprises of three (3) directors and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The nomination and remuneration committee met four (4) times during the financial year 2017-18. The committee met on May 26, 2017, August 29, 2017, December 13, 2017 and January 30, 2018.

The table below provides the composition and attendance of the nomination and remuneration committee:

Name of members	Category	Position	No. of meetings attended
Dr. Om Prakash Manchanda	Independent Director	Chairman	4 of 4
Mr. Vineet Kumar Kapila	Independent Director	Member	2 of 4
Mr. V.T. Bharadwaj	Non-Executive/ Non-independent Director	Member	3 of 4

Mr. Rishabh Kumar Jain, Company Secretary of the company was the secretary of the committee.

Terms of reference

The terms of reference of the nomination and remuneration committee include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board a policy relating to, the remuneration of the directors, key managerial personnel and other employees while ensuring that:

   a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

   b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;

3. Devising a policy on diversity of board of directors;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors for their appointment and removal;

5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and

6. Carrying out any other function as may be decided by the board or specified/provided under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or by any other regulatory authority.

Remuneration policy

1. **Remuneration to Independent Directors and Non-Executive Directors**

   The Independent Directors are paid remuneration by way of commission and sitting fees. Sitting fees are paid for each meeting of the board or committee of directors attended by them. The total amount of sitting fees paid to independent directors during the financial year 2017-18 was ₹ 26.90 Lakh. During the Financial year 2017-18, the non-executive directors have not been paid any remuneration. The non-executive directors and independent directors do not have any material pecuniary relationship or transactions with the Company.

2. **Remuneration to Chairman, Managing Director and Chief Executive Officer**

   The appointment and remuneration of Chairman, Managing Director and Chief Executive Officer is governed by the recommendation of the nomination and remuneration committee, resolutions passed by the board of directors and shareholders of the Company. The remuneration of Chairman, Managing Director and Chief Executive Officer comprises of salary, perquisites and other retirement benefit. Annual increments are linked to performance and are decided by the nomination and remuneration committee and recommended to the Board for approval thereof.

   The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Presently, the Company does not have a stock options scheme for its directors. The remuneration and nomination policy is displayed on the Company's website viz. www.yellowdiamond.in

Details of remuneration paid to directors for the year ended March 31, 2018

a. Non-Executive and Independent directors

Name of the Director	Category	Sitting Fees paid for FY18	Commission payable for FY18*
Mr. G.V. Ravishankar	Non-Executive / Non-Independent Director	Nil	Nil
Mr. V.T. Bharadwaj	Non-Executive / Non-Independent Director	Nil	Nil
Dr. Om Prakash Manchanda	Independent	7,50,000	5,00,000
Mrs. Anisha Motwani	Independent	8,20,000	5,00,000
Mr. Vineet Kumar Kapila	Independent	3,80,000	5,00,000
Mr. Haresh Ram Chawla	Independent	7,40,000	5,00,000

** Commission relates to the financial year ended March 31, 2018, which was approved by the board on May 16, 2018, to be paid during FY18.*

b. Executive directors

Particulars	Mr. Arvind Mehta* Chairman and Executive Director	Mr. Amit Kumat* Managing Director and Chief Executive Officer
Term of appointment	For a period 5 years from September 23, 2016 to September 22, 2021**	For a period of 5 years from September 23, 2016 to September 22, 2021
Salary and allowances	56,25,000	56,25,000
Perquisites	Nil	32,400
Minimum remuneration	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy/ absence of profits.	He shall be entitled to minimum remuneration comprising of salary, perquisites and benefits as per the applicable provisions of the Companies Act, 2013 in the event of inadequacy/ absence of profits.

** Remuneration is within limits specified under section 197 of the Act as recommended by Nomination and Remuneration Committee.*

*** Subject to retirement as per the provisions of the Companies Act, 2013*

Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, its committees, chairperson of the board and directors individually for the financial year 2017-18. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the board and its committees, board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Chairman, Managing Director and Chief Executive Officer was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

C. Stakeholder Relationship Committee

The Stakeholder Relationship Committee comprises of five (5) directors and its composition meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Stakeholder Relationship Committee met four (4) times during the financial year 2017-18. The committee met on May 26, 2017, August 29, 2017, December 13, 2017 and January 30, 2018.

The table below provides the composition and attendance of the Stakeholder Relationship Committee:

Name of members	Category	Position	No. of meetings attended
Mr. Haresh Ram Chawla	Independent Director	Chairman	4 of 4
Mr. Vineet Kumar Kapila	Independent Director	Member	2 of 4
Mrs. Anisha Motwani	Independent Director	Member	4 of 4
Mr. Arvind Mehta	Executive Director	Member	4 of 4
Mr. V.T. Bharadwaj	Non-Executive / Non-Independent Director	Member	3 of 4

Mr. Rishabh Kumar Jain, Company Secretary of the Company is the secretary of the committee.

Terms of reference

The terms of reference of the Stakeholder Relationship Committee include the following:

1. To redress grievances of shareholders, debenture holders and other security holders;

2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

3. Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

4. To consider and resolve grievances related to non-receipt of declared dividends, annual report of the Company or any other documents or information to be sent by the Company to its shareholders; and

5. Carrying out any other function as may be decided by the Board or specified/provided under the Companies Act, 2013 or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or by any other regulatory authority."

Name, designation and address of the compliance officer:

Mr. Rishabh Kumar Jain, Company Secretary
Prataap Snacks Limited
Khasra No. 378/2, Nemawar Road,
Near Makrand House,
Dist.- Indore- 452020 (M.P.)
Ph: +91 731 2437679
Email: complianceofficer@yellowdiamond.in

In accordance with Regulation 6 of the Listing Regulations, the board has appointed Mr. Rishabh Kumar Jain, Company Secretary as the compliance officer. He is authorised to severally approve share transfers/ transmissions, in addition to the powers with the members of the committee. Share transfer formalities are regularly attended to and at least once a fortnight. All investor complaints which cannot be settled at the level of the compliance officer, are placed before the committee for final settlement.

Details of shareholders' complaints received, resolved and pending

The total number of complaints received and resolved during the year ended March 31, 2018 were 258. There were no complaints outstanding as on March 31, 2018. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2018.

The details of shareholder's complaints received and resolved during the financial year ended March 31, 2018 are given hereunder:

Sr. No.	Nature of complaints	Complaints received	Complaints redressed
1.	Refund order	53	53
2.	IPO application	203	203
3.	Electronic credit	2	2
	Total	**258**	**258**

D. Corporate Social Responsibility ("CSR") Committee

The Corporate Social Responsibility Committee comprises of five (5) directors and its composition meets the requirements of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per Section 135 of the Companies Act, 2013 the Company had spent ₹ 43.08 lakh for the financial year 2017-18.

The Corporate Social Responsibility Committee met four (4) times during the financial year 2017-18. The committee met on May 26, 2017, August 29, 2017, December 13, 2017 and January 30, 2018.

The table below provides the composition and attendance of the Corporate Social Responsibility Committee:

Name of members	Category	Position	No. of meetings attended
Mrs. Anisha Motwani	Independent Director	Chairperson	4 of 4
Mr. Haresh Ram Chawla	Independent Director	Member	4 of 4
Mr. Arvind Mehta	Executive Director	Member	4 of 4
Mr. Amit Kumat	Executive Director	Member	4 of 4
Mr. V.T. Bharadwaj	Non-Executive/ Non-Independent Director	Member	3 of 4

Mr. Rishabh Kumar Jain, Company Secretary of the Company is the secretary of the committee.

Terms of reference

The terms of reference of the Corporate Social Responsibility Committee include the following:

1. To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and as amended from time to time or as per any circulars, notifications, etc. issued by the government in relation thereto from time to time;

2. Recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company;

3. Monitor the corporate social responsibility policy of the Company from time to time;

4. Ensure the compliance of the Company with respect to CSR provisions as per the applicable laws of the land; and

5. Any other matter as the corporate social responsibility committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

E. Risk Management Committee

The Risk Management Committee comprises of four (4) directors and its composition meets the requirements of the Companies Act, 2013 and the requirements of Regulation 21 of SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015.

The Risk Management Committee met three (3) times during the financial year 2017-18. The committee met on May 26, 2017, December 13, 2017 and January 30, 2018.

The table below provides the composition and attendance of the Risk Management Committee:

Name of members	Category	Position	No. of meetings attended
Dr. Om Prakash Manchanda	Independent Director	Chairman	3 of 3
Mr. Haresh Ram Chawla	Independent Director	Member	3 of 3
Mr. Amit Kumat	Executive Director	Member	3 of 3
Mr. G.V. Ravishankar	Non-Executive/ Non-Independent Director	Member	3 of 3

Mr. Rishabh Kumar Jain, Company Secretary of the Company is the secretary of the committee.

Terms of reference

The terms of reference of the Risk Management Committee include the following:

1. Framing, implementing, reviewing and monitoring the risk management plan for the Company;

2. Laying down risk assessment and minimization procedures and to inform the board of the same;

3. Oversight of the risk management policy/ enterprise risk management framework (identification, impact assessment, monitoring, mitigation & reporting);

4. Review key strategic risks at domestic/international, macro-economic & sectorial level (including market, competition, political & reputational issues);

5. Review significant operational risks; and

6. Performing such other activities as may be delegated by the Board of Directors or as specified/ provided under the Companies Act, 2013 and the rules made

thereunder, as amended, or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority."

F. IPO COMMITTEE

The IPO committee comprises of three (3) directors. The committee was formed for approving the matters related to IPO. After the successful completion of IPO the committee was dissolved by the board of directors in their board meeting held on December 13, 2017.

The IPO committee met eleven (11) times during the financial year 2017-18. The committee met on June 21, 2017, September 4, 2017, September 7, 2017, September 12, 2017, September 14, 2017 (2 meetings), September 21, 2017 (2 meetings) September 27, 2017, September 29, 2017 and September 30, 2017.

The table below provides the composition and attendance of the IPO committee:

Name of members	Category	Position	No. of meetings attended
Mr. Amit Kumat	Executive Director	Chairman	11
Mr. Arvind Mehta	Executive Director	Member	11
Mr. G.V. Ravishankar	Non-Executive / Non-Independent Director	Member	Nil

Terms of reference

The terms of reference of the IPO committee include the following:

1. To decide on the size, timing, pricing and all the terms and conditions of the issue of the equity shares for the issue, including the number of the equity shares to be issued in the issue (including any reservation, green shoe option and any rounding off in the event of any oversubscription), price and any discount as allowed under applicable laws that may be fixed and determined in accordance with the applicable law and to accept any amendments, modifications, variations or alterations thereto and allotting equity shares pursuant to basis of allocation to successful bidders;

2. To appoint and enter into arrangements with the GCBRLMs and the BRLMs, underwriters to the issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the issue, refund bankers to the issue, registrar(s), legal advisors, advertising agency(ies) and any other agencies or persons or intermediaries to the issue and to negotiate, finalise and amend the terms of their appointment, including but not limited to execution of the mandate letter with the GCBRLMs, BRLMs, negotiation, finalisation and execution and if required, amendment of the issue agreement with the GCBRLMs, BRLMs, etc.;

3. To negotiate, finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, cash escrow agreement, share escrow agreement, agreements with the registrar to the Issue and the advertising agency(ies) and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the issue, legal advisors, auditors, stock exchange(s), GCBRLMs, BRLMs and any other agencies/intermediaries in connection with the issue with the power to authorise one or more officers of the Company to execute all or any of the aforesaid documents or any amendments thereto;

4. To finalise, settle, approve and adopt the DRHP, RHP, prospectus, bid-cum-application form, the preliminary and final international wrap and any amendments, supplements, notices or corrigenda thereto, for the issue of equity shares and take all such actions as may be necessary for the submission and filing of these documents including incorporating such alterations/ corrections / modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities;

5. To make applications to, seek clarifications and obtain approvals from, if necessary, the Reserve Bank of India, the Foreign Investment Promotion Board, the SEBI, the relevant Registrar of Companies or any other statutory or governmental authorities in connection with the Issue and, wherever necessary, incorporate such modifications / amendments / alterations / corrections as may be required in the DRHP, RHP and the Prospectus;

6. To approve any corporate governance requirements that may be considered necessary by the Board or the IPO committee or as may be required under the applicable laws or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and listing agreements to be entered into by the Company with the relevant stock exchanges;

7. To approve suitable policies on insider trading, whistle-blowing, risk management and any other policies as may be required under applicable laws and the SEBI Listing Regulations;

8. To seek, if required, the consent of the lenders to the Company and its subsidiary, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India and any other consents that may be required in relation to the Issue or any actions connected therewith;

9. To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of the Company to execute all documents/ deeds as may be necessary in this regard;

10. To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended and to authorise one or more directors/ officers of the Company to execute all documents/ deeds as may be necessary in this regard;

11. To determine and finalise, the bid opening and bid closing dates (including bid opening and bid closing dates for anchor investors), or any extensions thereof, the floor price/price band for the Issue (including issue price for anchor investors), approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the DRHP, RHP and Prospectus, in consultation with the GCBRLMs and the BRLMs and the selling shareholders (to the extent applicable) and do all such acts and things as may be necessary and expedient for and incidental and ancillary to the Issue including any alteration, addition or making any variation in relation to the Issue;

12. To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more directors/ officers of the Company to sign all or any of the aforestated documents;

13. To make applications for listing of the equity shares in one or more recognised stock exchange(s) for listing of the equity shares of the Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing;

14. To do all such deeds and acts as may be required to dematerialise the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar & transfer agents and such other agencies, as may be required in this connection and to authorise one or more officers of the Company to negotiate, finalize, settle, execute and deliver all or any of the aforestated documents;

15. To authorize and approve the incurring of expenditure and payment of fees, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue;

16. To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;

17. To withdraw the DRHP, RHP and the issue at any stage, if deemed necessary;

18. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit;

19. To settle any question, difficulty or doubt that may arise in connection with the issue including the issue and allotment of the equity shares as aforesaid and to further delegate the powers conferred hereunder subject to such restrictions and limitations as it may deem fit and in the interest of the Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the committee may in its absolute discretion deem fit;

20. To negotiate, finalize, settle, execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the IPO committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the IPO committee shall be conclusive evidence of the authority of the IPO committee in so doing;

21. To take all actions as may be necessary or authorized in connection with the Offer for Sale;

22. To delegate any of the powers mentioned in (1) to (21) to any director or officer of the Company.

INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on December 13, 2017, inter alia, to:

1. Evaluate performance of non-independent directors and the board of directors as a whole;

2. Evaluate performance of the chairman of the Company, taking into account the views of the executive and non-executive directors;

3. Evaluation of the quality, content and timeliness of flow of information between the management and the board that is necessary for the board to effectively and reasonably perform its duties.

All the Independent Directors were present at this meeting.

SUBSIDIARY COMPANY

The Company does not have any material subsidiary as defined under the Listing Regulations. However, it has formulated a policy for determining its 'Material' subsidiaries and the same is available on the website of the Company viz. www.yellowdiamond.in.

AFFIRMATIONS AND DISCLOSURES

1. Compliances with governance framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

2. Related party transactions

All the transactions entered with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the financial year were in compliance with the applicable provisions of the Companies Act, 2013 and Listing regulations. None of the transactions with related parties were in conflict with the interest of Company.

The related party transactions have been disclosed in the financial statements in accordance with "Ind AS". A statement in summary form of transactions with related parties is periodically placed before the audit committee for review and recommendation to the Board for their approval.

As required under Regulation 23(1) of the Listing Regulations, the Company has formulated a policy on dealing with related party transactions. The policy is available on the website of the Company viz. www.yellowdiamond.in.

3. Details of non-compliance by the Company, penalties and strictures imposed on the Company by stock exchanges or SEBI or any statutory authority, on any matter related to capital markets during last three financial years.

The shares of the company made debut in the capital market on October 5, 2017 with successful listing of its shares in BSE and NSE. Since the listing of its shares and during the period of filling of offer documents with SEBI for IPO of the Company, the Company has complied with all requirements specified under the Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or stock exchanges or any statutory authority for non-compliance of any matter related to the capital markets.

4. Vigil mechanism / Whistle blower policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has formulated whistle blower policy for vigil mechanism of directors and employees to report to the management about the unethical behavior, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairman of the audit committee in exceptional cases. The whistle blower policy is displayed on the Company's website viz. www.yellowdiamond.in

5. Disclosure of accounting treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

6. Commodity price risk and commodity hedging activities

The Company is exposed to the risk of price fluctuation of raw materials and packing material. The Company manages its risk through forward booking inventory and development of new vendors.

7. Non-mandatory requirements

Adoption of non-mandatory requirements of the Listing Regulations is being reviewed by the board from time-to-time.

SHAREHOLDER INFORMATION

GENERAL BODY MEETING

DETAILS OF ANNUAL GENERAL MEETINGS HELD DURING THE LAST THREE YEARS:

Year	Date	Venue	Details of special resolution Passed
2016-17	September 15, 2017 11.00 AM	Registered office of the Company at Indore	No special resolution passed in this meeting
2015-16	July 5, 2016 10.00 AM	Registered office of the Company at Indore	1. Amendment of the existing Articles of Association of the Company to confirm the shareholder's agreement. 2. Approve the entrenched provisions contained in the proposed restated articles 3. Appointment of Mrs. Anisha Motwani as an Independent Director 4. Appointment of Dr. Om Prakash Manchanda as an Independent Director
2014-15	September 26, 2015 11.00 AM	Registered office of the Company at Indore	No special resolution passed in this meeting

DETAILS OF EXTRA ORDINARY GENERAL MEETINGS HELD DURING THE LAST THREE FINANCIAL YEARS INCLUDING THE FINANCIAL YEAR 2017-18.

Year	Date	Venue	Details of Special Resolution Passed
Extra Ordinary General Meeting			
2017-18	June 3, 2017 11.00 AM	Registered office of the Company at Indore	1. Approval of Initial Public Offer 2. Adoption of new Articles of Association
2017-18	August 12, 2017 11.00 AM	Registered office of the Company at Indore	1. Approval to offer and issue of equity shares on a private placement basis.
2016-17	August 3, 2016 03.00 P.M.	Registered office of the Company at Indore	No special resolution
2016-17	September 9, 2016 11.00 A.M.	Registered office of the Company at Indore	1. Approval for converting private company into public company. 2. Approval for adoption of new set of Articles of Association of the Company, pursuant to conversion to public company 3. Approval for amendment of 1st clause of the Memorandum of Association of the company, pursuant to conversion of public company.
2016-17	September 24, 2016 11.00 A.M.	Registered office of the Company at Indore	1. Apporval of Initial public offer 2. Adoption of new Articles of Association of the company 3. Amendments to the Articles of Association of the company 4. Increase in aggregate investment limit of foreign institutional investors 5. Appointment of Mr. Amit Kumat as the Managing Director
2015-16	December 21, 2015 05.30 P.M.	Registered office of the Company at Indore	1. Approval for increase in remuneration of Mr. Arvind Mehta, Director of the Company. 2. Approval for increase in remuneration of Mr. Amit Kumat, Director of the Company. 3. Approval for increase in remuneration of Mr. Apoorva Kumat, holding office or place of profit in the Company.
2014-15	No EGM	No EGM	

POSTAL BALLOT

During the year under review, no resolution was passed through postal ballot.

ANNUAL GENERAL MEETINGS FOR THE FINANCIAL YEARS 2017-18:

Day and Date	September 28, 2018
Time	11.00 AM
Venue (Registered office of the Company)	The Grand Bhagwati Palace, Omaxe City, Bypass Road, Mayakhedi, Indore – 452 016 Madhya Pradesh
Financial year	April 01, 2017 to March 31, 2018
Book closure dates for dividend	September 21, 2018 to September 28, 2018
Last date of receipt of proxy forms	September 26, 2018

TENTATIVE CALENDAR FOR FINANCIAL YEAR ENDING MARCH 31, 2019

The tentative dates for board meetings for consideration of quarterly financial results are as follows:

Sr. No.	Particulars	Tentative Dates
1.	First quarter results	August 07, 2018
2.	Second quarter and half yearly results	In or before the second week of November 2018
3.	Third quarter and nine-months ended results	In or before the second week of February 2019
4.	Fourth quarter and annual results	In or before the last week of May 2019

DIVIDEND

The Board of Directors at their meeting held on May 16, 2018, has recommended dividend @ 20% on equity shares of ₹ 5 each of the Company (i.e. ₹ 1 per equity share), subject to approval of members at the ensuing Annual General Meeting, for the financial year 2017-18. The dividend shall be paid to the members whose names appear on Company's Register of Members on September 20, 2018 in respect of physical shareholders and whose name appear in the list of beneficial owner on September 20, 2018 furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or before October 27, 2018.

UNCLAIMED DIVIDEND/ SHARES

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the unpaid dividend account of the company remains unpaid or unclaimed for a period of seven years from the date of such transfer then such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125. There is no unclaimed/ unpaid dividend lying with the company.

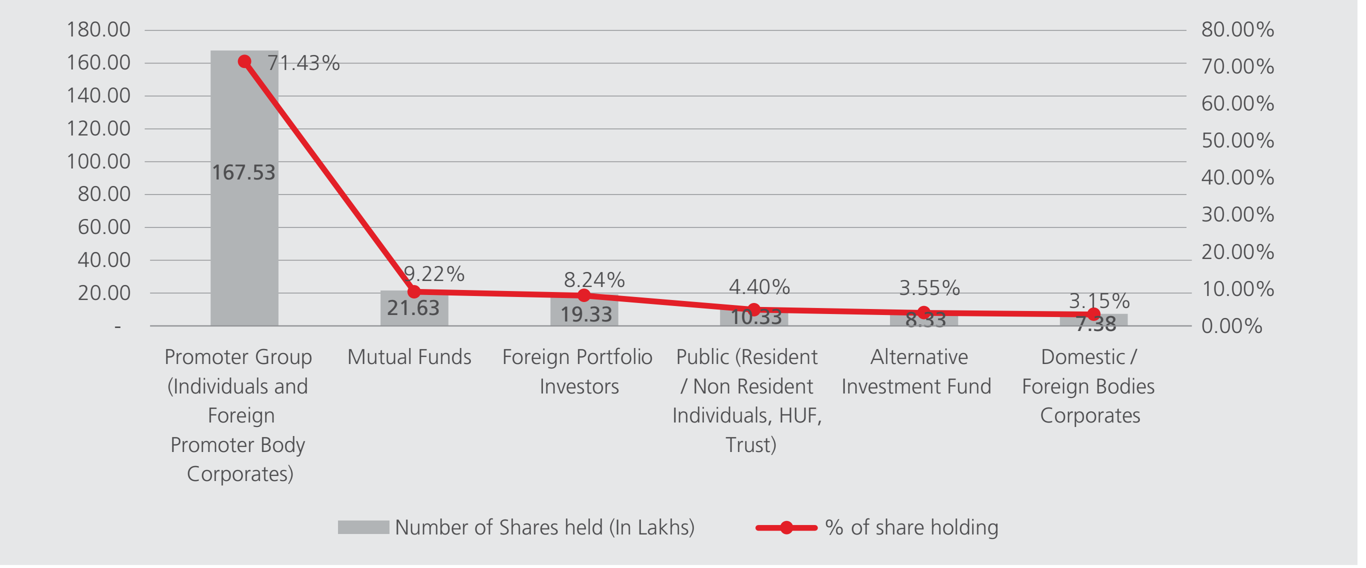
MANDATORY TRANSFER OF SHARES TO DEMAT ACCOUNT OF INVESTORS EDUCATION AND PROTECTION FUND AUTHORITY (IEPFA) IN CASE OF UNPAID/ UNCLAIMED DIVIDEND ON SHARES FOR A CONSECUTIVE PERIOD OF SEVEN YEARS

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the demat account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such demat account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the demat account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the IEPF Rules. There are no such case on which the IEPFA rules are applicable.

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018

No. of equity shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1 to 5000	12,858	98.79	3,63,960	1.55
5001 to 10000	41	0.32	60,185	0.26
10001 to 20000	22	0.17	57,913	0.25
20001 to 30000	12	0.09	65,796	0.28
30001 to 40000	06	0.05	40,854	0.17
40001 to 50000	06	0.05	53,340	0.23
50001 to 100000	15	0.12	2,30,488	0.98
100001 and Above	55	0.42	2,25,80,500	96.28
Grand Total	**13,015**	**100.00**	**2,34,53,036**	**100.00**

Shareholding Pattern as on March 31, 2018



DEMATERIALISATION OF SHARES AND LIQUIDITY

99.96 % of the equity shares of the Company have been dematerialized as on March 31, 2018. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the depositories.

Dematerialization of Shares – Process

Shareholders who continue to hold shares in physical form are requested to dematerialize their shares at the earliest and avail the benefits of dealing in shares in demat form. For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

a. Demat account should be opened with a Depository Participant (DP).

b. Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.

c. DP will process the DRF and will generate a Dematerialization Request Number (DRN).

d. DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA), which is Karvy Computershare Private Limited.

e. RTA will process the DRF and confirm or reject the request to DP/ depositories.

f. Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his demat account maintained with the DP.

RECONCILIATION OF SHARE CAPITAL AUDIT REPORT

As stipulated by SEBI, a qualified practicing Company Secretary carries out secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges where the Company's shares are listed. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards on various aspects of corporate law and practices. The Company has complied with all the issued secretarial standards.

OUTSTANDING GDR/ ADRS/ WARRANTS OR CONVERTIBLE INSTRUMENTS

There are no GDRs/ADRs/warrants or convertible instruments outstanding as on March 31, 2018.

THE COMPANY'S SHARES ARE LISTED ON THE FOLLOWING STOCK EXCHANGES AND THE LISTING FEES HAVE BEEN PAID TO THE EXCHANGES:

Name of Stock Exchange*	Security Code / Symbol
Bombay Stock Exchange Limited (BSE) P.J. Towers, Dalal Street, Mumbai - 400 001	540724
National Stock Exchange of India Limited (NSE) Exchange Plaza, 5th Floor, Bandra -Kurla Complex, Bandra (E), Mumbai – 400 051	DIAMONDYD

**The shares of the Company got listed in the exchanges on October 5, 2017. The Listing fees for the Financial Year 2017-18 has been paid to both the stock exchanges.*

SHARE PRICE DATA

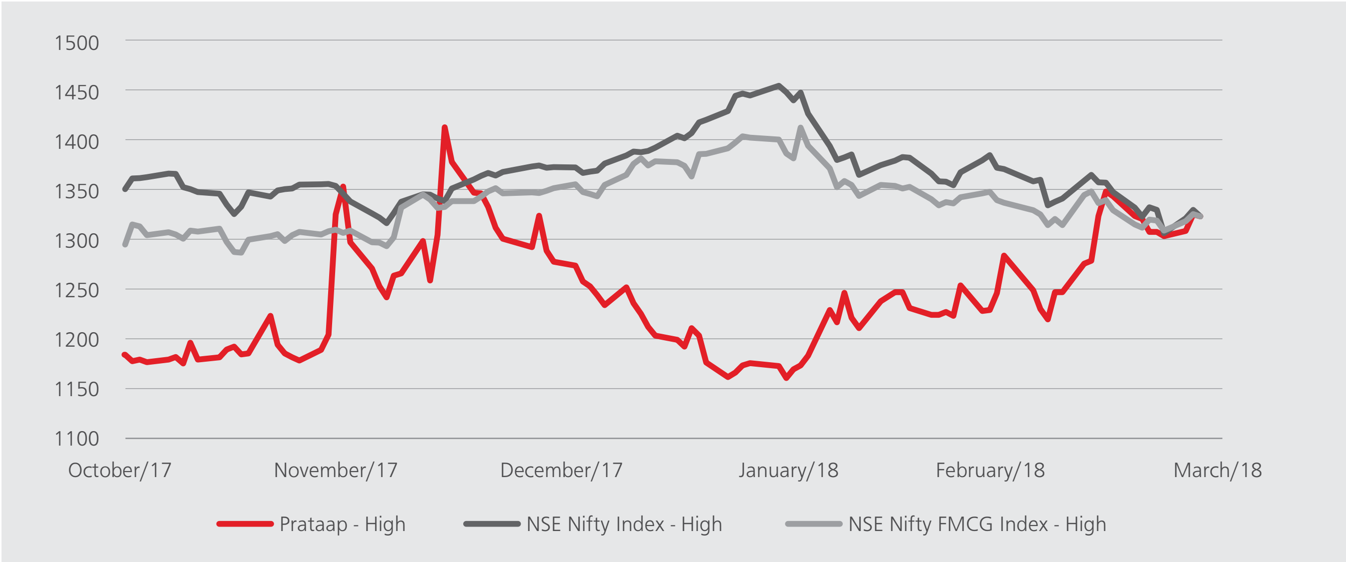
Month*	BSE (in ₹ per share)			NSE (in ₹ per share)		
	High	Low	Volume during the month (Nos.)	High	Low	Volume during the month (Nos.)
October 2017	1,317.05	1,102.00	30,16,457	1,318.80	1,133.70	1,40,61,957
November 2017	1,351.00	1,135.05	87,843	1,355.00	1,135.00	5,92,651
December 2017	1,404.00	1,206.00	94,077	1,415.00	1,201.05	6,79,033
January 2018	1,275.00	1,114.80	17,555	1,275.00	1,109.75	3,64,692
February 2018	1,254.95	1,131.65	16,208	1,255.00	1,125.75	3,74,145
March 2018	1,348.00	1,200.00	50,165	1,349.90	1,200.05	2,76,765

**The shares of the Company got listed in the exchanges on October 5, 2017.*

Particulars	BSE	NSE
Closing share price as on March 31, 2018 (₹)	1,291.35	1,301.85
Market Capitalisation as on March 31, 2018 (₹ in lakh)	3,02,860.78	3,05,323.35

Prataap's share price in comparison to BSE Sensex (High) and BSE FMCG Index (High)

Prataap's share price in comparison to NSE Nifty (High) and NSE FMCG Index (High)



None of the Company's securities have been suspended from trading.

MEANS OF COMMUNICATION TO SHAREHOLDERS

1. The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

2. The quarterly/ half yearly results are intimated to stock exchanges immediately after the Board meeting at which they are approved. The results of the Company are also published in at least one prominent national newspaper (usually Free Press) and one regional newspaper (usually Raj Express) having vide circulation.

3. The company's financial result, official press release and any analysts / investor presentation are posted on the Company's website viz. www.yellowdiamond.in.

4. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre. Likewise, the said information is also filed electronically with NSE through NSE's portal.

5. A separate dedicated section under "Investors Relation", on the Company's website gives information on shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

6. SEBI processes investor complaints in a centralized web based complaints redressal system i.e. SCORES. Through this system a shareholder can lodge complaint against a company for his grievance. The Company uploads the action taken on the complaint which can be viewed by the shareholder. The Company and shareholder can seek and provide clarifications online through SEBI.

7. The Company has designated the email id complianceofficer@yellowdiamond.in exclusively for investor relation and the same is prominently displayed on the Company's website www.yellowdiamond.in.

SHARE TRANSFER SYSTEM

The transfer of shares in physical form is processed and completed by registrar and transfer agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/ CDSL through respective depository participants. In compliance with the Listing Regulations, a practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

NOMINATION

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

ELECTRONIC CLEARING SERVICE

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends. Dividend will be credited to the members' bank account through ECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend cheque will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend cheque, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend cheque and ensures safety for the investors. The Company complies with the SEBI requirement.

SERVICE OF DOCUMENTS THROUGH ELECTRONIC MODE

As a part of green initiative, the members who wish to receive the notices/documents through e-mail, may kindly intimate their e-mail addresses to the Company's registrar and share transfer agent, Karvy Computershare Private Limited.

ADDRESS FOR CORRESPONDENCE:

Compliance officer	Share transfer agent / Registrar	Correspondence with the Company
Mr. Rishabh Kumar Jain,	**Karvy Computershare Private Limited**	**Prataap Snacks Limited**
Company Secretary	Karvy House no. 46, Avenue 4,	Khasra No. 378/2, Nemawar Road,
Ph: +91 731 2437679	Street No. 1, Banjara Hills, Hyderabad, Telangana	Near Makrand House,
Email: complianceofficer@yellowdiamond.in	Phone – 040-6716222,	Dist.- Indore – 452020, (M.P.)
	Fax- 040-23431551	Ph.: +91 731 2437679
	email: einward.ris@karvy.com	Fax: +91 731 2437605
		email: complianceofficer@yellowdiamond.in

PLANT LOCATIONS:

State	Address
Owned Location	
Madhya Pradesh	1. Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist.- Indore – 452020, (M.P.)
Assam	1. North Guwahati, IOC Road, Main Road, Gauripur, Near Gauripur Thana, Amingaon, Dist. Kamrup, Guwahati 781031
	2. Plot No. 40-41, Brahmputra Industrial Park, Amingaon Guwahati 781031
Job work location	
Karnataka	1. No. 260, Bommasandra Jigani Link Road, Jigani Hobli, Rajapura villege, Anekal Jaluk, Bangaluru- 560 105
	2. Sy. No. 168/1, Machohalli village, Dasanapura Hobli, Near Sri Vani Education Center, Off Magadi Main Road, Bengaluru – 560 091
West Bengal	1. Plot No. F-11, Kandua Food Park, JL No. 05, Mouza, Kandua, P.S. Sankrail, Howrah 711 302 (W.B.)
	2. Chakundi Dankuni, Hooghly 712 310 (W.B.)
Gujrat	1. Plot No. 26/A, Ozone Industrial Park, Near Kerala GIDC, TA. Bavla, Ahmedabad, Rajkot National Highway, Dist. Ahmedabad 382 220 (Gujrat)
	2. Plot No. 1282, Village Motibhoyan, Taluka Kalol, Gandhinagar, 382 721 (Gujrat)

COMPLIANCE CERTIFICATE OF THE AUDITORS:

The statutory auditors have certified that the Company has complied with the conditions of corporate governance as stipulated in the Listing Regulations and the same is annexed to this Report.

DECLARATION

COMPLIANCE WITH THE CODE OF CONDUCT

As required by the Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I affirm that all the board members and the senior management personnel have confirmed compliance with the codes of conduct, as applicable to them, for the year ended March 31, 2018.

For **Prataap Snacks Limited**

Amit Kumat

Managing Director and Chief Executive Officer

Date: August 7, 2018

Place: Indore

CEO AND CFO CERTIFICATE

We, Amit Kumat, Managing Director and Chief Executive Officer (CEO), Sumit Sharma, Chief Financial Officer (CFO) of Prataap Snacks Limited, certify that:

a) We have reviewed the financial results (standalone and consolidated) and the cash flow statement for the financial year 2017-18 and that to the best of our knowledge and belief:

   i. these statements do not contain any materially untrue statement or omit any material fact nor contain statements that might be misleading;

   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violate of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have been taken or propose to rectify these deficiencies.

d) We further certify that:

   (i) There has been no significant changes in internal control over financial reporting during the this year;

   (ii) There has not been any significant change in accounting policies this year and that the same have been disclosed in the notes to the financial statements; and

   (iii) There have been no instances of significant fraud of which we have become aware and involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Amit Kumat
Managing Director and Chief Executive Officer

Date: August 7, 2018
Place: Indore

Sumit Sharma
CFO

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members of Prataap Snacks Limited
Prataap Snacks Limited
Khasra No. 378/2, Nemawar Road,
Near Makrand House,
Dist.- Indore – 452020, (M.P.)

1. The Corporate Governance Report prepared by Prataap Snacks Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

MANAGEMENT'S RESPONSIBILITY

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

AUDITOR'S RESPONSIBILITY

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

   i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

   ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

   iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;

   iv. Obtained and read the minutes of the following committee meetings held between April 01, 2017 to March 31, 2018:

      (a) Board of Directors meeting;

      (b) Audit committee;

      (c) Annual General meeting;

      (d) Nomination and remuneration committee meetings;

      (e) Stakeholders Relationship Committee meetings;

      (f) Independent directors meeting; and

      (g) Risk management committee meetings;

   v. Obtained necessary representations and declarations from directors of the Company including the independent directors ; and

   vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

   The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

OTHER MATTERS AND RESTRICTION ON USE

8. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

9. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership Number: 112773

Place: Indore
Date: August 7, 2018

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L15311MP2009PLC021746

2. **Name of the Company:** Prataap Snacks Limited

3. **Registered Address:** Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist. Indore – 452020, (M.P.).

4. **Website:** www.yellowdiamond.in

5. **E-mail id:** complianceofficer@yellowdiamond.in

6. **Financial Year Reported:** Financial year 2017-18

7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** 1030 (Processing and preserving of fruit and vegetables)

8. **List three key products/services that the Company manufactures / provides (as on balance sheet) add :**
   - Extruder snacks
   - Chips
   - Namkeen

9. **Total number of locations where business activity is undertaken by the Company:**
   i. Number of International Locations: Nil
   ii. Number of National Locations:

   As on March 31, 2018, the Company carries out its business operations through 3 owned manufacturing locations and 6 job work locations located across (5) states.

10. **Markets served by the Company – Local / State / National / International:** National

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid Up Capital (₹):** ₹ 1172.65 lakhs

2. **Total Turnover (₹):** ₹ 1,03,091.86 lakhs

3. **Total Profit after Taxes (₹):** ₹ 4,878.25 lakhs

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%):** ₹ 43.08 lakhs, 2.01% of average profit for previous three years (computation as prescribed by the Companies Act, 2013).

5. **List of activities in which the expenditure in 4 above has been incurred:** Refer to Annexure III of the Directors Report.

SECTION C: OTHER DETAILS

1. **Does the company have any Subsidiary Company / Companies?**

   Yes, the Company has one subsidiary: Pure N Sure Food Bites Private Limited.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).** No

3. **Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%).** No

SECTION D: BUSINESS RESPONSIBILITY INFORMATION

1. **Details of Director/ Directors responsible for BR**

   a) **Details of the Director/Directors responsible for implementation of the Business Responsibility policy/policies**

Name	DIN Number	Designation
Mr. Arvind Mehta	00215183	Chairman and Executive Director
Mr. Amit Kumat	02663687	Managing Director and Chief Executive Officer

b) Details of the Business Responsibility Head

DIN Number (if applicable)	NA
Name	Rishabh Kumar Jain
Designation	Company Secretary and Compliance Officer
Telephone Number	0731 2437679
Email id	complianceofficer@yellowdiamond.in

2. Principle-wise (as per NVGs) BR Policy/Policies

a) Details of compliance (Reply in Y/N)

- Principle 1: Ethics, Transparency and Accountability [P1]
- Principle 2: Products Lifecycle Sustainability [P2]
- Principle 3: Employees' Well-being [P3]
- Principle 4: Stakeholder Engagement [P4]
- Principle 5: Human Rights [P5]
- Principle 6: Environment [P6]
- Principle 7: Policy Advocacy [P7]
- Principle 8: Inclusive Growth [P8]
- Principle 9: Customer Value [P9]

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes, All the policies have been formulated in consultation with the Management of the Company.								
3.	Does the policy conform to any national / international standards? If yes, specify?	Yes, The policies are in-line with the principles of National Voluntary Guidelines (NVG)								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI (LODR) 2015 are approved by the Board and other applicable policies are approved by the Managing Director or Functional Heads of the Company as appropriate.								
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and also adequate internal control systems to oversee the implementation of policies.								
6.	Indicate the link for the policy to be viewed online?	The public policies are available at http://www.yellowdiamond.in/investor-relations/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies are uploaded on our websites for communicating it to the internal and external stakeholders wherever appropriate. Weblink: http://www.yellowdiamond.in/investor-relations/								
8.	Does the company have in-house structure to implement the policy/ policies.	Yes								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, Stakeholders can report grievances related to policies and provide suggestion on the email id: complianceofficer@yellowdiamond.in								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.								

b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done in the next 6 months									
5.	It is planned to be done in the next year									
6.	Any other reason (please specify)									

3. **Governance related to BR**

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

This is the Company's first Business Responsibility Report. Further the BR performance of the Company under various principles is assessed periodically at various Board and Committee Meetings.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Business Responsibility Report is part of the Annual Report. This report is available at the website of the company viz. www.yellowdiamond.in

SECTION E: PRINCIPLE WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs / Others**

The Company has defined the Code of Conduct for its Directors and employees that cover issues related to ethics, workplace responsibilities and conflict of interest. It also covers all dealings with suppliers, customers and other business associates.

Further, the Company has adopted a Whistle Blower Policy to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee and Risk Management Committee of the Company for reporting unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

The Company has a formal mechanism which provides a channel to our stakeholders to report to the management on their concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct. The Company endeavours to resolve the complaints received from the stakeholders. The details of investors complaints received and resolved during the past financial year are given in the Corporate Governance Report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is committed to attainment of environmental and economic benefits from efficient use of energy, water and waste reduction. The Company understands its obligations relating to social and environmental concerns, risks and opportunities. The Company ensures fulfilment of compliance obligations that relate to its products, environmental aspects and occupational health and safety.

The three products are:

i. Potato Chips

ii. Extruded Snacks

iii. Namkeen

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   1. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

      The Company is committed to environmental sustainability. The Company works towards reduction and optimal utilization of energy, water, raw material, logistics etc. by incorporating new techniques and innovative ideas.

   2. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

      The Company's products do not have any broad-based impact on energy and water consumption by consumers. However, the Company on continuous basis takes several measures to conserve the consumption of energy and water. The Company is committed to reduction of waste, conservation of raw material through various intiatives, technological upgradation and improvement projects.

   3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

      The Company has a structured procedure which is followed before collaborating with any business partners/ associates.

      The Company is aiming to reduce its fuel consumption in transportation by decentralizing the manufacturing operations.

   4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

      The Company believes in inclusive growth and encourages local sourcing wherever possible. Local suppliers/ vendors are evaluated based on the quality parameters set by the Company.

   5. **Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products (separately as <5%, 5-10%, >10%)?**

      The Company while pursuing energy efficiency programs in the factories also takes initiatives for recycling of wastes generated during production. Most of the Company's factories are committed to zero discharge. The company recover the starch >10% from the effluent discharged from the chips plant at Indore and also water from the effluent treatment plants is recycled within the factories to maintain greenbelts / gardens/ landscapes.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. **Please indicate the total number of employees.**

   Total number of permanent employees as on March 31, 2018 is 830

2. **Please indicate the Total number of employees hired on temporary / contractual / casual basis.**

   The total number of employees hired on contractual basis as on March 31, 2018 is 1,970.

3. **Please indicate the number of permanent women employees.**

   Total number of permanent women employees as on March 31, 2018 is 4.

4. **Please indicate the number of permanent employees with disability.**

   Total number of permanent employees with disability as on March 31, 2018 is 5.

5. **Do you have an employee association that is recognized by management?**

   The Company does not have any employee association.

6. **What percentage of your permanent employees are a member of this recognized employee association?**

   Not Applicable.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

   The Company has stringent policies & procedures which are in line with local laws to prevent any kind of forced labor, child labor and sexual harassment at our locations of operations.

The details of the no. of complaints received during the financial year 2017-18 are as follows:

Category	No. of Complaints filed during the Financial Year	No. of Complaints pending as on end of the Financial Year
Child Labour / Forced Labour / Involuntary Labour	Nil	NA
Sexual Harassment	02*	Nil
Discriminatory Employment	Nil	NA

* Resolved to the satisfaction of the complainant

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

The Company organizes several training programs for its employees through functional modules. The training content is based on the roles and responsibilities performed by the employees in different grades and departments.

The details of saftey trainings conducted during the financial year 2017-18 are as follows:

Employee Category	% of Employees that were given safety training*
Permanent employees	100%
Permanent women employees	100%
Casual/ Temporary/ Contractual Employees	100%
Permanent employees with disabilities	100%

*% is for the employee working at the factories of the company

Further the company conducts the regular programs for skill up-gradation of employees.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED

1. **Has the company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has identified and mapped all its key internal and external stakeholders

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**

Yes.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.**

The Company taken various initiatives under the CSR activities. The details of CSR activities conducted during the Financial Year 2017-18 are given in the Board Report.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. **Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?**

Code of Business Conduct extends not only to employees of the Company but also to the others who work with, or represent the Company directly or indirectly. The Company's Anti-Sexual Harassment Policy is applicable to all the employees including contractual and also covers trainees, consultants, contractors and vendors.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the FY 2017-18, the Company received two complaints under Anti-Sexual Harassment policy and the same have been satisfactorily resolved.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. **Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

Yes, the Company's policy is extended to the entire group and its subsidiary and adopt the practices/policies of the Company. The Company ensures that it is implemented at all these levels.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

The Company understands the global issue of climate change and has incorporated possible actions to address it. We have taken following initiatives towards mitigating the environmental impact, wherever feasible:

i. **Water conservation programmes:** The Company believes water is a critical resource and hence works towards minimizing its fresh water requirements through initiatives such as rain water harvesting, use of water efficient fixtures and sewage treatment plants.

ii. **LED lightings:** We use LED light fixtures, thereby conserving energy year by year.

iii. **Solar Power:** We are using the solar power at Indore Plant. Approximately 20% of monthly power need of Indore plant is being fulfilled using solar power.

3. **Does the company identify and assess potential environmental risks? Y/N**

   The Company assesses the potential impacts of its operations on the environment through the implementation of the Environment Policy.

4. **Does the company have any project related to Clean Development Mechanism? if Yes, whether any environmental compliance report is filed?**

   Yes in line with the National Clean Development Mechanism, the Company has installed LED light at the plants and offices.

   The Company has successfully started using the solar power in the Indore plant.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy. If yes, please give hyperlink for web page etc.**

   The Company invests in energy efficiency (refer to our response to question 2) and renewable energy project, detailed below;

   Solar Power: We are using the solar power at Indore Plant. Approximately 20% of monthly power need of Indore plant is being fulfilled using solar power.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   Yes, the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   There are no show cause/ legal notices received from CPCB/SPCB as on end of FY 2017-18.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

   The company is a member of SNAC International.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   The Company has been actively participating in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders.

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. **Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company has a well-defined CSR policy which is in line with the Companies Act, 2013. The Company, has taken various CSR initiatives for the support and development of society. The report on the CSR projects carried by the Company is annexed with the Board's Report.

2. **Are the programmes/projects undertaken through inhouse team / own foundation / external NGO/ government structures/any other organization?**

   The Company, through different NGO's, supports various CSR initiatives in a project/ program mode. All the projects are monitored by internal teams constituted by the Company.

3. **Have you done any impact assessment of your initiative?**

   The Company assesses the impact of the CSR Projects and Programs undertaken at its Board and CSR Committee meetings. An update on the CSR project and programs is placed at the Board and CSR Committee meetings for their review and assessment.

4. **What is your company's direct contribution to community development projects amount in ₹ and the details of the projects undertaken.**

   The Company has spent ₹ 43.08 lakhs on the CSR Activities during the financial year 2017-18. The amount was spent on areas as mentioned in Annexure III to the Board's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community?**

   The CSR projects and programs are undertaken after identifying the communities that require development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   A well-established system is in place for dealing with customer feedback and complaints. Customers are provided multiple options to connect with the Company through email, telephone, website, social media, feedback forms, etc. All complaints are appropriately addressed and all efforts are taken to resolve the same. As on the end of the financial year, there was negligible percentage of unresolved complaints.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

   Yes, the Company displays product information on the products label. The Company also has a website which provides information of its products viz www.yellowdiamond.in.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof.**

   No case have been filed against the Company for unfair trade practices, irresponsible advertising and anti-competitive behavior during the last five years.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, Consumer Satisfaction Surveys are being conducted periodically to assess the consumer satisfaction levels and consumer's trends.

Independent Auditor's Report

To the Members of Prataap Snacks Limited (formerly known as Prataap Snacks Private Limited)

REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

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

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE IND AS FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

OPINION

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 2 to this report;

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 38(IV) to the standalone Ind AS financial statements;

ii. The Company did 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 **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership No.: 112773

Place: Mumbai
Date: May 16, 2018

Annexure 1

referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date.

Re: Prataap Snacks Limited (formerly known as Prataap Snacks Private Limited) ("the Company")

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

(b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment and investment property are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them as at March 31, 2018 and no material discrepancies were noticed in respect of such confirmations.

(iii) (a) The Company has granted loans to two parties covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.

(b) The Company has granted loans that are re-payable on demand, to two parties covered in the register maintained under section 189 of the Act. We are informed that the Company has not demanded repayment of any such loan during the year and thus, there has been no default on the part of the parties to whom the money has been lent. The payment of interest has been regular.

(c) There is no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given have been complied with by the Company.

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

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under section 148(1) of the Act, for the products of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales-tax, service tax, goods and services tax, duty of custom, duty of excise, value added tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income-tax, sales-tax, service tax, goods and services tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to banks. As informed, the Company does not have any borrowings from a financial institution or by way of debentures or from Government.

(ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of initial public offer were applied for the purpose for which they were raised, though idle funds which were not required for immediate utilisation have been gainfully invested in liquid investments payable on demand. The maximum amount of idle funds invested during the year was ₹ 15,823.11 lakhs, of which ₹ 12,623.10 lakhs was outstanding at the end of the year. According to the information and explanations given by the management, the Company has not raised any money by way of term loans during the year.

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

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Act in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised except for idle funds amounting to ₹ 1,300.00 lakhs which were not required for immediate utilization and which have been gainfully invested in liquid investments payable on demand. The maximum amount of idle funds invested during the year was ₹ 1,300.00 lakhs and the same was outstanding at the end of the year.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

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

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership No.: 112773

Place: Mumbai
Date: May 16, 2018

Annexure 2

to the Independent Auditor's Report of even date on the standalone Ind AS financial statements of Prataap Snacks Limited (formerly known as Prataap Snacks Private Limited) ('the Company')

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership No.: 112773

Place: Mumbai
Date: May 16, 2018

Standalone Balance Sheet

as at March 31, 2018

		Notes	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
I	**ASSETS**				
	NON-CURRENT ASSETS				
	(a) Property, plant and equipment	3	20,430.31	19,222.83	17,222.94
	(b) Capital work-in-progress	3	159.19	182.73	1,911.58
	(c) Investment property	4	1,772.79	482.85	-
	(d) Investment property under development	4	-	1,306.00	1,061.75
	(e) Intangible assets	5	351.18	765.39	36.24
	(f) Intangible assets under development	5	83.23	1.15	1.15
	(g) Financial assets				
	(i) Investments	6	3,373.86	410.31	375.54
	(ii) Loans	7	4,267.65	2,983.48	1,297.55
	(iii) Other non-current financial assets	8	561.39	509.81	460.70
	(h) Deferred tax assets (net)	22	480.46	857.93	-
	(i) Tax assets (net)	9	-	124.66	10.60
	(j) Other non-current assets	10	432.59	169.15	463.30
	TOTAL NON-CURRENT ASSETS		**31,912.65**	**27,016.29**	**22,841.35**
	CURRENT ASSETS				
	(a) Inventories	11	8,692.68	7,886.80	6,852.81
	(b) Financial assets				
	(i) Trade receivables	12	2,020.35	1,450.95	1,794.33
	(ii) Cash and cash equivalents	13	5,157.72	658.72	315.85
	(iii) Bank balance (other than (ii) above)	14	16,134.04	287.03	302.58
	(iv) Loans	15	85.59	77.34	147.43
	(v) Other current financial assets	16	1,496.72	605.02	616.68
	(c) Other current assets	17	1,367.58	1,186.77	524.34
	TOTAL CURRENT ASSETS		**34,954.68**	**12,152.63**	**10,554.02**
	TOTAL ASSETS		**66,867.33**	**39,168.92**	**33,395.37**
II	**EQUITY AND LIABILITIES**				
	EQUITY				
	(a) Equity share capital	18	1,172.65	190.55	31.28
	(b) Other equity	19	51,878.21	24,216.19	21,102.59
	TOTAL EQUITY		**53,050.86**	**24,406.74**	**21,133.87**
	LIABILITIES				
	NON-CURRENT LIABILITIES:				
	(a) Financial liabilities				
	(i) Borrowings	20	-	1,275.80	2,084.01
	(b) Provisions	21	229.05	168.43	102.90
	(c) Deferred tax liabilities (net)	22	-	-	45.12
	(d) Tax liabilities (net)	27	2.35	-	-
	(e) Other non-current liabilities	23	323.28	385.66	448.04
	TOTAL NON-CURRENT LIABILITIES		**554.68**	**1,829.89**	**2,680.07**
	CURRENT LIABILITIES:				
	(a) Financial liabilities				
	(i) Borrowings	20	748.24	2,688.88	2,651.21
	(ii) Trade payables	24	9,559.38	7,157.56	5,396.31
	(iii) Other current financial liabilities	25	1,974.36	2,386.56	1,119.08
	(b) Provisions	21	42.00	27.27	15.40
	(c) Other current liabilities	26	937.81	672.02	399.43
	TOTAL CURRENT LIABILITIES		**13,261.79**	**12,932.29**	**9,581.43**
	TOTAL LIABILITIES		**13,816.47**	**14,762.18**	**12,261.50**
	TOTAL EQUITY AND LIABILITIES		**66,867.33**	**39,168.92**	**33,395.37**
	Summary of significant accounting policies	2.3			

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

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

		Note	Year ended 31 March 2018 ₹ lakhs	Year ended 31 March 2017 ₹ lakhs
I	Revenue from operations	28	103,091.86	89,811.30
II	Other income	29	1,065.53	313.24
III	**TOTAL INCOME (I + II)**		**104,157.39**	**90,124.54**
IV	**EXPENSES**			
	(a) Cost of materials consumed	30	66,275.60	60,869.23
	(b) Purchases of stock-in-trade		2,146.36	2,129.30
	(c) Changes in inventories of finished goods and stock-in-trade	31	(166.19)	(393.32)
	(d) Excise duty on sale of goods		104.74	415.53
	(e) Employee benefits expense	32	3,587.26	2,489.33
	(f) Finance costs	33	288.78	457.30
	(g) Depreciation and amortisation expense	34	2,929.66	2,546.96
	(h) Other expenses	35	22,211.68	20,078.34
	TOTAL EXPENSES		**97,377.89**	**88,592.67**
V	**Profit before tax and exceptional item (III - IV)**		**6,779.50**	**1,531.87**
VI	Exceptional item	36	-	95.73
VII	**Profit before tax (V + VI)**		**6,779.50**	**1,627.60**
VIII	**Tax expenses**			
	(a) Current tax	22	1,526.82	341.96
	(b) Deferred tax	22	374.43	(890.09)
	Total tax expenses		**1,901.25**	**(548.13)**
IX	**Profit for the year (VII - VIII)**		**4,878.25**	**2,175.73**
X	**Other comprehensive income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Re-measurement gain / (loss) on defined benefit plan	38	8.80	(37.46)
	(b) Income tax relating to above	22	(3.05)	12.96
	Total other comprehensive income for the year (net of tax)		**5.75**	**(24.50)**
XI	**Total comprehensive income for the year (IX + X)**		**4,884.00**	**2,151.23**
XII	**Earnings per equity share: (in ₹)**			
	[Equity shares of face value of ₹ 5 (31 March 2017: ₹ 1) each]			
	(a) Basic	37	22.86	14.32
	(b) Diluted	37	22.00	10.49
Summary of significant accounting policies		2.3		

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

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Standalone Statement of Changes in Equity

for the year ended March 31, 2018

A. EQUITY SHARE CAPITAL:

Equity shares issued, subscribed and fully paid	No. in lakhs	₹ lakhs
At 1 April 2016	**3.13**	**31.28**
Changes in equity share capital during 2016-17:		
Issued during the year - Employee stock purchase plan ('ESPP')	0.05	0.48
Sub division during the year*	31.76	31.76
Issued during the year - Bonus issue	158.79	158.79
At 31 March 2017	**190.55**	**190.55**
Changes in equity share capital during 2017-18:		
Conversion of compulsorily convertible preference shares ('CCPS') to equity	69.30	69.30
Consolidation of equity shares during the year**	51.97	259.85
Issued during the year - Bonus issue	155.91	779.54
Issued during the year - Fresh issue	26.65	133.26
At 31 March 2018	**234.53**	**1,172.65**

* aggregate number of equity shares held post sub-division of shares of face value of ₹ 10 each into equity shares of face value of ₹ 1 each.

** aggregate number of equity shares held post consolidation of shares of face value of ₹ 1 each into equity shares of face value of ₹ 5 each.

B. OTHER EQUITY:

For the year ended March 31, 2018

	Capital reserve	Securities premium account	Retained earnings	Equity component of compound financial instrument	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2017	**769.93**	**14,631.48**	**8,699.28**	**115.50**	**24,216.20**
Net profit for the year	-	-	4,878.25	-	4,878.25
Other comprehensive income	-	-	5.75	-	5.75
Total comprehensive income	**-**	**-**	**4,884.00**	**-**	**4,884.00**
Amount utilised towards issue of fully paid bonus shares	(769.93)	(9.61)	-	-	(779.54)
Premium on conversion of CCPS into equity shares	-	46.20	-	-	46.20
Premium on issue of equity shares	-	24,852.52	-	-	24,852.52
Utilisation towards expenses incurred in Initial Public Offer ('IPO')	-	(1,225.66)	-	-	(1,225.66)
Conversion of CCPS to equity	-	-	-	(115.50)	(115.50)
As at 31 March 2018	**-**	**38,294.93**	**13,583.28**	**-**	**51,878.21**

Standalone Statement of Changes in Equity

for the year ended March 31, 2018 (Contd.)

For the year ended March 31, 2017

	Capital reserve	Securities premium account	Retained earnings	Equity component of compound financial instrument	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 1 April 2016	**928.72**	**13,510.32**	**6,548.05**	**115.50**	**21,102.59**
Net profit for the year	-	-	2,175.73	-	2,175.73
Other comprehensive income	-	-	(24.50)	-	(24.50)
Total comprehensive income	**-**	**-**	**2,151.23**	**-**	**2,151.23**
Premium on issue of ESPP	-	1,121.16	-	-	1,121.16
Amount utilised towards issue of fully paid bonus shares	(158.79)	-	-	-	(158.79)
As at 31 March 2017	**769.93**	**14,631.48**	**8,699.28**	**115.50**	**24,216.20**

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Cash Flows Statement

for the year ended March 31, 2018

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**6,779.50**	**1,627.60**
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expense	2,929.66	2,546.96
Loss on sale of property, plant and equipment	27.86	39.55
Loss on discard of property, plant and equipment	27.65	0.51
Provision for slow moving inventory	-	58.05
Bad debts / Sundry debit balances written off	-	17.83
Provision for doubtful receivables and advances	297.28	55.86
Unrealised exchange loss / (gain)	35.32	(10.09)
Amortisation of deferred Government grant	(62.38)	(62.38)
Interest expenses	222.20	431.50
Interest income	(959.14)	(260.54)
Operating profit before working capital changes	**9,297.95**	**4,444.85**
Working capital adjustments:		
Decrease / (increase) in inventories	(805.88)	(1,092.04)
Decrease / (increase) in trade receivables	(635.67)	315.69
Decrease / (increase) in loans	3.91	88.98
Decrease / (increase) in other financial assets	(929.30)	(34.97)
Decrease / (increase) in other assets	(413.58)	(558.37)
Increase/ (decrease) in trade payables	2,401.82	1,761.25
Increase / (decrease) in other financial liabilities	815.09	48.00
Increase / (decrease) in provisions	84.16	39.94
Increase / (decrease) in other liabilities	265.80	272.60
	10,084.30	**5,285.93**
Income tax paid (including TDS) (net)	(1,445.38)	(462.80)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**8,638.92**	**4,823.13**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(3,827.50)	(2,246.04)
Proceeds from sale of property, plant and equipment	11.97	20.25
Purchase of intangibles including assets under development	(103.61)	(565.44)
Purchase / Construction of non-current investment	(1.98)	(727.10)
Investment in subsidiary	(2,963.55)	(34.77)
Loan to subsidiary	(1,005.52)	(442.07)
Loan to employees welfare trust	-	(1,122.00)
Repayment of loan by employees welfare trust	-	54.00
Net movement in fixed deposits with banks (having original maturity of more than three months)	(15,615.12)	(95.20)
Interest received	422.26	51.03
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(23,083.05)**	**(5,107.34)**

Cash Flows Statement

for the year ended March 31, 2018 (Contd.)

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	133.26	0.48
Proceeds from premium on issuance of equity share capital	23,626.86	1,121.16
Proceeds from long-term borrowings	-	836.38
Proceeds from short-term borrowings	-	1,250.36
Repayment of long-term borrowings	(2,686.57)	(940.18)
Repayment of short-term borrowings	(1,976.36)	(1,202.60)
Interest paid	(154.06)	(438.52)
Dividend distribution tax on preference dividend	#	#
NET CASH FLOWS FROM FINANCING ACTIVITIES	**18,943.13**	**627.08**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,499.00**	**342.87**
Cash and cash equivalents at the beginning of the year	658.72	315.85
Cash and cash equivalents at the end (refer Note 13)	**5,157.72**	**658.72**
# Amount in ₹ denotes		
Dividend distribution tax on preference dividend	28.00	24.00

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 1: CORPORATE INFORMATION

Prataap Snacks Limited ('PSL' or 'the Company') is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Company is located at Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist. Indore – 452020 (M.P.) India having CIN L15311MP2009PLC021746. The Company is principally engaged in the business of snacks food.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 16, 2018.

NOTE 2.2: BASIS OF PREPARATION

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Company prepared its standalone financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013 ('the Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These standalone financial statements for the year ended March 31, 2018 are the first standalone financial statements that are prepared in accordance with Ind AS. Refer to Note 50 on first time adoption of Ind AS.

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

  The standalone financial statements are presented in India Rupee ('₹') and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

NOTE 2.3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Current vs non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

B) Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the standalone financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of property, plant and equipment and intangible assets (including investment property)

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2. 2 (E), (F) and (G) for management estimate of useful lives.

(ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised.

(iii) Defined benefit plans

The cost and present obligation of defined benefit gratuity plan and compensated absences are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are assumed at each reporting date. Refer Note 38.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments. Also refer Note 46 and 48 for further disclosures.

C) Revenue recognition

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

Based on the guidance in education material on Ind AS 18 issued by Institute of Chartered Accountants of India ('ICAI'), the Company has assumed that recovery of excise duty flows to the Company on its own account. Therefore, it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on behalf of the Government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. 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.

Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated

Notes to the standalone financial statements

for the year ended March 31, 2018

future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Rental income

The Company's policy for recognition of revenue from operating leases is described in Note 2. 2. J below.

D) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Government grants such as sales tax incentive schemes are recognised in the statement of profit and loss as a part of other operating revenues.

E) Property, plant and equipment

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

Depreciation on property, plant and equipment is calculated on a straight line method over estimated useful lives of the assets. The management has estimated the below useful life and the same is supported by technical advice.

Property, plant and equipment	Useful lives
Factory building	30 years
Plant and equipments*	10 years or 21 years
Electrical installations	10 years
Furniture and fixtures	10 years
Computers*	3 years to 6 years
Office equipments*	3 years to 5 years
Vehicles	8 years
Leasehold improvement*	Amortised over the period of lease term ranging from 9 to 10 years

* These assets have life different from those mentioned in Schedule II of Act.

Transition to Ind AS

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

F) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The Company depreciates building component of investment property over 30 years based on the technical assessment made by the management of the Company.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. In accordance with the collector's / registrar's guideline rate rates prescribed by the Government of Madhya Pradesh for the purpose of levying stamp duty.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of de-recognition.

Transition to Ind AS

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

G) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of amortisation policies applied to the Company's intangible asset is as below:-

Intangible assets	Useful lives
Brand ambassador rights*	2. 33 years (i.e. 28 months)
Computer software	5 years

* These assets has the life different from those mentioned in Schedule II of the Act.

Transition to Ind AS

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

H) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss. After impairment,

Notes to the standalone financial statements

for the year ended March 31, 2018

depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

I) Inventory

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actual.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

J) Leases

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

The Company as lessee

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease rents under operating leases are recognised in the statement of profit and loss on straight line basis, except where escalation in rent is in line with expected general inflation.

The Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income is treated as revenue and the same is credited to the statement of profit and loss on straight line basis except where escalation in rent is in line with expected general inflation. Costs including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc are recognised immediately in the statement of profit and loss.

K) Segment reporting

Based on "management approach" as defined in Ind AS 108 - Operating segments, the management evaluates the Company's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Company has only one business segment 'snacks food'.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

L) Provisions

Provisions are recognised when the Company has a legal/ constructive obligation as a result of a past event, for which it is probable that cash out flow may be required and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

M) Retirement and other employee benefits

Short term employee benefits

All short term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences (such as casual leave) are recognised on an undiscounted basis and charged to the statement of profit and loss.

Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Company has no obligation, other than the contribution payable to the provident fund.

Defined benefit plan

The gratuity benefits are classified as post-retirement benefits as per Ind AS 19. The service cost and the net interest cost would be charged to the statement of profit and loss. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Company recognises these re-measurements in other comprehensive income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the statement of profit and loss when the plan amendment or when a curtailment or settlement occurs.

For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by the actuary.

Other long term employee benefit

The Company has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method.

The Company presents the leave as the current liability in the standalone balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in standalone balance sheet.

N) Taxation

Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

When the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Notes to the standalone financial statements

for the year ended March 31, 2018

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT')

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

O) Foreign currencies

The Company's standalone financial statements are presented in Indian rupees (₹), which is also the Company's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognised as income or expense in the year in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. 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 the initial transactions.

P) Fair value measurement

A number of Company's accounting policies and disclosures requires the measurement of fair values for both financial and non-financial assets and liabilities.

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

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

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

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

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

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

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

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

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Q) 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.

I) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value

- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. Fair value through statement of profit and loss ('FVTPL')), or recognised in OCI (i.e. Fair value through OCI ('FVTOCI')).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through the statement of profit and 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 realise 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.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. Removed from the Company's balance sheet) when the right to receive cash flows from the asset is transferred or expired.

Impairment of financial assets

The Company assesses impairment based on expected credit losses ('ECL') model to the financial assets measured at amortised cost.

ECL are measured through a loss allowance at an amount equal to the 12 months ECL (ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date).

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its

Notes to the standalone financial statements

for the year ended March 31, 2018

historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on 12 months ECL.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

II) Financial liabilities

Initial recognition and measurement

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

The Company's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using EIR method.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III) 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.

R) Investment in subsidiary

The Company's investment in subsidiary is carried at cost.

S) Cash and cash equivalents

Cash and cash equivalents consist of 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 cash flow statement, 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.

T) Borrowing cost

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

U) Earnings per share

Basic earnings per share are calculated by dividing the net statement of profit and loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

V) Contingent liability and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the standalone financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the standalone financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

		Leasehold improvement	Freehold land	Factory building	Plant and equipments	Furniture and fixtures	Office equipments	Computers	Vehicles	Capital work-in-progress	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
I	**Cost or deemed cost (gross carrying amount)**										
	At 1 April 2016	859.04	1,531.70	2,494.26	11,779.20	123.69	118.91	25.22	290.92	1,911.58	19,134.52
	Additions	375.91	-	104.08	3,693.32	10.88	22.72	26.24	77.72	2,582.02	6,892.89
	Disposals	-	-	-	56.66	-	-	0.51	3.14	-	60.31
	Transfer/capitalised	-	-	-	-	-	-	-	-	4,310.87	4,310.87
	At 31 March 2017	**1,234.95**	**1,531.70**	**2,598.34**	**15,415.86**	**134.57**	**141.63**	**50.95**	**365.50**	**182.73**	**21,656.23**
	Additions	203.39	1,153.49	311.82	1,538.65	36.59	34.79	47.13	424.98	3,727.30	7,478.14
	Disposals	-	-	-	83.02	0.07	-	-	2.78	-	85.87
	Transfer/capitalised	-	-	-	-	-	-	-	-	3,750.84	3,750.84
	At 31 March 2018	**1,438.34**	**2,685.19**	**2,910.16**	**16,871.49**	**171.09**	**176.42**	**98.08**	**787.70**	**159.19**	**25,297.66**
II	**Accumulated depreciation and impairment losses**										
	At 1 April 2016	-	-	-	-	-	-	-	-	-	-
	Depreciation charge for the year	145.30	-	93.48	1,900.67	18.46	27.95	19.19	45.62	-	2,250.67
	At 31 March 2017	**145.30**	**-**	**93.48**	**1,900.67**	**18.46**	**27.95**	**19.19**	**45.62**	**-**	**2,250.67**
	Depreciation charge for the year	187.16	-	103.88	2,033.15	21.13	32.50	19.34	78.72	-	2,475.88
	Disposals	-	-	-	17.67	0.07	-	-	0.65	-	18.39
	At 31 March 2018	**332.46**	**-**	**197.36**	**3,916.15**	**39.52**	**60.45**	**38.53**	**123.69**	**-**	**4,708.16**
III	**Net book value**	-	-	-	-	-	-	-	-	-	-
	At 31 March 2018	**1,105.88**	**2,685.19**	**2,712.80**	**12,955.34**	**131.57**	**115.97**	**59.55**	**664.01**	**159.19**	**20,589.50**
	At 31 March 2017	**1,089.65**	**1,531.70**	**2,504.86**	**13,515.19**	**116.11**	**113.68**	**31.76**	**319.88**	**182.73**	**19,405.56**
	At 1 April 2016	**859.04**	**1,531.70**	**2,494.26**	**11,779.20**	**123.69**	**118.91**	**25.22**	**290.92**	**1,911.58**	**19,134.52**

IV Net book value

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Property, plant and equipment	20,430.31	19,222.83	17,222.94
Capital work-in-progress	159.19	182.73	1,911.58

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 4: INVESTMENT PROPERTY

		Freehold land	Factory building	Investment property under development	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
I	**Gross carrying amount**				
	At 1 April 2016	**-**	**-**	**1,061.75**	**1,061.75**
	Additions	482.85	-	727.10	1,209.95
	Transfer/capitalised	-	-	482.85	482.85
	At 31 March 2017	**482.85**	**-**	**1,306.00**	**1,788.85**
	Additions	-	1,307.98	1.98	1,309.96
	Transfer/capitalised	-	-	1,307.98	1,307.98
	At 31 March 2018	**482.85**	**1,307.98**	**-**	**1,790.83**
II	**Accumulated depreciation and impairment losses**				
	At 1 April 2016	**-**	**-**	**-**	**-**
	Depreciation charge for the year	-	-	-	-
	At 31 March 2017	**-**	**-**	**-**	**-**
	Depreciation charge for the year	-	18.04	-	18.04
	At 31 March 2018	**-**	**18.04**	**-**	**18.04**
III	**Net carrying amount**				
	At 31 March 2018	**482.85**	**1,289.94**	**-**	**1,772.79**
	At 31 March 2017	**482.85**	**-**	**1,306.00**	**1,788.85**
	At 1 April 2016	**-**	**-**	**1,061.75**	**1,061.75**

For investment property existing as on April 1, 2016, i.e., its date of transition to Ind AS, the Company has used Indian GAAP carrying value as deemed costs.

Note: Information regarding income and expenditure of investment property

	31 March 2018	31 March 2017
	₹ lakhs	₹ lakhs
Rental income derived from investment properties	106.19	34.77
Direct operating expenses (including repairs and maintenance) generating rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	106.19	34.77
Less – Depreciation	(18.04)	-
Profit arising from investment properties before indirect expenses	88.15	34.77

Notes:

1 The Company's investment property consist of one industrial property in Tillore, Madhya Pradesh including land on which factory building has been constructed, which is leased to wholly owned subsidiary.

2 The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements.

3 Leasing arrangements : Investment property is leased to wholly owned subsidary under long term operating leases with rentals payable monthly. (refer Note 39).

4 Factory building was under development amounting to ₹ 1,061.75 lakhs and ₹ 1,306.00 lakhs at the end of financial year 2016 and 2017 respectively and the same has been capitalised during the current financial year.

Notes to the standalone financial statements

for the year ended March 31, 2018

5 Description of valuation techniques used and key inputs to valuation on investment properties:

	Valuation technique (See Note below)	Fair value hierarchy (See Note below)	Fair value		
			31 March 2018	31 March 2017	1 April 2016
			₹ lakhs	₹ lakhs	₹ lakhs
Land	Collector's / Registrar's Guideline Rate	Level 2	959.02	928.08	-
Building*	Collector's / Registrar's Guideline Rate	Level 2	1,618.74	1,605.36	1,626.69

* Includes investment property under construction

The above valuation of the investment properties are in accordance with the Collector's / Registrar's Guideline Rate rates prescribed by the Government of Madhya Pradesh for the purpose of levying stamp duty. The Company has referred to the Government publications rates and have made the suitable adjustments. Since the valuation is based on the published rates, the Company has classified the same under Level 2.

NOTE 5: INTANGIBLE ASSETS

		Computer software	Brand ambassador rights	Intangible assets under development	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
I	**Cost or deemed cost (gross carrying amount)**				
	At 1 April 2016	**36.24**	**-**	**1.15**	**37.39**
	Additions	61.72	963.72	1,025.44	2,050.88
	Transfers	-	-	1,025.44	1,025.44
	At 31 March 2017	**97.96**	**963.72**	**1.15**	**1,062.83**
	Additions	21.53	-	103.61	125.14
	Transfers	-	-	21.53	21.53
	At 31 March 2018	**119.49**	**963.72**	**83.23**	**1,166.44**
II	**Accumulated amortisation and impairment losses**				
	At 1 April 2016	**-**	**-**	**-**	**-**
	Amortisation	24.82	271.47	-	296.29
	At 31 March 2017	**24.82**	**271.47**	**-**	**296.29**
	Amortisation	22.88	412.86	-	435.74
	At 31 March 2018	**47.70**	**684.33**	**-**	**732.03**
III	**Net book value**				
	At 31 March 2018	**71.79**	**279.39**	**83.23**	**434.41**
	At 31 March 2017	**73.14**	**692.25**	**1.15**	**766.54**
	At 1 April 2016	**36.24**	**-**	**1.15**	**37.39**

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Intangible assets	351.18	765.39	36.24
Intangible assets under development	83.23	1.15	1.15

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 6: FINANCIAL ASSETS - NON-CURRENT INVESTMENTS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Measured at cost			
Investment in wholly owned subsidiary (Unquoted)			
9.30 lakhs (31 March 2017: 0.10 lakhs and 1 April 2016: ₹ 0.10 lakhs) Equity shares of ₹ 10 each fully paid-up in Pure N Sure Food Bites Private Limited	2,938.22	1.22	1.22
Other equity investment in subsidiary	435.64	409.09	374.32
	3,373.86	**410.31**	**375.54**

NOTE 7: FINANCIAL ASSETS - NON-CURRENT LOANS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Measured at amortised cost			
Loans to related parties (refer Note 40)	4,267.65	2,970.94	1,265.26
Loans to transporters	-	12.54	32.29
	4,267.65	**2,983.48**	**1,297.55**

NOTE 8: OTHER NON-CURRENT FINANCIAL ASSETS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Measured at amortised cost			
Non-current bank balances being deposits with remaining maturity of more than twelve months	-	-	1.49
Margin money deposit	5.79	130.61	22.56
Subsidy receivable (refer Note 43)	155.25	-	-
Security deposits	400.35	379.20	436.65
	561.39	**509.81**	**460.70**

Note:

1. Margin money deposits pertains to deposits given to various Government / statutory authorities as security.

NOTE 9: NON-CURRENT TAX ASSETS (NET)

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Advance income-tax [Net of provision for taxation: Nil (31 March 2017: ₹ 1,821.93 lakhs), (1 April 2016: ₹ 1,473.63 lakhs)]	-	124.66	10.60
	-	**124.66**	**10.60**

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 10: OTHER NON-CURRENT ASSETS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Capital advances:			
Considered good	333.85	50.17	331.09
Considered doubtful	321.88	281.23	281.23
Less: Provision for doubtful advances	(321.88)	(281.23)	(281.23)
Deferred lease	98.74	118.98	132.21
	432.59	**169.15**	**463.30**

NOTE 11: INVENTORIES (At cost or net realisable value, whichever is lower)

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Raw materials [including stock-in-transit: Nil [(31 March 2017: ₹ 78.29 lakhs), (1 April 2016: ₹ 61.47 lakhs)]	3,852.13	3,750.09	3,391.50
Packing materials [including stock-in-transit: Nil [(31 March 2017: ₹ 3.84 lakhs), (1 April 2016: ₹ 0.68 lakhs)]	2,386.50	1,984.47	2,054.42
Finished goods [including stock-in-transit: ₹ 699.95 lakhs [(31 March 2017: ₹ 643.70 lakhs), (1 April 2016: ₹ 521.79 lakhs)]	1,626.92	1,535.84	1,131.64
Traded goods [including stock-in-transit: ₹ 3.00 lakhs [(31 March 2017: ₹ 9.46 lakhs), (1 April 2016: ₹ 26.64 lakhs)]	118.65	43.54	54.42
Stores, spares and other consumables [including stock-in-transit: Nil [(31 March 2017: ₹ 1.14 lakhs), (1 April 2016: Nil)]	708.48	572.86	220.83
	8,692.68	**7,886.80**	**6,852.81**

Notes:

1. The Company follows a suitable provisioning norms for writing down the value of inventories towards slow moving and non-moving. Provision for the year - Nil (March 31, 2017: ₹ 0.41 lakhs)
2. For carrying amount of inventories pledged as security refer Note 20.

NOTE 12: TRADE RECEIVABLES

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Secured, considered good	331.49	197.40	236.26
Unsecured, considered good	1,688.86	1,253.55	1,558.07
Doubtful	198.06	131.79	104.10
Less: Allowance for credit losses (refer Note 48)	(198.06)	(131.79)	(104.10)
	2,020.35	**1,450.95**	**1,794.33**
Of the above, trade receivables from			
- Related parties	117.50	-	-
- Others	1,902.85	1,450.95	1,794.33
	2,020.35	**1,450.95**	**1,794.33**

Notes:

1. No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person.
2. For terms and conditions relating to related party receivables, refer Note 40.
3. Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

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

NOTE 13: CASH AND CASH EQUIVALENTS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Balances with banks:			
In current accounts	3,465.17	448.89	304.63
Deposits with original maturity of less than three months	1,689.47	203.16	-
Cash on hand	3.08	6.67	11.22
	5,157.72	**658.72**	**315.85**

NOTE 14: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Deposits with remaining maturity for less than twelve months but more than three months	15,811.07	111.19	110.84
Margin money deposit	322.97	175.84	191.74
	16,134.04	**287.03**	**302.58**

Margin money deposits pertains to deposits given to various Government/statutory authorities as security.

NOTE 15: FINANCIAL ASSETS - CURRENT LOANS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Loan to transporters:			
Unsecured considered good	12.43	17.87	44.58
Unsecured considered doubtful	4.79	4.79	4.79
Less: Provision for doubtful loans	(4.79)	(4.79)	(4.79)
Loan to employees	73.16	59.47	102.85
	85.59	**77.34**	**147.43**

NOTE 16: OTHER CURRENT FINANCIAL ASSETS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Subsidy receivable (refer Note 43)	1,233.03	548.77	548.77
Security deposit	263.69	56.25	67.91
	1,496.72	**605.02**	**616.68**

NOTE 17: OTHER CURRENT ASSETS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Advances to vendors:			
Unsecured considered good	1,044.75	594.12	397.90
Unsecured considered doubtful	218.53	28.17	-
Less: Provision for doubtful advances	(218.53)	(28.17)	-
Prepaid expenses	37.55	31.70	14.22
Balances with statutory / government authorities	265.04	100.09	87.37
Deferred lease	20.24	21.03	24.85
Share issue expenses (refer Note 45)	-	439.83	-
	1,367.58	**1,186.77**	**524.34**

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 18: SHARE CAPITAL

(a) Authorised share capital

	Equity shares		0.001% CCPS	
	No. in lakhs	₹ lakhs	No. in lakhs	₹ lakhs
At 1 April 2016	**5.00**	**50.00**	**1.16**	**115.60**
Change in authorised share capital during the year (500 lakhs equity shares of ₹ 1 each)	500.00	500.00	-	-
At 31 March 2017	**500.00**	**500.00**	**1.16**	**115.60**
Change in authorised share capital during the year (300 lakhs equity shares of ₹ 5 each)	300.00	1,500.00	(1.16)	(115.60)
At 31 March 2018	**300.00**	**1,500.00**	**-**	**-**

(b) Issued subscribed and fully paid-up equity capital

	No. in lakhs	₹ lakhs
At 1 April 2016 (Equity shares of ₹ 10 each issued)	**3.13**	**31.28**
Changes in equity share capital during 2016-17:		
Issued during the year - ESPP	0.05	0.48
Sub division of equity shares during the year*	31.76	31.76
Issued during the year - Bonus issue	158.79	158.79
At 31 March 2017 (Equity shares of ₹ 1 each issued)	**190.55**	**190.55**
Changes in equity share capital during 2017-18:		
Conversion of CCPS to equity	69.30	69.30
Consolidation of equity shares during the year**	51.97	259.85
Issued during the year - Bonus issue	155.91	779.54
Issued during the year - Fresh issue***	26.65	133.26
At 31 March 2018 (Equity shares of ₹ 5 each issued)	**234.53**	**1,172.65**

* aggregate number of equity shares held post sub-division of shares of face value of ₹ 10 each into equity shares of face value of ₹ 1 each.

** aggregate number of equity shares held post consolidation of shares of face value of ₹ 1 each into equity shares of face value of ₹ 5 each.

***fresh issue of shares - The Company has completed the IPO of fresh issue of 26.65 lakhs equity shares (including pre IPO of 5.33 lakhs equity shares) of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The equity shares of the Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. October 5, 2017.

Utilisation of IPO Proceeds (including pre IPO) are as follows:-

	Planned utilisation	Utilised upto 31 March 2018	Unutilised as at 31 March 2018
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Repayment/pre-payment of borrowings	5,098.20	3,700.00	1,398.20
Funding capital expenditure requirements	6,699.80	-	6,699.80
Investment in subsidiary for repayment/pre-payment of borrowing	2,937.00	2,937.00	-
Marketing and brand building activities	4,000.00	-	4,000.00
General corporate purposes	5,025.10	3,200.00	1,825.10
	23,760.10	**9,837.00**	**13,923.10**

Balance proceeds of ₹ 13,923.10 lakhs have been earmarked in fixed deposits with scheduled commercial bank as at March 31, 2018.

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

(c) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 5 [(March 31, 2017: ₹ 1),(April 1, 2016: ₹ 10)] per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Each of Series A CCPS, Series A1 CCPS and Series A2 CCPS was converted into converted into 60 equity shares of ₹ 1 each in 2017-18.

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

	31 March 2018		31 March 2017		1 April 2016	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
Equity shares						
SCI Growth Investment II	83.93	35.79%	63.45	33.30%	1.06	33.87%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	31.36	16.46%	0.52	16.61%
SBI Mutual Fund	12.91	5.50%	-	-	-	-
Mr. Rajesh Mehta	6.81	2.90%	13.04	6.84%	0.24	7.67%
Mr. Naveen Mehta	9.04	3.85%	13.04	6.84%	0.24	7.67%
Mr. Arvind Mehta	5.60	2.39%	9.29	4.88%	0.18	5.75%
Mr. Arun Mehta	5.72	2.44%	8.89	4.66%	0.17	5.43%
CCPS						
SCI Growth Investment II	-	-	0.97	83.59%	0.97	83.59%
Sequoia Capital India Growth Investments Holdings I	-	-	0.14	12.54%	0.14	12.54%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 March 2018	31 March 2017
	No. in lakhs	No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	155.91	158.79

As at March 31, 2018 - Allottment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on June 3, 2017.

As at March 31, 2017 - Allottment of bonus shares in the ratio of 5 equity shares for every equity share of ₹ 1 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on September 24, 2016.

Shares issued under Employee Stock Purchase Plan (ESPP)

For details of shares issued under the ESPP of the Company, refer Note 44.

Notes to the standalone financial statements

for the year ended March 31, 2018

Dividend distribution made and proposed

	31 March 2018 ₹	31 March 2017 ₹
Cash dividend on preference shares paid during the year		
Dividend for the year ended on 31 March 2018: ₹ 0.001 per share (31 March 2017: ₹ 0.001 per share)	134.00	116.00
Dividend distribution tax on above	28.00	24.00
Proposed dividend on preference shares		
Dividend for the year ended on 31 March 2018: ₹ 0.001 per share (31 March 2017: ₹ 0.001 per share)	-	116.00
Dividend distribution tax on above	-	24.00

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Proposed dividend on equity shares*		
Dividend for the year ended on 31 March 2018: ₹ 1 per share (31 March 2017: Nil)	234.53	-
Dividend distribution tax on above	48.14	-

*Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2018

NOTE 19: OTHER EQUITY

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Capital reserve	-	769.93	928.72
Securities premium account	38,294.93	14,631.48	13,510.32
Retained earnings	13,583.28	8,699.28	6,548.05
Equity component of compound financial instrument	-	115.50	115.50
	51,878.21	**24,216.19**	**21,102.59**

Capital reserve

	₹ lakhs
At 1 April 2016	**928.72**
Less: Amount utilised towards issue of fully paid bonus shares	(158.79)
At 31 March 2017	**769.93**
Less: Amount utilised towards issue of fully paid bonus shares	(769.93)
At 31 March 2018	-

Capital reserve represents the excess of aggregate value of net assets as at September 30, 2011 over purchase consideration paid by the Company while taking over the business of manufacturing and selling of snacks of Prakash Snacks Private Limited, a related party, on a going concern/slump sale basis in financial year 2011-12.

Securities premium account

	₹ lakhs
At 1 April 2016	**13,510.32**
Add: Premium on issue of ESPP	1,121.16
At 31 March 2017	**14,631.48**
Add: Premium on conversion of CCPS into equity shares	46.20
Add: Premium on issue of equity shares	24,852.52
Less: Amount utilised towards issue of fully paid bonus shares	(9.61)
Less: Utilisation towards expenses incurred in IPO (refer Note 45)	(1,225.66)
At 31 March 2018	**38,294.93**

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Act.

Retained earnings

	₹ lakhs
At 1 April 2016	**6,548.05**
Add: Profit during the year	2,175.73
Less: Other comprehensive income	(24.50)
At 31 March 2017	**8,699.28**
Add: Profit during the year	4,878.25
Add: Other comprehensive income	5.75
At 31 March 2018	**13,583.28**

Equity component of compound financial instrument

	₹ lakhs
At 1 April 2016	**115.50**
At 31 March 2017	**115.50**
Less: Conversion of CCPS to equity	(115.50)
At 31 March 2018	-

NOTE 20: BORROWINGS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Non-current			
Measured at amortised cost			
Secured			
From banks			
Indian rupee loan from banks (refer Note 1 and Note 3 below)	-	1,936.57	2,090.36
Unsecured loans			
Indian rupee loan from banks (refer Note 2 and Note 3 below)	-	750.00	700.00
	-	2,686.57	2,790.36
Less: Current maturities of long-term borrowing (refer Note 25)	-	(1,410.77)	(706.35)
	-	**1,275.80**	**2,084.01**

Notes to the standalone financial statements

for the year ended March 31, 2018

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Current			
Secured			
Cash credit from banks (refer Note 4 below)	-	662.68	919.79
Foreign currency buyers credit (refer Note 5 below)	748.24	890.64	810.14
Short term loan from bank (refer Note 6 below)	-	829.64	833.06
Bank overdraft (refer Note 7 below)	-	55.47	88.22
Unsecured			
Short term loan from a bank (refer Note 8 below)	-	250.45	-
	748.24	**2,688.88**	**2,651.21**
	748.24	**3,964.68**	**4,735.22**

Notes:

1. The following loans from banks were secured by an exclusive first charge on the entire property, plant and equipment (present as well as future) of the Company and equitable mortgage of four land properties and building thereon. The loans were also secured by a second charge on the entire current assets (present as well as future) of the Company and personally guaranteed by Mr. Arvind Mehta, Chairman and Executive Director of the Company. The loans have been prepaid during the financial year 2017-18.

Nature of Facility	Amount Disbursed ₹ lakhs	Amount Outstanding 31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Term Loan - I	493.39	-	112.78	381.44
Term Loan - II	479.18	-	300.85	425.85
Term Loan - III	432.00	-	280.33	405.33
Term Loan - IV	200.00	-	160.00	200.00
Term Loan - V	300.00	-	248.63	-
Term Loan - VI	923.68	-	833.98	677.74
	2,828.25	**-**	**1,936.57**	**2,090.36**

2. Indian rupee unsecured loan secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company - March 31, 2018: Nil [(March 31, 2017: ₹ 750.00 lakhs), (April 1, 2016: ₹ 700.00 lakhs)].

3. The aforementioned loans carry a rate of interest ranging between 8.40% and 10.35%. The interest is to be serviced as and when charged.

4. Cash credit from a bank is secured by an exclusive first charge on entire stock of raw material except for potato stock in warehouse / cold storage, finished goods and book debts of all locations. The cash credit is re-payable on demand and carries an interest rate ranging between 9.65% and 9.75%. The said borrowings are secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company.

5. Foreign currency buyers credit is secured against first pari passu charge over entire property, plant and equipment of the Company and second pari passu charge over entire current assets of the Company. Further the said loan is secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company.

6. Short term loan from bank were secured against warehouse / cold storage receipts.

7. Bank overdraft which is re-payable on demand is secured against post dated cheques issued from cash credit account and personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company.

8. Unsecured short term loan from a bank with a specific condition of one undated cheque and personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Company.

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 21: PROVISIONS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Non-current provisions			
Provision for employee benefits:			
Gratuity (refer Note 38)	229.05	168.43	102.90
	229.05	**168.43**	**102.90**
Current provisions			
Provision for employee benefits:			
Gratuity (refer Note 38)	21.22	15.15	8.51
Leave encashment	20.78	12.11	6.88
Provision others:			
Preference dividend	-	0.01	0.01
	42.00	**27.27**	**15.40**

NOTE 22: DEFERRED TAX ASSETS / LIABILITIES

		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
(a)	**Tax expense recognised in the statement of profit and loss**		
	Current income tax:		
	Current income tax charge	1,526.82	341.96
	Deferred tax:		
	Attributable to:		
	MAT credit	623.41	(1,373.50)
	Origination and reversal of temporary differences	(248.98)	483.41
	Income tax expense reported in the statement of profit and loss	**1,901.25**	**(548.13)**
(b)	**OCI Section - Income tax related to items recognised in OCI during in the year:**		
	Net gain/(loss) on remeasurements of defined benefit plans	3.05	(12.96)
	Income tax expense charged to OCI	**3.05**	**(12.96)**
(c)	**Reconciliation of income tax expense and the accounting profit multiplied by Company's tax rate:**		
	Profit/(loss) before tax	6,779.50	1,627.60
	Income tax expense calculated at 34.608% (31 March 2017: 34.608%)	2,346.25	563.28
	Effect of:		
	Effect of income that is exempt from taxation	(471.68)	(69.85)
	Effect of expenses that is non-deductible in determining taxable profit	25.99	15.52
	Effect of change in tax rate	5.62	-
	Effect of tax on other items	(4.93)	(20.32)
		1,901.25	**488.63**
	Adjustments recognised in relation to earlier years	-	(1,036.76)

Notes to the standalone financial statements

for the year ended March 31, 2018

Income tax expense recognised in the statement of profit and loss	**1,901.25**	**(548.13)**

(d) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:

	Balance sheet			Statement of profit and loss	
	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Deferred tax assets					
Expenditure debited to statement of profit and loss but allowed for tax purposes in the following years	(43.10)	(42.09)	(42.44)	(1.01)	0.35
Provision for impairment of property, plant and equipment	(1.75)	(1.73)	(1.73)	(0.02)	-
Provision for doubtful receivables / loans that are deducted for tax purposes when written off	(259.72)	(154.34)	(135.01)	(105.38)	(19.33)
Provision for employee benefits	(94.72)	(67.72)	(40.94)	(27.00)	(26.78)
MAT credit entitlement	(1,141.33)	(1,764.74)	(391.24)	623.41	(1,373.50)
Other items giving rise to temporary differences	(217.92)	(223.92)	(67.15)	6.00	(156.77)
Deferred tax liabilities					
Accelerated depreciation for tax purposes	1,278.08	1,396.61	723.63	(118.53)	672.98
Net deferred tax liabilities/ (assets) (net)	**(480.46)**	**(857.93)**	**45.12**		
Deferred tax (income)/ expenses				**377.48**	**(903.06)**

The tax rate used for above deferred tax reconciliation for March 31, 2018 and March 31, 2017 is 34.944% and 34.608% respectively.

Reflected in the balance sheet as follows:

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Deferred tax assets	(1,758.54)	(2,254.54)	(678.51)
Deferred tax liabilities	1,278.08	1,396.61	723.63
Deferred tax liabilities/ (assets) (net)	**(480.46)**	**(857.93)**	**45.12**

(e) Reconciliation of deferred tax assets/ liabilities (net):

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Opening balance as of 1 April	(857.93)	45.12
Tax (income)/expense during the year recognised in the statement of profit and loss	374.43	(890.09)
Tax (income)/expense during the year recognised in OCI	3.05	(12.96)
Closing balance as at 31 March	**(480.46)**	**(857.93)**

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.

Notes to the standalone financial statements

for the year ended March 31, 2018

(f) During the year, the increase of the Corporate income tax rate from 34.608% to 34.944% was substantively enacted on February 1, 2018 and will be effective from April 1, 2018. As a result, the relevant deferred tax balances have been remeasured. Deferred tax liability expected to be reversed after March 31, 2018 has been measured using the effective rate that will apply for the period.

The impact of the change in tax rate has been recognised in tax expense in the statement of profit and loss, except to the extent that it relates to items previously recognised outside profit or loss.

NOTE 23: OTHER NON-CURRENT LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Deferred Government grant	323.28	385.66	448.04
	323.28	**385.66**	**448.04**
At 1 April	**448.04**	**510.42**	**510.42**
Released to the statement of profit and loss (refer Note 28)	(62.38)	(62.38)	-
At 31 March	**385.66**	**448.04**	**510.42**
The above amount is classified as:			
Non-current	323.28	385.66	448.04
Current	62.38	62.38	62.38
	385.66	**448.04**	**510.42**

NOTE 24: TRADE PAYABLES

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Dues to micro and small enterprises*	-	-	-
Other trade payables	9,559.38	7,157.56	5,396.31
	9,559.38	**7,157.56**	**5,396.31**

*Based on the information available with Company as at period end there are no dues outstanding to the suppliers who are registered as micro and small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006". This has been relied upon by the auditors.

Trade payables are non interest bearing and are normally settled in 0 to 45 days terms. There are no other amounts paid / payable towards interest / principal under the MSMED.

For explanations on the Company's credit risk management processes, refer Note 48.

NOTE 25: OTHER CURRENT FINANCIAL LIABILITIES

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Current maturities of long-term borrowing (refer Note 20)	-	1,410.77	706.35
Creditors for capital goods	850.01	666.53	151.47
Security deposits	354.25	309.26	261.26
Other liabilities	770.10	-	-
	1,974.36	**2,386.56**	**1,119.08**

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 26: OTHER CURRENT LIABILITIES

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Advance from customers	649.34	528.87	232.63
Statutory dues	226.09	80.77	104.42
Deferred Government grant (refer Note 23)	62.38	62.38	62.38
	937.81	**672.02**	**399.43**

NOTE 27: NON-CURRENT TAX LIABILITIES (NET)

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Income tax provision [Net of advance tax: ₹ 3,346.54 lakhs (31 March 2017: Nil), (1 April 2016: Nil)]	2.35	-	-
	2.35	**-**	**-**

NOTE 28: REVENUE FROM OPERATIONS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Sale of products*		
Finished goods	99,196.59	86,064.42
Traded goods	2,441.42	2,560.83
	101,638.01	**88,625.25**
Other operating revenues		
Sale of starch	148.06	101.62
Scrap sales	257.72	195.71
Government grant (refer Note 43)	985.69	822.65
Provision / liabilities no longer required written back	-	3.69
Deferred government grant income (refer Note 23)	62.38	62.38
	1,453.85	**1,186.05**
	103,091.86	**89,811.30**

* The Government of India introduced Goods and Services Tax (GST) with effect from July 1, 2017 which subsumes excise duty and various other indirect taxes. As required under IND AS 18, revenue for the period from July 1, 2017 to March 31, 2018 is reported net of GST. Sales / Income from operations upto June 30, 2017 are reported inclusive of excise duty.

NOTE 29: OTHER INCOME

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Interest income on:		
Bank deposits	643.74	37.49
On unwinding of other financial assets	71.67	70.30
Others	243.73	152.75
Rent income (refer Note 39)	106.19	34.77
Miscellaneous income	0.12	0.54
Exchange differences (net)	0.08	17.39
	1,065.53	**313.24**

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

NOTE 30: COST OF MATERIALS CONSUMED

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Inventory at the beginning of the year	5,734.56	5,445.92
Add: Purchases	67,098.81	61,699.19
	72,833.37	**67,145.11**
Less : Sale of inventory	(319.14)	(541.32)
Less: Inventory at the end of the year	(6,238.63)	(5,734.56)
Cost of materials consumed	**66,275.60**	**60,869.23**

NOTE 31: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Opening stock:		
Finished goods	1,535.84	1,131.64
Traded goods	43.54	54.42
	1,579.38	**1,186.06**
Less: Closing stock:		
Finished goods	1,626.92	1,535.84
Traded goods	118.65	43.54
	1,745.57	**1,579.38**
(Increase) / Decrease in inventories	**(166.19)**	**(393.32)**

NOTE 32: EMPLOYEE BENEFITS EXPENSE

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Salaries, wages and bonus	3,153.69	2,186.91
Contribution to provident and other funds	186.83	130.05
Gratuity expense (refer Note 38)	77.04	35.44
Staff welfare expenses	169.70	136.93
	3,587.26	**2,489.33**

NOTE 33: FINANCE COSTS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Interest:		
On loans	176.60	424.72
On others	45.60	6.78
Bank charges	16.73	25.80
Exchange differences on buyers credit	49.85	-
	288.78	**457.30**

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 34: DEPRECIATION AND AMORTISATION EXPENSE

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Depreciation of property, plant and equipment (refer Note 3)	2,475.88	2,250.67
Depreciation of investment property (refer Note 4)	18.04	-
Amortisation of intangible assets (refer Note 5)	435.74	296.29
	2,929.66	**2,546.96**

NOTE 35: OTHER EXPENSE

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Consumption of stores, spares and other consumables	1,697.82	1,427.94
Security charges	185.37	189.46
Housekeeping charges	97.71	95.19
Power and fuel	2,524.14	2,107.88
Contract labour charges	2,578.55	2,612.84
Freight and forwarding charges	8,414.37	7,246.67
Rent / lease rent (refer Note 39)	698.16	722.18
Rates and taxes	43.51	17.13
Insurance charges	45.71	44.95
Job work charges	620.00	206.12
Repairs and maintenance:		
- Plant and machinery	272.09	230.59
- Buildings	176.81	103.23
- Others	110.03	140.68
Advertisement and sales promotion	3,413.60	3,652.54
Bad debts / sundry debit balances written off	-	17.83
Provision for doubtful receivables and advances	297.28	55.86
Travelling and conveyance	276.52	225.56
Printing and stationery	29.94	27.84
Legal and professional fees	321.75	562.55
Payment to auditor (refer Note A below)	46.83	41.53
Loss on sale of property, plant and equipment	27.86	39.55
Loss on discard of property, plant and equipment	27.65	0.51
Corporate social responsibility expenditure (refer Note B below)	43.08	38.05
Directors sitting fees	26.90	15.60
Other expenses	236.00	256.06
	22,211.68	**20,078.34**

A] Payment to auditor (inclusive of service tax in previous year)*:

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
As auditor:		
Audit fee	42.00	35.80
Tax audit fee	4.00	4.62
In other capacity:		
Other services (certification fees)	0.40	0.35
Reimbursement of expenses	0.43	0.76
	46.83	**41.53**

* net of IPO fees adjusted against securities premium account

B] Details of corporate social responsibility as per Section 135 (5) of Act and Rules made thereunder:

During the year, the Company has spent ₹ 43.08 lakhs (March 31, 2017: ₹ 38.05 lakhs) towards various schemes of corporate social responsibility as prescribed under Section 135 of the Act. The details are:

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
1) Gross amount required to be spent by the Company during the year	42.89	36.62
2) Amount spent by the Company during the year (in Cash):		
Construction/acquisition of any asset	-	-
On purposes other than above	43.08	38.05

NOTE 36: EXCEPTIONAL ITEM

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Insurance claim	-	95.73
	-	**95.73**

There was an accidental fire at Namkeen plant on December 28, 2014 which resulted in loss of property, plant and equipment and inventories aggregating ₹ 291.88 lakhs. The amount of recovery from the insurance company could not be determined and hence the entire amount of ₹ 291.88 lakhs had been treated as an exceptional expense in the statement of profit and loss for the previous year ended March 31, 2015.

The Company received an interim claim of ₹ 99.98 lakhs from the insurance company in the year ended April 1, 2016 which was reflected as an exceptional income. During the previous year an amount of ₹ 95.73 lakhs has been received as a full and final settlement from the insurance company which is treated as an exceptional item in the statement of profit and loss for the year ended March 31, 2017.

NOTE 37: EARNINGS PER SHARE ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Notes to the standalone financial statements

for the year ended March 31, 2018

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2018	31 March 2017
	₹ lakhs	₹ lakhs
Profit attributable to equity shareholders	**4,878.25**	**2,175.73**
Weighted average number of equity shares for basic EPS	213.41	151.92
Effect of dilution:		
Compulsorily convertible preference shares	8.35	55.44
Weighted average number of Equity shares adjusted for the effect of dilution *	**221.76**	**207.36**
Earnings per equity share (in ₹)		
Basic (Face Value of ₹ 5 each)	22.86	14.32
Diluted (Face Value of ₹ 5 each)	22.00	10.49

* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these financial statements.

NOTE 38: EMPLOYEE BENEFITS

(a) Defined contribution plans

a. Provident fund

Provident fund is a defined contribution scheme established under a state plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

The Company has recognised following amounts as expense in the statement of profit and loss:

	For the year ended 31 March 2018	For the year ended 31 March 2017
	₹ lakhs	₹ lakhs
Included in contribution to provident and other funds (refer Note 32)		
Provident fund	130.05	89.09

(b) Defined benefit plans

Gratuity - Non-funded

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is non funded.

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Current	21.22	15.15	8.51
Non-current	229.05	168.43	102.90
	250.27	**183.58**	**111.41**

Notes to the standalone financial statements

for the year ended March 31, 2018

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss the funded status and amounts recognised in the balance sheet for the respective plans:

			31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
I	(a)	**Expense recognised in the statement of profit and loss for the year ended**		
		Current service cost	39.77	27.08
		Past service cost	24.77	-
		Interest cost on benefit obligation	12.50	8.36
		Components of defined benefit costs recognised in statement of profit and loss (refer Note 32)	**77.04**	**35.44**
	(b)	**Included in other comprehensive income**		
		Actuarial gain / (loss) for the year on present defined benefit obligation	8.80	(37.46)
		Actuarial (gain) / loss recognised in OCI	**8.80**	**(37.46)**
II	**Change in present value of defined benefit obligation during the year**			
	1.	Present Value of defined benefit obligation at the beginning of the year	183.58	111.41
	2.	Interest cost	12.50	8.36
	3.	Current service cost	39.77	27.08
	4.	Past service cost	24.77	-
	5.	Benefits paid	(1.55)	(0.73)
	6.	Total actuarial (gain)/loss on obligation	8.80	(37.46)
	7.	Present value of defined benefit obligation at the end of the year	**250.27**	**183.58**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Not applicable

Details of asset-liability matching strategy

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy deviced for the plan.

A description of any funding arrangements and funding policy that affect future contributions:

Currently there is no specific funding arrangement that affect the future contributions.

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company's plans are shown below:

	31 March 2018	31 March 2017	1 April 2016
Discount rate (%)	7.60%	7.10%	7.10%
Future salary increases:	7.00%	7.00%	7.00%
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

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

	Discount rate		
	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Impact on defined benefit obligation			
Impact of 0.50% increase in rate	-9.40	-7.30	-4.26
Impact of 0.50% decrease in rate	10.08	7.86	4.57

Notes to the standalone financial statements

for the year ended March 31, 2018

	Future salary increases		
	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Impact on defined benefit obligation			
Impact of 0.50% increase in rate	8.64	6.99	3.78
Impact of 0.50% decrease in rate	-8.29	-6.74	-3.40

	Withdrawal rate		
	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Impact on defined benefit obligation			
Impact of 20% increase in rate	0.31	-0.87	0.24
Impact of 20% decrease in rate	-0.72	0.82	-0.32

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Sensitivity due to mortality are not material and hence impact of change not calculated.

The following payments are expected contributions to the defined benefit plan in future years:

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Within the next 12 months (next annual reporting period)	21.22	15.15	8.51
Between 2 and 5 years	101.42	71.14	43.35
Beyond 5 years	407.47	286.70	172.31

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.76 years (March 31, 2017: 8.99 years and April 1, 2016: 9.08 years)

NOTE 39: COMMITMENTS AND CONTINGENCIES

I. Operating lease commitments

(a) Company as a lessee

The Company has entered into operating lease arrangements for its factory building and warehouses.

Future minimum rentals payable and charged to the statement of profit and loss under non-cancellable operating leases as at March 31, are as follows:

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Charged to the statement of profit and loss	565.84	539.80	417.04
Future minimum rentals payable under non-cancellable operating leases are as under			
- not later than one year	617.30	565.06	575.82
- later than one year but not later than five years	2,452.45	2,475.92	2,654.72
- later than five years	1,428.74	1,963.05	2,488.74

Notes to the standalone financial statements

for the year ended March 31, 2018

(b) Company as a lessor

The Company has entered into an agreement for leasing its investment property consisting of freehold land and factory building at Piplya Lohar, Indore to its wholly owned subsidiary. The agreement has a lock in period of ten years.

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Income booked in the statement of profit and loss	106.19	34.77	-
Future minimum rentals receivable under non-cancellable operating leases are as under			
- not later than one year	110.17	106.19	-
- later than one year but not later than five years	498.60	474.86	-
- later than five years	531.92	665.84	-

II. Capital commitments

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	380.51	1,092.50	1,340.87

III. Other commitments

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
(a) Preservation charges payable to cold storage owners	171.64	163.24	158.95

IV. Contingent liabilities (to the extent not provided for)

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Claims against the Company not acknowledged as debts	-	-	-
Disputed income tax liability*	-	12.67	-
Disputed value added tax liability**	-	4.50	-
Disputed central sales tax liability (net of C Forms collected)***	-	4.27	22.20
	-	**21.44**	**22.20**

Notes:

* Income tax demand in the previous year comprise of demand from the income tax department for AY 2010-11. The Company had filed an appeal before the CIT(A) and the assessment has been closed in the current year.

** Value added tax demand in the previous year comprised of demand from the commercial taxes department for FY 2014-15. During the current year the Company has paid the disputed demand of ₹ 4.50 lakhs and the assessment has been closed.

*** Central Sales tax demand in the previous year comprised of demand from the Central Sales tax authorities for FY 2012-13, 2013-14 and 2014-15. During the current year, the Company has submitted the required forms and supporting documentary evidences within the time granted and the assessment has been closed.

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

NOTE 40: RELATED PARTY TRANSACTIONS

I]. Names of related parties and related party relationship

(a) Related Parties where control exists:	
Wholly owned subsidiary	Pure N Sure Food Bites Private Limited
(b) Other related parties with whom transactions have taken place during the year:	
Enterprise having significant influence:	SCI Growth Investment II
Key management personnel	Mr. Arvind Mehta, Chairman and Executive Director
	Mr. Amit Kumat, Managing Director and Chief Executive Officer
	Mrs. Anisha Motwani, Independent Director
	Dr. Om Prakash Manchanda, Independent Director
	Mr. Vineet Kumar Kapila, Independent Director
	Mr. Haresh Ram Chawla, Independent Director
Relatives of key management personnel	Mr. Apoorva Kumat, Brother of Mr. Amit Kumat
	Mrs. Premlata Kumat, Mother of Mr. Amit Kumat
	Mrs. Swati Bapna, Sister of Mr. Amit Kumat
	Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta
	Mr. Naveen Mehta, Brother of Mr. Arvind Mehta
(c) Enterprise where control over the composition of Governing Body exists	Prataap Snacks Employees Welfare Trust

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year are disclosed below:

		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
a.	**Interest income**		
	Wholly owned subsidiary		
	Pure N Sure Food Bites Private Limited *	162.61	96.22
	Enterprise where control over the composition of governing body exists		
	Prataap Snacks Employees Welfare Trust	128.57	99.40
		291.18	**195.62**
	* Includes interest income on fair valuation of interest free loan amounting to ₹ 54.21 lakhs (31 March 2017: ₹ 50.00 lakhs)		
b.	**Rent income**		
	Wholly owned subsidiary		
	Pure N Sure Food Bites Private Limited *	106.19	34.77
		106.19	**34.77**
	* Includes rent income on deemed lease income on investment property amounting to ₹ 26.55 lakhs (31 March 2017: ₹ 34.77 lakhs)		
c.	**Sales of goods**		
	Wholly owned subsidiary		
	Pure N Sure Food Bites Private Limited	12.68	-
		12.68	**-**

		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
d.	**Recovery of expenses from**		
	Wholly owned subsidiary		
	Pure N Sure Food Bites Private Limited - Freight expenses	18.18	-
	Enterprise having significant influence		
	SCI Growth Investment II - IPO expenses (refer Note 45)	781.80	-
	Key managerial personnel		
	Mr. Arvind Mehta - IPO expenses (refer Note 45)	109.06	-
	Mr. Amit Kumat - IPO expenses (refer Note 45)	69.41	-
	Relatives of key management personnel		
	Mr. Apoorva Kumat - IPO expenses (refer Note 45)	69.41	-
	Mrs. Premlata Kumat - IPO expenses (refer Note 45)	46.27	-
	Mrs. Swati Bapna - IPO expenses (refer Note 45)	13.22	-
	Mrs. Kanta Mehta - IPO expenses (refer Note 45)	39.66	-
	Mr. Naveen Mehta - IPO expenses (refer Note 45)	82.63	-
		1,229.64	**-**
e.	**Remuneration**		
	Key managerial personnel		
	Mr. Arvind Mehta*	56.25	50.00
	Mr. Amit Kumat*	56.25	50.00
	Sitting fees to Independent Directors	26.90	15.60
	Relatives of key management personnel		
	Mr. Apoorva Kumat*	56.25	50.00
		195.65	**165.60**
	* Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.		
f.	**Rent paid**		
	Relatives of key management personnel		
	Mrs. Kanta Mehta	-	17.38
		-	**17.38**
g.	**Preference dividend****		
	Enterprise having significant influence		
	SCI Growth Investment II	-	-
		-	-
	**Preference dividend of ₹ 113 (31 March 2017 : ₹ 98)		
h.	**Loan given**		
	Wholly owned subsidiary		
	Pure N Sure Food Bites Private Limited	1,005.52	442.07
	Enterprises where control over the composition of governing body exists		
	Prataap Snacks Employees Welfare Trust	-	1,122.00
		1,005.52	**1,564.07**

Notes to the standalone financial statements

for the year ended March 31, 2018

		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
i.	**Loan repaid**		
	Enterprise where control over the composition of governing body exists		
	Prataap Snacks Employees Welfare Trust	-	54.00
		-	**54.00**
j.	**Purchase of freehold Land**		
	Relatives of key management personnel		
	Mrs. Kanta Mehta	-	225.00
		-	**225.00**
k.	**Security deposit refunded**		
	Relatives of key management personnel		
	Mrs. Kanta Mehta	-	7.50
		-	**7.50**

		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
l.	**Closing balances**			
	Loans receivables*			
	Wholly owned subsidiary			
	Pure N Sure Food Bites Private Limited	2,710.52	1,542.38	1,004.10
	Enterprise where control over the composition of governing body exists			
	Prataap Snacks Employees Welfare Trust	1,557.13	1,428.56	261.16
		4,267.65	**2,970.94**	**1,265.26**
	*Includes interest accrued amounting to ₹ 263.10 lakhs [(31 March 2017: ₹ 100.49 lakhs), (1 April 2016: ₹ 4.27 lakhs)] and ₹ 264.02 lakhs [(31 March 2017: ₹ 135.45 lakhs), (1 April 2016: ₹ 36.05 lakhs)] with respect to loan to Pure N Sure Food Bites Private Limited and Prataap Snacks Employees Welfare Trust respectively.			
	Trade receivables			
	Wholly owned subsidiary			
	Pure N Sure Food Bites Private Limited	117.50	-	-
		117.50	**-**	**-**
	Security deposit			
	Relatives of key management personnel			
	Mrs. Kanta Mehta	-	-	7.50
		-	**-**	**7.50**
	Preference dividend payable*			
	Enterprise having substantial interest			
	SCI Growth Investment II	-	-	-
		-	**-**	**-**
	*Preference dividend payable of Nil [(31 March 2017: ₹ 472), (1 April 2016: ₹ 472)]			

		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
	Other payables (refer Note 45)			
	Enterprise having significant influence			
	SCI Growth Investment II	87.67	-	-
	Key managerial personnel			
	Mr. Arvind Mehta	12.23	-	-
	Mr. Amit Kumat	7.78	-	-
	Relatives of key management personnel			
	Mr. Apoorva Kumat	7.78	-	-
	Mrs. Premlata Kumat	5.19	-	-
	Mrs. Swati Bapna	1.48	-	-
	Mrs. Kanta Mehta	4.45	-	-
	Mr. Naveen Mehta	9.27	-	-
		135.85	**-**	**-**
m.	**Guarantee given to banks for loans taken by the Company**			
	Key managerial personnel			
	Mr. Arvind Mehta (refer Note 20)	-	-	-
		-	**-**	**-**

Terms and conditions of transactions with related parties

The transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest bearing and settlement will occur in cash. There have been no guarantees provided or received for any related party receivables or payables other than disclosed in aforesaid table. For the year ended March 31, 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year end through examining the financial position of the related party and the market in which the related party operates.

NOTE 41: SEGMENT INFORMATION

For management purpose, the Company comprise of only one reportable segment – Snacks food

The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

A] Information about products and services

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Revenue from sale of goods to external customers		
Finished goods	99,196.59	86,064.42
Traded goods	2,441.42	2,560.83

Notes to the standalone financial statements

for the year ended March 31, 2018

B] Information about geographical areas

	Sale of goods ₹ lakhs	Non current operating assets ₹ lakhs
Year ended 31 March 2018		
India	101,015.03	22,796.70
Outside India	622.98	-
Total	**101,638.01**	**22,796.70**
Year ended 31 March 2017		
India	88,379.08	21,960.95
Outside India	246.17	-
Total	**88,625.25**	**21,960.95**
Year ended 1 April 2016		
India		20,233.66
Outside India		-
Total		**20,233.66**

C] Notes

1 The business of the Company comprise of only one reportable segment i.e. Snacks food. The management monitors the operating results of this segment for the purpose of resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

2. Segment revenue in the geographical segments considered for disclosure are as follows:

   a) Revenue within India includes sales to customers located within India.

   b) Revenue outside India includes sales to customers located outside India.

3. The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue.

4. Non current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment property, investment property under development, intangible assets and intangible assets under development

NOTE 42: DISCLOSURE REQUIRED UNDER SECTION 186(4) OF THE ACT

Included in financial assets are certain loans the particulars of which are disclosed below as required by Section 186(4) of the Act

Name of the loanee	Rate of interest	Due date	Opening balance ₹ lakhs	Loan given ₹ lakhs	Loan repaid ₹ lakhs	Closing balance ₹ lakhs
Pure N Sure Food Bites Private Limited (Wholly owned subsidiary)						
As on 1 April 2016	8%	31 March 2020	999.83	-	-	999.83
As on 31 March 2017			999.83	442.07	-	1,441.90
As on 31 March 2018			1,441.90	1,005.52	-	2,447.42
Prataap Snacks Employees Welfare Trust						
As on 1 April 2016	9%	31 March 2020	225.11	-	-	225.11
As on 31 March 2017			225.11	1,122.00	54.00	1,293.11
As on 31 March 2018			1,293.11	-	-	1,293.11

NOTE 43: GOVERNMENT GRANT

I. Sales tax incentive - Assam

The Company commissioned its Guwahati Unit 1 on July 17, 2014 and Guwahati Unit 2 on April 8, 2016. As per the Industrial and Investment Policy of Assam, 2014, the Units are entitled for exemption of tax payable under the Assam Value Added Tax Act 2005 and the Central Sales Tax Act 1956 for 15 years from the date of commencement of commercial production.

a) Guwahati Unit 1 :

The total VAT/CST recovery for Guwahati Unit 1 after taking VAT input credit for the year ended March 31, 2018 is Nil (March 31, 2017: ₹ 730.11 lakhs). The Company has deposited ₹ 247.88 lakhs with the Government authorities and recognised the balance amount of ₹ 482.22 lakhs as other operating revenue income (refer Note 28) during the year ended March 31, 2017. The Company has received the eligibility certificate for Guwahati Unit 1 plant on November 15, 2016.

b) Guwahati Unit 2 :

The total VAT/CST recovery for Guwahati Unit 2 after taking VAT input credit for the year ended is ₹ 147.66 lakhs (March 31, 2017: ₹ 345.09 lakhs). The Company has deposited ₹ 1.48 lakhs (March 31, 2017: ₹ 3.44 lakhs) with the Government authorities and recognised the balance amount of ₹ 146.18 lakhs (March 31, 2017: ₹ 340.43 lakhs) after adjusting brought forward input credit of ₹ Nil (March 31, 2017: ₹ 1.72 lakhs) as other operating revenue income (refer Note 28). The Company has completed the process of application with respect to the Guwahati Unit 2 to the Assam Sales Tax Authorities on March 31, 2017 and the eligibility certificate is awaited. However, the sales tax incentive of ₹ 144.70 lakhs (March 31, 2017: ₹ 340.43 lakhs) of Guwahati Unit 2 has been recognised as income.

The Assam Government has revised the incentive scheme under the GST regime, As per the notification no. FTX.113/2017/72 dated January 19, 2018, the Company is entitled to reimbursement of 100% of the state tax (SGST) paid through debit in the electronic cash ledger account maintained by the unit.

II. Sales tax incentive - Madhya Pradesh

As per the Madhya Pradesh Industrial Investment Promotion Assistance Scheme, 2004, the Company is entitled for refund of the commercial taxes and sales tax deposited by them for a period of three years from the date of commercial production. The Company has been sanctioned Industrial Investment Promotion Assistance (IIPA) by Government of Madhya Pradesh on February 21, 2018. The eligible amount sanctioned under the aforesaid scheme for both the Chips plant at Indore capitalised on January 27, 2010 and October 26, 2012 amounts to ₹ 143.68 lakhs and ₹ 540.61 lakhs respectively. The total amount of ₹ 684.28 lakhs has been recognised as other operating revenue income (refer Note 28) and the same has been subsequently received in cash on April 4, 2018.

III. Freight subsidy

The Guwahati units of the Company are eligible for freight subsidy under the Freight Subsidy Scheme (‘FSS’), 2013 introduced by the Ministry of Commerce and Industry vide notification no. F. No. 11(5)/2009-DBA-II/NER. The Company is eligible for the freight subsidy for a period of 5 years from the commencement of the scheme or operations, whichever is later. The Company has estimated that the claim under the scheme shall be received within a period of 6 years from the end of the relevant quarter and has accordingly recognised income of ₹ 155.23 lakhs at present value as other operating revenue income (refer Note 28) in the financial year ended March 31, 2018.

NOTE 44: EMPLOYEE STOCK PURCHASE PLAN ('ESPP')

The Company had an ESPP under which 0.11 lakhs shares of equity capital were reserved for issuance to its eligible employees. Eligible employees could purchase a limited number of shares of the Company's equity capital at the fair market value as determined by a Merchant Banker. The ESPP was approved in the Board Meeting held on August 23, 2013 and the grant of options was approved in the Board Meeting held on June 10, 2016 for issue of stock options to the eligible employees of the Company. In the year ended March 31, 2017, 0.05 lakhs equity shares were issued under ESPP and the balance 0.01 lakhs equity shares of ESPP policy has been revoked by the Company on June 21, 2016.

Notes to the standalone financial statements

for the year ended March 31, 2018

The details of activity under the Scheme are summarised below:

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Outstanding at the beginning of the year	-	-	-
Granted during the year	-	0.05	-
Forfeited during the year	-	-	-
Exercised during the year	-	0.05	-
Revoked during the year	-	0.01	-
Outstanding at the end of the year	-	-	-
Exercisable at the end of the year	-	-	-
Shares available for issuance under ESPP as at reporting date	-	-	0.06

NOTE 45: SHARE ISSUE EXPENSES RECOVERABLE

During the year ended March 31, 2018, the Company had completed its IPO through an Offer for Sale of 30.06 lakhs equity shares and a fresh issue of ₹ 21.32 lakhs equity shares of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The Company has incurred total share issue expenses ₹ 2,953.50 lakhs (March 31, 2017: ₹ 439.83 lakhs). Since the issue was an offer for sale and a fresh issue, all the share issue expenses related to the IPO have been proportionately distributed between the Company and the selling shareholders. The Company's share of expenses have been adjusted against securities premium to the extent permissible under Section 52 of the Act on successful completion of IPO.

NOTE 46: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments:

	Carrying value			Fair value		
	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Non-current financial assets						
Loans:						
Loans to related party	4,267.65	2,970.94	1,265.26	3,214.83	1,944.53	814.39
Loans to transporters	-	12.54	32.29	-	12.54	32.29
Other non-current financial assets:						
Security deposits	400.35	379.20	436.65	389.64	397.26	403.81
Margin money deposit	5.79	130.61	22.56	5.79	130.61	22.56
Subsidy receivable	155.25	-	-	155.25	-	-
Others	-	-	1.49	-	-	1.49
Current financial assets						
Trade receivables	2,020.35	1,450.95	1,794.33	2,020.35	1,450.95	1,794.33
Loans	85.59	77.34	147.43	85.59	77.34	147.43
Other current financial assets	1,496.72	605.02	616.68	1,496.72	605.02	616.68
Total	**8,431.70**	**5,626.60**	**4,316.69**	**7,368.17**	**4,618.25**	**3,832.98**

	Carrying value			Fair value		
	31 March 2018	31 March 2017	1 April 2016	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Non-current financial liabilities						
Borrowings	-	1,275.80	2,084.01	-	1,072.09	1,818.04
Current financial liabilities						
Borrowings	748.24	2,688.88	2,651.21	748.24	2,688.88	2,651.21
Trade payables	9,559.38	7,157.56	5,396.31	9,559.38	7,157.56	5,396.31
Other current financial liabilities	1,974.36	2,386.56	1,119.08	1,974.36	2,386.56	1,119.08
	12,281.98	**13,508.80**	**11,250.61**	**12,281.98**	**13,305.09**	**10,984.64**

The management assessed that fair value trade receivables, other current financial assets, other current assets, current loans, trade payables, current borrowings, other current financial liabilities and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Security deposits, loans and advances and other financial assets are evaluated by the Company based on parameteres such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability. Based on this evaluation, allowances are taken into account for the expected credit losses of these loans and other financial assets.
2. The fair value of bank borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

NOTE 47: FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
Assets and liabilities for which fair values are disclosed in Note 46			
Non-current financial assets			
Loans:			
Loans to related party	-	3,214.83	-
Other current financial assets:			
Security deposits	-	389.64	-
Margin money deposit	-	5.79	-
Subsidy receivable	-	155.25	-

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

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
Current financial assets			
Trade receivables	-	2,020.35	-
Loans	-	85.59	-
Other current financial assets	-	1,496.72	-
Current financial liabilities			
Borrowings	-	748.24	-
Trade payables	-	9,559.38	-
Other current financial liabilities	-	1,974.36	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
Assets and liabilities for which fair values are disclosed in Note 46			
Non-current financial assets			
Loans:			
Loans to related party	-	1,944.53	-
Loans to transporters	-	12.54	-
Other current financial assets:			
Security deposits	-	397.26	-
Margin money deposit	-	130.61	-
Current financial assets			
Trade receivables	-	1,450.95	-
Loans	-	77.34	-
Other current financial assets	-	605.02	-
Non-current financial liabilities			
Borrowings	-	1,072.09	-
Current financial liabilities			
Borrowings	-	2,688.88	-
Trade payables	-	7,157.56	-
Other current financial liabilities	-	2,386.56	-

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016:

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
Assets and liabilities for which fair values are disclosed in Note 46			
Non-current financial assets			
Loans:			
Loans to related party	-	814.39	-
Loans to transporters	-	32.29	-
Other current financial assets:			
Security deposits	-	403.81	-
Margin money deposit	-	22.56	-
Others	-	1.49	-
Current financial assets			
Trade receivables	-	1,794.33	-
Loans	-	147.43	-
Other current financial assets	-	616.68	-
Non-current financial liabilities			
Borrowings	-	1,818.04	-
Current financial liabilities			
Borrowings	-	2,651.21	-
Trade payables	-	5,396.31	-
Other current financial liabilities	-	1,119.08	-

NOTE 48: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include advances and deposits, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risks, credit risks and liquidity risks. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Company is not significantly exposed to other price risk whereas the exposure to currency risk and interest risk is given below.

Notes to the standalone financial statements

for the year ended March 31, 2018

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings. However the Company has only current borrowings, hence it is not significantly exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's current borrowings, receivables and payables due to transactions entered in foreign currencies.

Foreign Exchange Exposures outstanding at the year end

	Currency	31 March 2018	31 March 2017	1 April 2016
		lakhs	lakhs	lakhs
Short-term borrowings - Buyer's credit	JPY	1,224.00	1,530.70	1,377.81
Trade payable	USD	-	-	0.06
Export Receivables	USD	0.41	0.41	0.30

Foreign exchange exposures outstanding at the year end in ₹

	31 March 2018	31 March 2017	1 April 2016
	lakhs	lakhs	lakhs
Short-term borrowings - Buyer's credit	748.24	890.64	810.14
Trade payable	-	-	4.18
Export Receivables	26.56	26.55	20.10
Net exposure (₹)	**721.68**	**864.09**	**794.22**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Increase / decrease in %	Effect on profit or loss	
		31 March 2018	31 March 2017
		₹ lakhs	₹ lakhs
USD ₹	2%	0.53	0.53
	-2%	(0.53)	(0.53)
JPY ₹	2%	(14.96)	(17.81)
	-2%	14.96	17.81

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks.

Trade receivables

Customer credit is managed by the Company's through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	₹ lakhs	
	Upto 180 Days	More Then 180 Days
As on 31 March 2018		
Expected loss rate	0.00%	100.00%
Gross carrying amount	2,020.35	198.06
Loss allowance provision	-	198.06
As on 31 March 2017		
Expected loss rate	0.00%	100.00%
Gross carrying amount	1,450.96	131.78
Loss allowance provision	-	131.78
As on 1 April 2016		
Expected loss rate	0.00%	100.00%
Gross carrying amount	1,794.33	104.10
Loss allowance provision	-	104.10

Impairment loss is recognised in the year based on lifetime credit losses.

Reconciliation of loss allowance provision for trade receivables

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Balance as at beginning of the year	131.79	104.10
On receivables originated in the year	71.92	30.05
Amounts recovered during the year	(5.65)	(2.36)
Balance at end of the year	**198.06**	**131.79**

Liquidity risk

(i) Liquidity risk management

The Company's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company closely monitors its liquidity position and maintains adequate source of funding.

(ii) Maturities of financial liabilities

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Notes to the standalone financial statements

for the year ended March 31, 2018

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2018				
Current liabilities:				
(i) Borrowings	748.24	-	-	748.24
(ii) Trade payables	9,559.38	-	-	9,559.38
(iii) Other current financial liabilities	1,974.36	-	-	1,974.36
	12,281.98	**-**	**-**	**12,281.98**
As at 31 March 2017				
Non-current liabilities:				
(i) Borrowings	-	1,289.30	-	1,289.30
Current liabilities:				
(i) Borrowings	2,688.88	-	-	2,688.88
(ii) Trade payables	7,157.56	-	-	7,157.56
(iii) Other current financial liabilities	2,386.56	-	-	2,386.56
	12,233.00	**1,289.30**	**-**	**13,522.30**
As at 1 April 2016				
Non-current liabilities:				
(i) Borrowings	-	2,103.79	-	2,103.79
Current liabilities:				
(i) Borrowings	2,651.21	-	-	2,651.21
(ii) Trade payables	5,396.31	-	-	5,396.31
(iii) Other current financial liabilities	1,119.08	-	-	1,119.08
	9,166.60	**2,103.79**	**-**	**11,270.39**

Changes in liabilities arising from financing activities:

	1 April 2016	Net Cash (Outflow) / Inflow	Foreign exchange movement	Others	31 March 2017
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Long-term interest bearing borrowings	2,790.36	(103.79)	-	-	2,686.57
Short-term interest bearing borrowings	2,651.21	47.76	(10.09)	-	2,688.88
	5,441.57	**(56.03)**	**(10.09)**	**-**	**5,375.45**

	31 March 2017	Net Cash (Outflow) / Inflow	Foreign exchange movement	Others	31 March 2018
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Long-term interest bearing borrowings	2,686.57	(2,686.57)	-	-	-
Short-term interest bearing borrowings	2,688.88	(1,976.36)	35.72	-	748.24
	5,375.45	**(4,662.93)**	**35.72**	**-**	**748.24**

(iii) Maturities of financial assets

The following table details the Company's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2018				
Non-current assets:				
(i) Loans	-	4,494.54	-	4,494.54
(ii) Other non-current financial assets	-	270.01	499.41	769.42
Current assets:				
(i) Trade receivables	2,020.35	-	-	2,020.35
(ii) Bank balance other than cash and cash equivalents	16,134.04	-	-	16,134.04
(iii) Loans	85.59	-	-	85.59
(iv) Other current financial assets	1,496.72	-	-	1,496.72
	19,736.70	**4,764.55**	**499.41**	**25,000.66**
Year ended 31 March 2017				
Non-current assets:				
(i) Loans	-	3,160.37	-	3,160.37
(ii) Other non-current financial assets	-	215.79	448.08	663.87
Current asset:				
(i) Trade receivables	1,450.95	-	-	1,450.95
(ii) Bank balance other than cash and cash equivalents	287.03	-	-	287.03
(iii) Loans	77.34	-	-	77.34
(iv) Other current financial assets	605.02	-	-	605.02
	2,420.34	**3,376.16**	**448.08**	**6,244.58**
As at 1 April 2016				
Non-current assets:				
(i) Loans	-	32.29	1,492.15	1,524.44
(ii) Other non-current financial assets	-	66.10	561.04	627.14
Current asset:				
(i) Trade receivables	1,794.33	-	-	1,794.33
(ii) Bank balance other than cash and cash equivalents	302.58	-	-	302.58
(iii) Loans	147.43	-	-	147.43
(iv) Other current financial assets	616.68	-	-	616.68
	2,861.02	**98.39**	**2,053.19**	**5,012.60**

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 49: CAPITAL MANAGEMENT

For the purpose of the Company's capital management, equity includes issued equity capital, compulsory convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The Company's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company's policy is to keep healthy debt equity ratio ensuring minimum debt. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	31 March 2018	31 March 2017	1 April 2016
	lakhs	lakhs	lakhs
Debt (A)	748.24	3,964.68	4,735.22
Equity (B)	53,050.86	24,406.74	21,133.87
Debt / Equity ratio (A / B)	0.01	0.16	0.22

NOTE 50: FIRST-TIME ADOPTION OF IND AS

These standalone financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its standalone financial statements in accordance with accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared standlone financial statements which comply with Ind AS applicable for the year ended on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP standalone financial statements, including the balance sheet as at April 1, 2016 and the standalone financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

i) Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognised in its Indian GAAP financial as deemed cost at the transition date.

ii) The Company has availed the option to continue recording of investments (in each of these cases) at cost as per Indian GAAP as on transition date amongst available options of fair valuation or cost as per Ind AS 27 'separate financial statement'.

iii) The Company has availed the exemption available under Ind AS 101 for not restating the past business combinations at fair value.

iv) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease in substance or legal form. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has done the assessment of lease in contracts based on conditions in prevailing as at the date of transition as per transition provision of Ind AS 101.

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

Notes to the standalone financial statements

for the year ended March 31, 2018

Reconciliation of equity as at April 1, 2016 (date of transition to Ind AS)

	Footnotes	Indian GAAP* ₹ lakhs	Adjustments ₹ lakhs	Ind AS ₹ lakhs
ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	1	16,734.97	487.97	17,222.94
(b) Capital work-in-progress		1,911.58	-	1,911.58
(c) Investment property under development		1,061.75	-	1,061.75
(d) Intangible assets		36.24	-	36.24
(e) Intangible assets under development		1.15	-	1.15
(f) Financial assets				
(i) Investments	2 and 12	1.22	374.32	375.54
(ii) Loans	2 and 11	1,915.68	(618.13)	1,297.55
(iii) Other non-current financial assets	3 and 11	627.84	(167.14)	460.70
(g) Tax assets (net)		10.60	-	10.60
(h) Other non-current assets	3	331.09	132.21	463.30
TOTAL NON-CURRENT ASSETS		**22,632.12**	**209.23**	**22,841.35**
CURRENT ASSETS				
(a) Inventories		6,852.81	-	6,852.81
(b) Financial assets				
(i) Trade receivables		1,794.33	-	1,794.33
(ii) Cash and cash equivalents		315.85	-	315.85
(iii) Bank balance (other than (ii) above)		302.58	-	302.58
(iv) Loans		147.43	-	147.43
(v) Other current financial assets		616.68	-	616.68
(c) Other current assets	3 and 7	549.17	(24.83)	524.34
TOTAL CURRENT ASSETS		**10,578.85**	**(24.83)**	**10,554.02**
TOTAL ASSETS		**33,210.97**	**184.40**	**33,395.37**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	4	146.78	(115.50)	31.28
(b) Other equity	1, 2, 3, 4, 5, 6 and 7	20,226.21	876.38	21,102.59
TOTAL EQUITY		**20,372.99**	**760.88**	**21,133.87**
LIABILITIES				
NON-CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings	5	2,103.79	(19.78)	2,084.01
(b) Provisions		102.90	-	102.90
(c) Deferred tax liabilities (net)	11	1,017.64	(972.52)	45.12
(d) Other non-current liabilities	1	-	448.04	448.04
TOTAL NON-CURRENT LIABILITIES		**3,224.33**	**(544.26)**	**2,680.07**
CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings		2,651.21	-	2,651.21
(ii) Trade payables	6	5,490.91	(94.60)	5,396.31
(iii) Other current financial liabilities		1,119.08	-	1,119.08
(b) Provisions		15.40	-	15.40
(c) Other current liabilities	1	337.05	62.38	399.43
TOTAL CURRENT LIABILITIES		**9,613.65**	**(32.22)**	**9,581.43**
TOTAL LIABILITIES		**12,837.98**	**(576.48)**	**12,261.50**
TOTAL EQUITY AND LIABILITIES		**33,210.97**	**184.40**	**33,395.37**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

Notes to the standalone financial statements

for the year ended March 31, 2018

Reconciliation of equity as at March 31, 2017

		Footnotes	Indian GAAP* ₹ lakhs	Adjustments ₹ lakhs	Ind AS ₹ lakhs
ASSETS					
NON-CURRENT ASSETS					
(a)	Property, plant and equipment	1	18,794.74	428.09	19,222.83
(b)	Capital work-in-progress		182.73	-	182.73
(c)	Investment property		482.85	-	482.85
(d)	Investment property under development		1,306.00	-	1,306.00
(e)	Intangible assets		765.39	-	765.39
(f)	Intangible assets under development		1.15	-	1.15
(g)	Financial assets				
(i)	Investments	2 and 12	1.22	409.09	410.31
(ii)	Loans	2 and 11	4,925.11	(1,941.63)	2,983.48
(iii)	Other non-current financial assets	3 and 11	664.45	(154.64)	509.81
(h)	Deferred tax assets (net)	11	(844.34)	1,702.27	857.93
(i)	Tax assets (net)		124.66	-	124.66
(j)	Other non-current assets	3	50.17	118.98	169.15
TOTAL NON-CURRENT ASSETS			**26,454.13**	**562.16**	**27,016.29**
CURRENT ASSETS					
(a)	Inventories		7,886.80	-	7,886.80
(b)	Financial assets				
(i)	Trade receivables		1,450.95	-	1,450.95
(ii)	Cash and cash equivalents		658.72	-	658.72
(iii)	Bank balance (other than (ii) above)		287.03	-	287.03
(iv)	Loans		77.34	-	77.34
(v)	Other current financial assets		605.02	-	605.02
(c)	Other current assets	3 and 7	1,187.16	(0.39)	1,186.77
TOTAL CURRENT ASSETS			**12,153.02**	**(0.39)**	**12,152.63**
TOTAL ASSETS			**38,607.15**	**561.77**	**39,168.92**
EQUITY AND LIABILITIES					
EQUITY					
(a)	Equity share capital	4	306.05	(115.50)	190.55
(b)	Other equity	1, 2, 3, 4, 5, 6 and 7	23,850.60	365.59	24,216.19
TOTAL EQUITY			**24,156.65**	**250.09**	**24,406.74**
LIABILITIES					
NON-CURRENT LIABILITIES:					
(a)	Financial liabilities				
(i)	Borrowings	5	1,289.30	(13.50)	1,275.80
(b)	Provisions		168.43	-	168.43
(c)	Other non-current liabilities	1	-	385.66	385.66
TOTAL NON-CURRENT LIABILITIES			**1,457.73**	**372.16**	**1,829.89**
CURRENT LIABILITIES:					
(a)	Financial liabilities				
(i)	Borrowings		2,688.88	-	2,688.88
(ii)	Trade payables	6	7,280.42	(122.86)	7,157.56
(iii)	Other current financial liabilities		2,386.56	-	2,386.56
(b)	Provisions		27.27	-	27.27
(c)	Other current liabilities	1	609.64	62.38	672.02
TOTAL CURRENT LIABILITIES			**12,992.77**	**(60.48)**	**12,932.29**
TOTAL LIABILITIES			**14,450.50**	**311.68**	**14,762.18**
TOTAL EQUITY AND LIABILITIES			**38,607.15**	**561.77**	**39,168.92**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

Notes to the standalone financial statements

for the year ended March 31, 2018

Reconciliation of profit or loss for the year ended March 31, 2017:

		Footnotes	Indian GAAP*	Adjustments	Ind AS
			₹ lakhs	₹ lakhs	₹ lakhs
I	Revenue from operations	15	90,391.64	(580.34)	89,811.30
II	Other income	16	208.17	105.07	313.24
III	**TOTAL INCOME (I + II)**		**90,599.81**	**(475.27)**	**90,124.54**
IV	**EXPENSES**				
	(a) Cost of materials consumed	8	61,925.67	(1,056.44)	60,869.23
	(b) Purchases of stock-in-trade		2,129.30	-	2,129.30
	(c) Changes in inventories of finished goods and stock-in-trade		(393.32)	-	(393.32)
	(d) Excise duty on sale of goods	9	1.81	413.72	415.53
	(e) Employee benefits expense	10	2,526.79	(37.46)	2,489.33
	(f) Finance costs	5	451.03	6.27	457.30
	(g) Depreciation and amortisation expense	1	2,487.08	59.88	2,546.96
	(h) Other expenses	17	20,110.01	(31.67)	20,078.34
	TOTAL EXPENSES		**89,238.37**	**(645.70)**	**88,592.67**
V	**Profit before tax and exceptional item (III - IV)**		**1,361.44**	**170.43**	**1,531.87**
VI	Exceptional item		95.73	-	95.73
VII	**Profit before tax (V + VI)**		**1,457.17**	**170.43**	**1,627.60**
VIII	**Tax expenses**				
	(a) Current tax		341.96	-	341.96
	(b) Deferred tax	11	(1,546.78)	656.69	(890.09)
IX	**Profit for the year (VII - VIII)**		**2,661.99**	**(486.26)**	**2,175.73**
X	**Other comprehensive income**				
	(i) Items that will not be reclassified to profit or loss				
	(a) Re-measurement gain / (loss) on defined benefit plan	10	-	(37.46)	(37.46)
	(b) Income tax relating to above	10 and 11	-	12.96	12.96
	Total other comprehensive income for the year (net of tax)		**-**	**(24.50)**	**(24.50)**
XI	**Total Comprehensive Income for the year**		**2,661.99**	**(510.76)**	**2,151.23**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017:

1 Government grant:

Under IGAAP Company had presented Government grants related to specific property, plant and equipment in the balance sheet by reducing the grant from the gross value of the concerned assets while arriving at their book value. As per Ind AS 20, the grant received shall be recognised separately as deferred income and should be recognised as income in the statement of profit and loss in equal amount over the expected of useful life of related asset for availing grant. Since capital subsidy (incentive received for Indore plant) recognised under IGAAP is related to property, plant and equipment, unamortised portion of capital subsidy of ₹ 22.45 lakhs as on transition date is transferred to deferred Government grant.

Hence the Company has re-stated the net book value of property, plant and equipment on the transition date by ₹ 487.97 lakhs (March 31, 2017: ₹ 428.09 lakhs) with a corresponding credit to deferred Government grant. Accordingly the Company has recognised additional depreciation of ₹ 59.88 lakhs and deferred Government grant income of ₹ 62.38 lakhs for the year ended March 31, 2017.

Notes to the standalone financial statements

for the year ended March 31, 2018

2 Interest free loan to subsidiary

The Company had given ₹ 820.72 lakhs as interest free loan to its subsidary company. Under Ind AS, such interest free loans are measured at fair value on initial recognition and subsequently at amortised cost. Accordingly, the Company has adjusted carrying value of interest free loan given to its subsidiary company under IGAAP at amortised cost with corresponding credit to retained earning amounting to ₹ 147.43 lakhs for recording the fair value on initial recognition and the benefit of interest free loan, the Company has debited the Investments by ₹ 374.32 lakhs. During the year ended March 31, 2017, the Company has recognised interest income of ₹ 50.00 lakhs on such interest free loan.

3 Amortisation of security deposits:

Under Ind AS, security deposits paid are measured at amortised cost. Accordingly, the Company has recognised net deferred lease asset of ₹ 157.06 lakhs (March 31, 2017: ₹ 140.01 lakhs) and adjusted ₹ 10.08 lakhs (net) against retained earnings on transition date. Further during the year ended March 31, 2017, Company has expensed out the deferred lease asset amounting to ₹ 24.85 lakhs and recognised as interest income amounting to ₹ 20.30 lakhs towards unwinding of security deposit paid.

4 Reclassification of CCPS:

Under Ind AS, compulsorily convertible preference shares are compound financial instrument, wherein the liability component will be the dividend payouts in the form of cash i.e. Contractual obligation to pay 0.001% as cumulative dividend and equity component will be the number of equity shares to be issued on conversion. Accordingly equity portion of ₹ 115.50 lakhs is reclassified from equity share capital to other equity.

5 Amortisation of loan processing fees:

Under Ind AS, financial asset or financial liability are measured at its fair value adjusted for transaction cost on initial recognition and subsequently at amortised cost. Accordingly unamortised transaction cost on borrowings is adjusted in carrying value of the borrowings with corresponding credit to retained earnings amounting to ₹ 19.78 lakhs as on transition date. During the year ended March 31, 2017, the Company has recognised additional finance cost of ₹ 6.27 lakhs on account of amortisation of loan processing fees.

6 Reversal of inflation linked lease rent escalations:

As per Ind AS 17, lease rentals from operating leases is accounted for on a straight-line basis over the lease terms, except where escalation in rent is in line with expected general inflation. As the escalation is in line with inflations, the Company has reversed straight-lining provision of ₹ 94.60 lakhs as on transition date and ₹ 122.86 lakhs as on March 31, 2017.

7 Reversal of sales promotion inventory

Under Ind AS the sales promotion inventory have to be expensed as and when incurred and not to be carried forward in the balance sheet as other current assets as the same does not meet the definition of an asset. Hence sales promotion inventory amounting to ₹ 49.68 lakhs as on transition date and ₹ 21.42 lakhs as on March 31, 2017 has been reversed with corresponding impact to retained earnings and the statement of profit and loss respectively.

8 Scheme on sales

Under Ind AS, revenue is measured at the fair value of the consideration received or receivable taking into account the amount of discounts and rebates allowed by the Company. Accordingly, discount of ₹ 1,056.44 lakhs has been reclassified from cost of materials consumed to sale of products.

9 Excise duty

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of products includes excise duty. Excise duty on sale of products is separately presented in the statement of profit and loss. Thus, sale of products under Ind AS has increased by ₹ 413.72 lakhs with a corresponding recognition of excise duty in expenses. There is no impact on the total equity and profit.

Notes to the standalone financial statements

for the year ended March 31, 2018

10 Employee benefits expense

As per Ind AS 19 Employee Benefits, actuarial gains and losses on defined retirement benefits of ₹ 37.46 lakhs and income tax impact thereon of ₹ 12.96 lakhs are recognised in other comprehensive income and not reclassified to the statement of profit and loss in a subsequent period.

11 Deferred taxes

Under Ind AS, deferred tax is calculated using balance sheet approach on various transitional adjustments which lead to temporary differences between the carrying amount of an asset or liability and its tax base. On transition date, net deferred tax assets amounting to ₹ 67.39 lakhs is created due to transition adjustment.

Further the computation of deferred tax has been rectified to give effect to tax expense of earlier earliers amounting to ₹ 514.13 lakhs as at the transition date and ₹ 95.71 lakhs for the year ended March 31, 2017.

Also, following the definition of deferred tax asset as per Ind AS 12, MAT credit has been reclassified from loans and advances under IGAAP to deferred tax assets under Ind AS. During the year ended March 31, 2017, net decrease in deferred tax asset is ₹ 33.99 lakhs on account of these adjustments.

12 Rental income from subsidiary

The Company had given the investment property to its subsidary for which no lease rental were charged. Under Ind AS, this investment property given to subsidiary without lease rentals is debited to investment in subsidiary with income of ₹ 34.77 lakhs is recognised for the year ended on March 31, 2017.

13 Other comprehensive income

Under Indian GAAP, the Company has not presented OCI separately. Hence, it has reconciled Indian GAAP profit or loss as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

14 Cash flow statement

The transition from Indian GAAP to Ind AS did not have a material impact on the cash flow statement.

15 Revenue from operations

The revenue from operations for the year ended March 31, 2017 has been adjusted by ₹ 62.38 lakhs on account of recognition of government grant income (refer Note 1 above), ₹ 1,056.44 lakhs on account of reclassification of discounts and rebates on sales (refer Note 8 above) and ₹ 413.72 lakhs on account of reclassification of excise duty on sale of products (refer Note 9 above).

16 Other Income

The other income for the year ended March 31, 2017 has been adjusted by ₹ 50 lakhs on account of interest income on interest free loan to subsidiary (refer Note 2 above), ₹ 20.30 lakhs on account of interest income on security deposits (refer Note 3 above) and ₹ 34.77 lakhs on account of rental income from subsidiary (refer Note 12 above).

17 Other expense

The other expense for the year ended March 31, 2017 has been adjusted by ₹ 24.85 lakhs on account of amortisation of deferred lease expenses (refer Note 3 above), ₹ 28.26 lakhs on account of reversal of straightlining of lease rental expenses (refer Note 6 above) and ₹ 28.26 lakhs on account of sales promotion inventory (refer Note 7 above).

Notes to the standalone financial statements

for the year ended March 31, 2018

NOTE 51: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's standalone financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Company is evaluating the requirements of the amendment and the effect on the standalone financial statements

Recognition of deferred tax assets for unrealised losses - Amendments to Ind AS 12

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after April 1, 2018. The Company will adopt the new standard on the required effective date. The amendment is not likely to have any material impact on the standalone financial statements.

Transfer of investment property - Amendments to Ind AS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date.

Retrospective application in accordance with Ind AS 8 is only permitted if it is possible without the use of hindsight. The amendments are effective for annual periods beginning on or after April 1, 2018. The Company will apply amendments when they become effective. However, since Company's current practice is in line with the clarifications issued, the Company does not expect any effect on its standalone financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Company's current practice is in line with the Interpretation, the Company does not expect any effect on its standalone financial statements.

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Independent Auditor's Report

To the Members of Prataap Snacks Limited (formerly known as Prataap Snacks Private Limited)

REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

We have audited the accompanying consolidated Ind AS financial statements of Prataap Snacks Limited (formerly known as Prataap Snacks Private Limited) (hereinafter referred to as 'the Holding Company') and its subsidiary and controlled trust (the Holding Company and its subsidiary and controlled trust together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiary and controlled trust, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

OTHER MATTER

We did not audit the financial statements and other financial information, in respect of the subsidiary and controlled trust, whose Ind AS financial statements include total assets of ₹ 7,593.95 lakhs and net assets of ₹ 2,722.94 lakhs as at March

31, 2018 and total revenues of ₹ 816.22 lakhs and net cash outflow of ₹ 34.99 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's report have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and controlled trust and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary and controlled trust, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and controlled trust as noted in the 'other matter' paragraph we report, to the extent applicable, that:

    (a) We / the other auditors whose reports we have relied upon, have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

    (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

    (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor who is appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act;

    (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in "Annexure 1" to this report;

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and controlled trust, as noted in the 'Other matter' paragraph:

        i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 37(IV) to the consolidated Ind AS financial statements;

        ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary and controlled trust incorporated in India during the year ended March 31, 2018.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership No.: 112773

Place: Mumbai
Date: May 16, 2018

Annexure 1

to the Independent Auditor's Report of even date on the consolidated Ind AS financial statements of Prataap Snacks Limited (formerly Prataap Snacks Private Limited)

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

In conjunction with our audit of the consolidated Ind AS financial statements of the Prataap Snacks Limited (formerly known as Prataap Snacks Private Limited) (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

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 Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained 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, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

OTHER MATTERS

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to the the subsidiary company, which are companies incorporated in India, is based on the corresponding report of the auditor of such subsidiary incorporated in India.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership No.: 112773

Place: Mumbai
Date: May 16, 2018

Consolidated Balance Sheet

as at March 31, 2018

	Notes	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
I ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	3	26,468.20	19,705.68	17,222.94
(b) Capital work-in-progress	3	159.23	5,179.55	3,031.90
(c) Intangible assets	4	354.46	765.42	36.27
(d) Intangible assets under development	4	83.23	1.15	1.15
(e) Financial assets				
(i) Loans	5	1,554.60	1,439.72	284.97
(ii) Other non-current financial assets	6	572.54	520.88	460.81
(f) Deferred tax assets (net)	20	581.14	803.17	-
(g) Tax assets (net)	7	-	124.66	10.60
(h) Other non-current assets	8	442.26	184.24	1,301.92
TOTAL NON-CURRENT ASSETS		**30,215.66**	**28,724.47**	**22,350.56**
CURRENT ASSETS				
(a) Inventories	9	8,968.72	7,886.80	6,852.81
(b) Financial assets				
(i) Trade receivables	10	2,043.30	1,450.95	1,794.33
(ii) Cash and cash equivalents	11	5,303.38	834.38	325.71
(iii) Bank balance (other than (ii) above)	12	16,134.04	287.03	302.58
(iv) Loans	13	87.59	78.10	147.43
(v) Other current financial assets	14	1,496.72	605.02	616.68
(c) Other current assets	15	2,008.00	1,719.99	576.37
TOTAL CURRENT ASSETS		**36,041.75**	**12,862.27**	**10,615.91**
TOTAL ASSETS		**66,257.41**	**41,586.74**	**32,966.47**
II EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	16	1,172.65	190.55	31.28
(b) Other equity	17	50,781.41	23,578.88	20,583.29
TOTAL EQUITY		**51,954.06**	**23,769.43**	**20,614.57**
LIABILITIES				
NON-CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings	18	-	3,871.63	2,084.01
(b) Provisions	19	230.31	169.11	102.90
(c) Deferred tax liabilities (net)	20	-	-	123.65
(d) Tax liabilities (net)	25	2.24	-	-
(e) Other non-current liabilities	21	323.28	385.66	448.04
TOTAL NON-CURRENT LIABILITIES		**555.83**	**4,426.40**	**2,758.60**
CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings	18	748.24	2,688.88	2,651.21
(ii) Trade payables	22	9,968.91	7,161.49	5,396.56
(iii) Other current financial liabilities	23	2,018.36	2,840.35	1,119.08
(b) Provisions	19	42.29	27.26	15.40
(c) Other current liabilities	24	969.72	672.93	411.05
TOTAL CURRENT LIABILITIES		**13,747.52**	**13,390.91**	**9,593.30**
TOTAL LIABILITIES		**14,303.35**	**17,817.31**	**12,351.90**
TOTAL EQUITY AND LIABILITIES		**66,257.41**	**41,586.74**	**32,966.47**
Summary of significant accounting policies	2.3			

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

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

		Note	Year ended 31 March 2018 ₹ lakhs	Year ended 31 March 2017 ₹ lakhs
I	Revenue from operations	26	103,772.69	89,811.30
II	Other income	27	804.97	178.31
III	**TOTAL INCOME (I + II)**		**104,577.66**	**89,989.61**
IV	**EXPENSES**			
	(a) Cost of materials consumed	28	66,673.29	60,869.23
	(b) Purchases of stock-in-trade		2,146.36	2,129.30
	(c) Changes in inventories of finished goods and stock-in-trade	29	(198.60)	(393.32)
	(d) Excise duty on sale of goods		104.74	415.53
	(e) Employee benefits expense	30	3,651.99	2,489.33
	(f) Finance costs	31	290.39	457.30
	(g) Depreciation and amortisation expense	32	3,041.77	2,546.96
	(h) Other expenses	33	22,701.66	20,085.20
	TOTAL EXPENSES		**98,411.60**	**88,599.53**
V	**Profit before tax and exceptional item (III - IV)**		**6,166.06**	**1,390.08**
VI	Exceptional item	34	-	95.73
VII	**Profit before tax (V + VI)**		**6,166.06**	**1,485.81**
VIII	**Tax expenses**			
	(a) Current tax	20	1,529.89	341.96
	(b) Deferred tax	20	218.44	(913.87)
	Total tax expenses		**1,748.33**	**(571.91)**
IX	**Profit for the year (VII - VIII)**		**4,417.73**	**2,057.72**
X	**Other Comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	(a) Re-measurement gain / (loss) on defined benefit plan		10.37	(37.46)
	(b) Income tax relating to above	20	(3.59)	12.96
	Total other comprehensive income for the year (net of tax)		**6.78**	**(24.50)**
XI	**Total comprehensive income for the year (IX + X)**		**4,424.51**	**2,033.22**
XII	**Earnings per equity share: (in ₹)**			
	[Equity shares of face value of ₹ 5 (31 March 2017: ₹ 1) each]			
	(a) Basic	35	20.70	13.54
	(b) Diluted	35	19.92	9.92
Summary of significant accounting policies		2.3		

The accompanying notes are an integral part of the Consolidated Financial Statement

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

A. EQUITY SHARE CAPITAL:

Equity shares of ₹ 5 each issued, subscribed and fully paid	No. in lakhs	₹ lakhs
At 1 April 2016	**3.13**	**31.28**
Changes in equity share capital during 2016-17:		
Issued during the year - Employee stock purchase plan ('ESPP')	0.05	0.48
Sub division during the year*	31.76	31.76
Issued during the year - Bonus issue	158.79	158.79
At 31 March 2017	**190.55**	**190.55**
Changes in equity share capital during 2017-18:		
Conversion of compulsorily convertible preference shares ('CCPS') to equity	69.30	69.30
Consolidation of equity shares during the year**	51.97	259.85
Issued during the year - Bonus issue	155.91	779.54
Issued during the year - Fresh issue	26.65	133.26
At 31 March 2018	**234.53**	**1,172.65**

* aggregate number of equity shares held post sub-division of shares of face value of ₹ 10 each into equity shares of face value of ₹ 1 each.

** aggregate number of equity shares held post consolidation of shares of face value of ₹ 1 each into equity shares of face value of ₹ 5 each.

B. OTHER EQUITY:

For the year ended March 31, 2018

	Capital reserve	Securities premium account	Retained earnings	Equity component of compound financial instrument	Total other equity
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2017	**769.93**	**14,631.48**	**8,061.97**	**115.50**	**23,578.88**
Net profit for the year	-	-	4,417.73	-	4,417.73
Other comprehensive income	-	-	6.78	-	6.78
Total comprehensive income	**-**	**-**	**4,424.51**	**-**	**4,424.51**
Amount utilised towards issue of fully paid bonus shares	(769.93)	(9.61)	-	-	(779.54)
Premium on conversion of CCPS into equity shares	-	46.20	-	-	46.20
Premium on issue of equity shares	-	24,852.52	-	-	24,852.52
Utilisation towards expenses incurred in Initial Public Offer ('IPO')	-	(1,225.66)	-	-	(1,225.66)
Conversion of CCPS to Equity	-	-	-	(115.50)	(115.50)
As at 31 March 2018	**-**	**38,294.93**	**12,486.48**	**-**	**50,781.41**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018 (Contd.)

For the year ended March 31, 2017

	Capital reserve	Securities premium account	Retained earnings	Equity component of compound financial instrument	Total other equity
	₹ lakhs	**₹ lakhs**	**₹ lakhs**	**₹ lakhs**	**₹ lakhs**
As at 1 April 2016	**928.72**	**13,510.32**	**6,028.75**	**115.50**	**20,583.29**
Net profit for the year	-	-	2,057.72	-	2,057.72
Other comprehensive income	-	-	(24.50)	-	(24.50)
Total comprehensive income	**-**	**-**	**2,033.22**	**-**	**2,033.22**
Premium on issue of ESPP	-	1,121.16	-	-	1,121.16
Amount utilised towards issue of fully paid bonus shares	(158.79)	-	-	-	(158.79)
As at 31 March 2017	**769.93**	**14,631.48**	**8,061.97**	**115.50**	**23,578.88**

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Consolidated Cash Flows Statement

for the year ended March 31, 2018

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**6,166.06**	**1,485.81**
Adjustments to reconcile profit before tax to net cash flows		
Add / (Less) :		
Depreciation and amortisation expenses	3,041.77	2,546.96
Loss on sale of property, plant and equipment	27.86	39.55
Property, plant and equipment written off	27.65	0.51
Provision for slow moving inventory	-	58.05
Bad debts / Sundry debit balances written off	-	17.83
Provision for doubtful receivables and advances	297.28	55.86
Unrealised exchange gain	35.67	(10.09)
Amortisation of deferred government grant	(62.38)	(62.38)
Interest expenses	222.24	431.50
Interest income	(804.77)	(168.31)
Operating profit before working capital changes	**8,951.38**	**4,395.29**
Working capital adjustments:		
Decrease / (increase) in inventories	(1,081.92)	(1,092.04)
Decrease / (increase) in trade receivables	(658.62)	315.69
Decrease / (increase) in loans	10.68	(994.88)
Decrease / (increase) in other financial assets	(946.75)	(48.41)
Decrease / (increase) in other assets	(458.13)	(1,102.21)
Increase / (decrease) in trade payables	2,807.42	1,764.93
Increase / (decrease) in other financial liabilities	815.09	48.00
Increase / (decrease) in provisions	86.60	40.61
Increase / (decrease) in other liabilities	296.79	261.88
	9,822.54	**3,588.86**
Income tax paid (including TDS) (net)	(1,448.56)	(462.80)
NET CASH FLOWS FROM OPERATING ACTIVITIES	**8,373.98**	**3,126.06**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment including capital work-in-progress and capital advances	(4,885.67)	(5,316.44)
Purchase of intangibles including assets under development	(107.12)	(565.44)
Proceeds from sale of property, plant and equipment	11.97	20.25
Net movement in fixed deposits with banks	(15,615.12)	(95.20)
Interest received	419.66	57.91
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(20,176.28)**	**(5,898.92)**

Consolidated Cash Flows Statement

for the year ended March 31, 2018 (Contd.)

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issuance of equity share capital	133.26	0.48
Proceeds from premium on issuance of equity share capital	23,626.86	1,121.16
Proceeds from long-term borrowings	-	3,507.22
Proceeds from short-term borrowings	-	1,250.36
Repayment of long-term borrowings	(5,357.40)	(940.18)
Repayment of short-term borrowings	(1,976.36)	(1,202.60)
Interest paid	(155.06)	(454.91)
Dividend distribution tax on preference dividend	#	#
NET CASH FLOWS FROM FINANCING ACTIVITIES	**16,271.30**	**3,281.53**
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**4,469.00**	**508.67**
Cash and cash equivalents at the beginning of the year	834.38	325.71
Cash and cash equivalents at the end (refer Note 11)	**5,303.38**	**834.38**
# Amount in ₹ denotes		
Dividend distribution tax on preference dividend	28.00	24.00

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 1: CORPORATE INFORMATION

Prataap Snacks limited ('PSL' or 'the Holding Company') is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, applicable in India. The principal place of business of the Holding Company is located at Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist. Indore – 452020 (M.P.) India having CIN No. L15311MP2009PLC021746. The Holding Company is principally engaged in the business of snacks food. The Subsidiary Company is engaged in the manufacturing sweet snacks.

The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on May 16, 2018.

NOTE 2.1: BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act, 2013 ('the Act') read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the year ended March 31, 2018 are the first consolidated financial statements that are prepared in accordance with Ind AS. Refer to Note 48 on first time adoption of Ind AS.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

  The consolidated financial statements are presented in India Rupee ('₹') and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

NOTE 2.2: BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Holding Company, its subsidiary and employee welfare trust as at March 31, 2018.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary.

b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests if any. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTE 2.3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Current vs non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

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

A liability is current when:

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

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

B) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances existing when the financial statements were prepared. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates is recognised in the year in which the estimates are revised and in any future year affected. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(i) Useful lives of property, plant and equipment and intangible assets (including investment property)

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Refer Note 2.3 (E), (F) and (G) for management estimate of useful lives.

(ii) Taxes

Deferred tax, subject to the consideration of prudence, is recognised on temporary differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or

Notes to the consolidated financial statements

for the year ended March 31, 2018

more subsequent periods. Deferred tax assets are recognised to the extent that there is reasonable certainty that sufficient future tax income will be available against which such deferred tax assets can be realised.

(iii) Defined benefit plans

The cost and present obligation of defined benefit gratuity plan and compensated absences are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are assumed at each reporting date. Refer Note 38.

(iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could affect the reported fair value of financial instruments. Also refer Note 44 and 46 for further disclosures.

C) Revenue recognition

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

Based on the guidance in education material on Ind AS 18 issued by Institute of Chartered Accountants of India ('ICAI'), the Group has assumed that recovery of excise duty flows to the Group on its own account. Therefore, it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) / goods and service tax (GST) is not received by the Group on its own account. Rather, it is tax collected on behalf of the Government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. 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.

Interest income

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

D) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related assets.

Government grants such as sales tax incentive schemes are recognised in the statement of profit and loss as a part of other operating revenues.

E) Property, plant and equipment

Capital work-in-progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as and when incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

Depreciation on plant, property and equipment is calculated on a straight line method over estimated useful lives of the assets. The management has estimated the below useful life and the same is supported by technical advice.

Property, plant and equipment	Useful lives
Factory building	30 years
Plant and equipments*	10 years to 21 years
Electrical installations	10 years
Furniture and fixtures	10 years
Computers*	3 years to 6 years
Office equipments*	3 years to 5 years
Vehicles	8 years
Leasehold improvement*	Amortised over the period of lease term ranging from 9 to 10 years

* These assets have life different from those mentioned in Schedule II of the Act

Transition to Ind AS

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

F) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses, if any.

The Group depreciates building component of investment property over 30 years based on the technical assessment made by the management of the Group.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. In accordance with the collector's / registrar's guideline rate rates prescribed by the Government of Madhya Pradesh for the purpose of levying stamp duty.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

Notes to the consolidated financial statements

for the year ended March 31, 2018

Transition to Ind AS

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

G) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

A summary of amortisation policies applied to the Group's intangible asset is as below:-

Intangible assets	Useful lives
Brand ambassador rights*	2. 33 years (i.e. 28 months)
Computer software	5 years

* These assets has the life different from those mentioned in schedule II of Companies Act.

Transition to Ind AS

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

H) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal and external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

I) Inventory

Raw materials, packing materials, stores, spares and other consumables are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, stores, spares and other consumables are determined on a moving weighted average basis. Stores and spares which do not meet the definition of property, plant and equipment are accounted as inventories.

Finished goods are valued at lower of cost and net realisable value. Cost includes direct materials, labour and proportionate manufacturing overheads based on normal operating capacity. Cost is determined on absorption costing basis at actual.

Traded goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on moving weighted average basis.

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

J) Leases

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

The Group as lessee

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Lease rents under operating leases are recognised in the statement of profit and loss on straight line basis, except where escalation in rent is in line with expected general inflation.

The Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Assets subject to operating leases are included in property, plant and equipment. Lease income is treated as revenue and the same is credited to the statement of profit and loss on straight line basis. Costs including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage etc are recognised immediately in the statement of profit and loss.

K) Segment reporting

Based on "management approach" as defined in Ind AS 108 -operating segments, the management evaluates the Group's performance and allocates the resources based on an analysis of various performance indicators by business segments. The Group has only one business segment "snacks food".

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

L) Provisions

Provisions are recognized when the Group has a legal/ constructive obligation as a result of a past event, for which it is probable that cash out flow may be required and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

M) Retirement and other employee benefits

Short term employee benefits

All short term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services which entitles him to avail such benefits and non-accumulating compensated absences (such as casual leave) are recognised on an undiscounted basis and charged to the statement of profit and loss account.

Defined contribution plan

Retirement benefits in the form of provident fund is a defined contribution scheme. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

Defined benefit plan

The gratuity benefits are classified as post-retirement benefits as per Ind AS 19. The service cost and the net interest cost would be charged to the statement of profit and loss account. Actuarial gains and losses arise due to difference in the actual experience and the assumed parameters and also due to changes in the assumptions used for valuation. The Group recognises these re-measurements in other comprehensive income (OCI).

When the benefits of the plan are changed, or when a plan is curtailed or settlement occurs, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment or settlement, is recognised immediately in the statement of profit and loss account when the plan amendment or when a curtailment or settlement occurs.

For the purpose of presentation of defined benefit plans and other long term benefits, the allocation between short term and long term provisions has been made as determined by the actuary.

Other long term employee benefit

The Group has leave encashment policy for all the employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the projected unit credit method.

Notes to the consolidated financial statements

for the year ended March 31, 2018

The Group presents the leave as the current liability in the consolidated balance sheet to the extent it does not have the unconditional / legal and contractual right to defer its settlement for twelve months after the reporting date. Where the Group has the unconditional / legal and contractual right to defer its settlement beyond twelve months after the reporting date, it is presented as the non current liability in consolidated balance sheet.

N) Taxation

Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

When the entity is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT')

MAT paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

O) Foreign currencies

The Group's financial statements are presented in indian rupees (₹), which is also the Group's functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rate at the date the transaction first qualifies for recognition. Exchange differences arising on settlement or restatement of transactions, are recognized as income or expense in the year in which they arise. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. 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 the initial transactions.

P) Fair value measurement

A number of Group's accounting policies and disclosures requires the measurement of fair values for both financial and non-financial assets and liabilities.

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Q) 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.

I) Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e. Fair value through statement of profit and loss ('FVTPL')), or recognised in other comprehensive income (i.e. Fair value through other comprehensive income ('FVTOCI'))

Notes to the consolidated financial statements

for the year ended March 31, 2018

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

- Business model test: the objective of the Group'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 realise 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.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's balance sheet) when the right to receive cash flows from the asset is transferred or expired.

Impairment of financial assets

The Group assesses impairment based on expected credit losses ('ECL') model to the financial assets measured at amortised cost.

ECL are measured through a loss allowance at an amount equal to the 12 months ECL (ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date).

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 months ECL.

For assessing increase in credit risk and impairment loss, the Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

II) Financial liabilities

Initial recognition and measurement

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

The Group's financial liabilities include trade and other payables and loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is measured at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using EIR method.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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.

De-recognition

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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

III) 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.

R) Cash and cash equivalents

Cash and cash equivalents consist of 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 Group's cash management.

S) Borrowing cost

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they are incurred.

T) Earnings per share

Basic earnings per share are calculated by dividing the net statement of profit and loss for the period attributable to equity shareholders of the Holding Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

U) Contingent liability and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

Contingent liabilities and contingent assets are reviewed at each balance sheet date.

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

		Leasehold improvement	Freehold land	Factory building	Plant and equipments	Furniture and fixtures	Office equipments	Computers	Vehicles	Capital work-in-progress	Total
		₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
I	**Cost or deemed cost (gross carrying amount)**										
	At 1 April 2016	859.04	1,531.70	2,494.26	11,779.20	123.69	118.91	25.22	290.92	3,031.90	20,254.84
	Additions	375.91	482.85	104.08	3,693.32	10.88	22.72	26.24	77.72	6,941.37	11,735.09
	Disposals	-	-	-	56.66	-	-	0.51	3.14	-	60.31
	Transfer/capitalised	-	-	-	-	-	-	-	-	4,793.72	4,793.72
	At 31 March 2017	**1,234.95**	**2,014.55**	**2,598.34**	**15,415.86**	**134.57**	**141.63**	**50.95**	**365.50**	**5,179.55**	**27,135.90**
	Additions	203.39	1,153.49	1,816.30	5,702.49	48.74	34.79	51.59	424.98	4,415.45	13,851.22
	Disposals	-	-	-	83.02	0.07	-	-	2.78	-	85.87
	Transfer/capitalised	-	-	-	-	-	-	-	-	9,435.77	9,435.77
	At 31 March 2018	**1,438.34**	**3,168.04**	**4,414.64**	**21,035.33**	**183.24**	**176.42**	**102.54**	**787.70**	**159.23**	**31,465.48**
II	**Accumulated depreciation and impairment losses**	-	-	-	-	-	-	-	-	-	-
	At 1 April 2016	-	-	-	-	-	-	-	-	-	-
	Depreciation charge for the year	145.30	-	93.48	1,900.67	18.46	27.95	19.19	45.62	-	2,250.67
	At 31 March 2017	**145.30**	**-**	**93.48**	**1,900.67**	**18.46**	**27.95**	**19.19**	**45.62**	**-**	**2,250.67**
	Depreciation charge for the year	187.16	-	130.56	2,133.94	22.35	32.50	20.54	78.72	-	2,605.77
	Disposals	-	-	-	17.67	0.07	-	-	0.65	-	18.39
	At 31 March 2018	**332.46**	**-**	**224.04**	**4,016.94**	**40.74**	**60.45**	**39.73**	**123.69**	**-**	**4,838.05**
III	**Net book value**	-	-	-	-	-	-	-	-	-	-
	At 31 March 2018	**1,105.88**	**3,168.04**	**4,190.60**	**17,018.39**	**142.50**	**115.97**	**62.81**	**664.01**	**159.23**	**26,627.43**
	At 31 March 2017	**1,089.65**	**2,014.55**	**2,504.86**	**13,515.19**	**116.11**	**113.68**	**31.76**	**319.88**	**5,179.55**	**24,885.23**
	At 1 April 2016	**859.04**	**1,531.70**	**2,494.26**	**11,779.20**	**123.69**	**118.91**	**25.22**	**290.92**	**3,031.90**	**20,254.84**

IV Net book value

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Property, plant and equipment	26,468.20	19,705.68	17,222.94
Capital work-in-progress	159.23	5,179.55	3,031.90

Notes

Capitalised borrowing costs

The Group started the construction of a new facility in Financial Year 2016-17. This project got completed in November 2017. The carrying amount of the new facility at March 31, 2018 is ₹ 4,507.92 lakhs (March 31, 2017: ₹ 3,929.63 lakhs, April 1, 2016: ₹ 205.99 lakhs). The new facility is financed by borrowings from bank.

The amount of borrowing costs capitalised during the year ended March 31, 2018 was ₹ 138.58 lakhs (March 31, 2017: ₹ 87.26 lakhs, April 1, 2016: Nil).

No borrowing costs are capitalised on other items of property, plant and equipment under construction.

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

NOTE 4: INTANGIBLE ASSETS

		Computer software ₹ lakhs	Brand ambassador rights ₹ lakhs	Intangible assets under development ₹ lakhs	Total ₹ lakhs
I	**Cost or deemed cost (gross carrying amount)**				
	At 1 April 2016	**36.27**	**-**	**1.15**	**37.42**
	Additions	61.72	963.72	1,025.44	2,050.88
	Disposals	-	-	-	-
	Transfer/capitalised	-	-	1,025.44	1,025.44
	At 31 March 2017	**97.99**	**963.72**	**1.15**	**1,062.86**
	Additions	25.04	-	107.12	132.16
	Disposals	-	-		-
	Transfer/capitalised	-	-	25.04	25.04
	At 31 March 2018	**123.03**	**963.72**	**83.23**	**1,169.98**
II	**Accumulated amortisation and impairment losses**				
	At 1 April 2016	**-**	**-**	**-**	**-**
	Amortisation	24.82	271.47	-	296.29
	Disposals	-	-	-	-
	At 31 March 2017	**24.82**	**271.47**	**-**	**296.29**
	Amortisation	23.14	412.86	-	436.00
	Disposals	-	-	-	-
	At 31 March 2018	**47.96**	**684.33**	**-**	**732.29**
III	**Net book value**				
	At 31 March 2018	**75.07**	**279.39**	**83.23**	**437.69**
	At 31 March 2017	**73.17**	**692.25**	**1.15**	**766.57**
	At 1 April 2016	**36.27**	**-**	**1.15**	**37.42**

Net book value

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Intangible assets	354.46	765.42	36.27
Intangible assets under development	83.23	1.15	1.15

NOTE 5: FINANCIAL ASSETS - NON-CURRENT LOANS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Measured at amortised cost			
Loans to transporters	-	12.54	32.29
Loan - Others	1,554.60	1,427.18	252.68
	1,554.60	**1,439.72**	**284.97**

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 6: OTHER NON-CURRENT FINANCIAL ASSETS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Measured at amortised cost			
Non-current bank balances being deposits with remaining maturity of more than twelve months	0.10	0.12	1.59
Margin money deposit	5.79	130.61	22.57
Subsidy receivable (refer Note 40)	155.25	-	-
Security deposits	411.40	390.15	436.65
	572.54	**520.88**	**460.81**

Notes

1. Margin money deposits pertains to deposits given to various government/statutory authorities as security.

NOTE 7: NON-CURRENT TAX ASSETS (NET)

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Advance income-tax [Net of provision for taxation: Nil (31 March 2017: ₹ 1,821.93 lakhs), (1 April 2016: ₹ 1,473.63 lakhs)]	-	124.66	10.60
	-	**124.66**	**10.60**

NOTE 8: OTHER NON-CURRENT ASSETS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Capital advances			
- Considered good	343.52	65.26	1,169.71
- Considered doubtful	385.15	344.50	344.50
Less: Provision for doubtful advances	(385.15)	(344.50)	(344.50)
Deferred lease	98.74	118.98	132.21
	442.26	**184.24**	**1,301.92**

NOTE 9: INVENTORIES **(At cost or net realisable value, whichever is lower)**

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Raw materials [including stock-in-transit Nil [(31 March 2017: ₹ 78.29 lakhs), (1 April 2016: ₹ 61.47 lakhs)]	4,008.75	3,750.09	3,391.50
Packing materials [including stock-in-transit Nil [(31 March 2017: ₹ 3.84 lakhs), (1 April 2016: ₹ 0.68 lakhs)]	2,458.98	1,984.47	2,054.42
Finished goods [including stock-in-transit ₹ 706.21 lakhs [(31 March 2017: ₹ 643.70 lakhs), (1 April 2016: ₹ 521.79 lakhs)]	1,659.33	1,535.84	1,131.64
Traded goods [including stock-in-transit ₹ 3.00 lakhs [(31 March 2017: ₹ 9.46 lakhs), (1 April 2016: ₹ 26.64 lakhs)]	118.65	43.54	54.42
Stores, spares and other consumables [including stock-in-transit Nil [(31 March 2017: ₹ 1.14 lakhs), (1 April 2016: Nil)]	723.01	572.86	220.83
	8,968.72	**7,886.80**	**6,852.81**

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

1. The group follows a suitable provisioning norms for writing down the value of inventories towards slow moving and non-moving. Provision for the year - Nil (March 31, 2017 ₹ 0.41 lakhs)
2. For carrying amount of inventories pledged as security (refer Note 18).

NOTE 10: TRADE RECEIVABLES

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Secured, considered good	331.49	244.25	236.26
Unsecured, considered good	1,711.81	1,206.70	1,558.07
Doubtful	198.06	131.79	104.10
Less: Allowance for credit losses (refer Note 46)	(198.06)	(131.79)	(104.10)
Total	**2,043.30**	**1,450.95**	**1,794.33**
Of the above, trade receivable from			
- Related parties	-	-	-
- Others	2,043.30	1,450.95	1,794.33
	2,043.30	**1,450.95**	**1,794.33**

Notes:

No trade or other receivable are due from Directors or other officers of the Group either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on credit terms of 0 to 20 days.

NOTE 11: CASH AND CASH EQUIVALENTS

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Balances with banks:			
In current accounts	3,508.77	623.69	314.13
Deposits with original maturity of less than three months	1,790.28	203.16	-
Cash on hand	4.33	7.53	11.58
	5,303.38	**834.38**	**325.71**

NOTE 12: BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Deposits with remaining maturity for less than twelve months but more than three months	15,811.07	111.19	110.84
Margin money deposit	322.97	175.84	191.74
	16,134.04	**287.03**	**302.58**

Margin money deposits pertains to deposits given to various government / statutory authorities as security.

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

NOTE 13: FINANCIAL ASSETS - CURRENT LOANS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Loan to transporters			
Unsecured considered good	12.43	17.87	44.58
Unsecured considered doubtful	4.79	4.79	4.79
Less: Provision for doubtful loans	(4.79)	(4.79)	(4.79)
Loan to employees	75.16	60.23	102.85
	87.59	**78.10**	**147.43**

NOTE 14: OTHER CURRENT FINANCIAL ASSETS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Subsidy receivable	1,233.03	548.77	548.77
Security deposits	263.69	56.25	67.91
	1,496.72	**605.02**	**616.68**

NOTE 15: OTHER CURRENT ASSETS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Advances to vendors			
Unsecured considered good	1,044.91	594.12	397.90
Unsecured considered doubtful	218.52	28.17	-
Less: Provision for doubtful advances	(218.52)	(28.17)	-
Prepaid expenses	40.22	32.99	14.22
Balances with statutory / government authorities	902.63	632.02	87.37
Deferred lease	20.24	21.03	76.88
Share issue expenses (refer Note 42)	-	439.83	-
	2,008.00	**1,719.99**	**576.37**

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

NOTE 16: SHARE CAPITAL

(a) Authorised share capital

	Equity shares		0.001% CCPS	
	No. in lakhs	₹ lakhs	No. in lakhs	₹ lakhs
At 1 April 2016	**5.00**	**50.00**	**1.16**	**115.60**
Change in authorised share capital during the year (500 lakhs equity shares of ₹ 1 each)	500.00	500.00	-	-
At 31 March 2017	**500.00**	**500.00**	**1.16**	**115.60**
Change in authorised share capital during the year (300 lakhs equity shares of ₹ 5 each)	300.00	1,500.00	(1.16)	(115.60)
At 31 March 2018	**300.00**	**1,500.00**	**-**	**-**

(b) Issued subscribed and fully paid-up equity capital

	No. in lakhs	₹ lakhs
At 1 April 2016 (Equity shares of ₹ 10 each issued)	**3.13**	**31.28**
Changes in equity share capital during 2016-17:		
Issued during the year - ESPP	0.05	0.48
Sub division of equity shares during the year*	31.76	31.76
Issued during the year - Bonus issue	158.79	158.79
At 31 March 2017 (Equity shares of ₹ 1 each issued)	**190.55**	**190.55**
Changes in equity share capital during 2017-18:		
Conversion of CCPS to equity	69.30	69.30
Consolidation of equity shares during the year**	51.97	259.85
Issued during the year - Bonus issue	155.91	779.54
Issued during the year - Fresh issue***	26.65	133.26
At 31 March 2018 (Equity shares of ₹ 5 each issued)	**234.53**	**1,172.65**

* aggregate number of equity shares held post sub-division of shares of face value of ₹ 10 each into equity shares of face value of ₹ 1 each.

** aggregate number of equity shares held post consolidation of shares of face value of ₹ 1 each into equity shares of face value of ₹ 5 each.

***fresh issue of shares - The Holding Company has completed the IPO of fresh issue of 26.65 lakhs equity shares (including pre IPO of 5.33 lakhs equity shares) of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The equity shares of the Holding Company were listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) w.e.f. October 5, 2017.

Utilisation of IPO Proceeds (including pre IPO) are as follows:-

	Planned utilisation	Utilised upto 31 March 2018	Unutilised as at 31 March 2018
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Repayment/pre-payment of borrowings	5,098.20	3,700.00	1,398.20
Funding capital expenditure requirements	6,699.80	-	6,699.80
Investment in subsidiary for repayment/pre-payment of borrowing	2,937.00	2,937.00	-
Marketing and brand building activities	4,000.00	-	4,000.00
General corporate purposes	5,025.10	3,200.00	1,825.10
Total	**23,760.10**	**9,837.00**	**13,923.10**

Balance proceeds of ₹ 13,923.10 lakhs have been earmarked in fixed deposits with scheduled commercial bank as at March 31, 2018.

Notes to the consolidated financial statements

for the year ended March 31, 2018

(c) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having par value of ₹ 5 [(March 31, 2017: ₹ 1),(April 1, 2016: ₹ 10)] per share. Each equity share carries one vote and is entitled to dividend that may be declared by the Board of Directors, which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Each of Series A CCPS, Series A1 CCPS and Series A2 CCPS was converted into 60 (sixty) equity shares of ₹ 1 each in 2017-18.

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

	31 March 2018		31 March 2017		1 April 2016	
	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class	No. in lakhs	% holding in the class
Equity shares						
SCI Growth Investment II	83.93	35.79%	63.45	33.30%	1.06	33.87%
Sequoia Capital GFIV Mauritius Investments	23.54	10.04%	31.36	16.46%	0.52	16.61%
SBI Mutual Fund	12.91	5.50%	-	-	-	-
Mr. Rajesh Mehta	6.81	2.90%	13.04	6.84%	0.24	7.67%
Mr. Naveen Mehta	9.04	3.85%	13.04	6.84%	0.24	7.67%
Mr. Arvind Mehta	5.60	2.39%	9.29	4.88%	0.18	5.75%
Mr. Arun Mehta	5.72	2.44%	8.89	4.66%	0.17	5.43%
CCPS						
SCI Growth Investment II	-	-	0.97	83.59%	0.97	83.59%
Sequoia Capital India Growth Investments Holdings I	-	-	0.14	12.54%	0.14	12.54%

As per records of the Holding Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

(e) Aggregate number of bonus shares issued during the period of five years immediately preceding the reporting date:

	31 March 2018	31 March 2017
	No. in lakhs	No. in lakhs
Equity shares allotted as fully paid bonus shares by capitalisation of reserve	155.91	158.79

As at March 31, 2018 - Allottment of bonus shares in the ratio of 3 equity shares for every equity share of ₹ 5 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on June 3, 2017.

As at March 31, 2017 - Allottment of bonus shares in the ratio of 5 equity shares for every equity share of ₹ 1 each held to the existing equity shareholders as approved by the shareholders at their extra-ordinary general meeting held on September 24, 2016.

Shares issued under Employee Stock Purchase Plan (ESPP)

For details of shares issued under the ESPP of the Holding Company, refer Note 41.

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

Dividend distribution made and proposed

	31 March 2018	31 March 2017
	₹	₹
Cash dividend on preference shares paid during the year		
Dividend for the year ended on 31 March 2018: ₹ 0.001 per share (31 March 2017 : ₹ 0.001 per share)	134.00	116.00
Dividend distribution tax on above	28.00	24.00
Proposed dividend on preference shares		
Dividend for the year ended on 31 March 2018: ₹ 0.001 per share (31 March 2017 : ₹ 0.001 per share)	-	116.00
Dividend distribution tax on above	-	24.00

	31 March 2018	31 March 2017
	₹ lakhs	₹ lakhs
Proposed dividend on equity shares*		
Dividend for the for the year ended on 31 March 2018: ₹ 1 per share (31 March 2017 : Nil)	234.53	-
Dividend distribution tax on above	48.14	-

*Proposed dividend on equity shares are subject to approval at the ensuing Annual General Meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31, 2018

NOTE 17: OTHER EQUITY

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Capital reserve	-	769.93	928.72
Securities premium account	38,294.93	14,631.48	13,510.32
Retained earnings	12,486.48	8,061.97	6,028.75
Equity component of compound financial instrument	-	115.50	115.50
	50,781.41	**23,578.88**	**20,583.29**

Capital reserve

	₹ lakhs
At 1 April 2016	**928.72**
Less: Amount utilised towards issue of fully paid bonus shares	(158.79)
At 31 March 2017	**769.93**
Less: Amount utilised towards issue of fully paid bonus shares	(769.93)
At 31 March 2018	-

Capital reserve represents the excess of aggregate value of net assets as at September 30, 2011 over purchase consideration paid by the Holding Company while taking over the business of manufacturing and selling of snacks of Prakash Snacks Private Limited, a related party, on a going concern/slump sale basis in financial year 2011-12.

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

Securities premium account

	₹ lakhs
At 1 April 2016	**13,510.32**
Add: Premium on issue of ESPP	1,121.16
At 31 March 2017	**14,631.48**
Add: Premium on conversion of CCPS into equity shares	46.20
Add: Premium on issue of equity shares	24,852.52
Less: Amount utilised towards issue of fully paid bonus shares	(9.61)
Less: Utilisation towards expenses incurred in IPO (refer Note 42)	(1,225.66)
At 31 March 2018	**38,294.93**

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provision of the Act.

Retained earnings

	₹ lakhs
At 1 April 2016	**6,028.75**
Add: Profit during the year	2,057.72
Less: Other comprehensive income	(24.50)
At 31 March 2017	**8,061.97**
Add: Profit during the year	4,417.73
Add: Other comprehensive income	6.78
At 31 March 2018	**12,486.48**

Equity component of compound financial instrument

	₹ lakhs
At 1 April 2016	**115.50**
Add/(less): Fair value movement	-
At 31 March 2017	**115.50**
Less: Conversion of CCPS to equity	(115.50)
At 31 March 2018	-

NOTE 18: BORROWINGS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Non-current			
Measured at amortised cost			
Secured			
From banks			
Indian rupee loan from banks (refer Note 1, 2 and 4 below)	-	4,607.40	2,090.36
Unsecured loans			
Indian rupee loan from banks (refer Note 3 and Note 4 below)	-	750.00	700.00
	-	**5,357.40**	**2,790.36**
Less: Current maturities of long-term borrowing (refer Note 23)	-	(1,485.77)	(706.35)
	-	**3,871.63**	**2,084.01**

Notes to the consolidated financial statements

for the year ended March 31, 2018

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Current			
Secured			
Cash credit from banks (refer Note 5 below)	-	662.68	919.79
Foreign currency buyers credit (refer Note 6 below)	748.24	890.64	810.14
Short term loan from bank (refer Note 7 below)	-	829.64	833.06
Bank overdraft (refer Note 8 below)	-	55.47	88.22
Unsecured			
Short term loan from a bank (refer Note 9 below)	-	250.45	
	748.24	**2,688.88**	**2,651.21**
	748.24	**6,560.51**	**4,735.22**

Notes:

1. The following loans from banks were secured by an exclusive first charge on the entire property, plant and equipment (present as well as future) of the Holding Company and equitable mortgage of four land properties and building thereon. The loans were also secured by a second charge on the entire current assets (present as well as future) of the Holding Company and personally guaranteed by Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company. The loans have been prepaid during the financial year 2017-18.

Nature of Facility	Amount Disbursed ₹ lakhs	Amount Outstanding 31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Term Loan - I	493.39	-	112.78	381.44
Term Loan - II	479.18	-	300.85	425.85
Term Loan - III	432.00	-	280.33	405.33
Term Loan - IV	200.00	-	160.00	200.00
Term Loan - V	300.00	-	248.63	-
Term Loan - IV	923.68	-	833.98	677.74
		-	**1,936.57**	**2,090.36**

2. The India rupee term loan from bank - March 31, 2018: Nil (March 31, 2017: ₹ 2,670.83 lakhs) was taken during the financial year 2016-17. The loan is secured by an exclusive first charge on the entire property, plant and equipment and hypothecation of inventory and trade receivables of the Subsidiary Company. The said loan is also personally guaranteed by Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company and by a corporate guarantee given by the Holding Company. The said loan has been repaid during the year.

3. Indian rupee unsecured loan secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company - March 31, 2018: Nil [(March 31, 2017: ₹ 750.00 lakhs), (April 1, 2016 : ₹ 700.00 lakhs)].

4. The aforementioned loans carry a rate of interest ranging between 8.40% and 10.35%. The interest is to be serviced as and when charged.

5. Cash credit from a bank is secured by an exclusive first charge on entire stock of raw material except for potato stock in warehouse / cold storage, finished goods and book debts of all locations. The cash credit is re-payable on demand and carries an interest rate ranging between 9.65% and 9.75%. The said borrowings are secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company.

6. Foreign currency buyers credit is secured against first pari passu charge over entire property, plant and equipment of the Holding Company and second pari passu charge over entire current assets of the Holding Company. Further the said loan is secured by a personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company.

7. Short term loan from bank were secured against warehouse / cold storage receipts.

8. Bank overdraft which is re-payable on demand is secured against post dated cheques issued from Cash Credit account and personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company.

Notes to the consolidated financial statements

for the year ended March 31, 2018

9. Unsecured short term loan from a bank with a specific condition of one undated cheque and personal guarantee of Mr. Arvind Mehta, Chairman and Executive Director of the Holding Company.

NOTE 19: PROVISIONS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Non-current provisions			
Provision for employee benefits:			
Gratuity (refer Note 36)	230.31	169.11	102.90
	230.31	**169.11**	**102.90**
Current provisions			
Provision for employee benefits:			
Gratuity (refer Note 36)	21.22	15.15	8.51
Leave encashment	21.07	12.11	6.88
Provision others:			
Preference dividend	-	-	0.01
	42.29	**27.26**	**15.40**

NOTE 20: DEFERRED TAX ASSETS / LIABILITIES

		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
(a)	**Tax expense recognised in the statement of profit and loss**		
	Current income tax:		
	Current income tax charge	1,529.89	341.96
	Deferred tax:		
	Attributable to:		
	MAT Credit	623.41	(1,373.50)
	Origination and reversal of temporary differences	(404.97)	459.63
	Income tax expense reported in the statement of profit and loss	**1,748.33**	**(571.91)**
(b)	**OCI section - Income tax related to items recognised in OCI during in the year:**		
	Net gain/(loss) on remeasurements of defined benefit plans	3.59	(12.96)
	Income tax expense charged to OCI	**3.59**	**(12.96)**
(c)	**Reconciliation of income tax expense and the accounting profit multiplied by Group's tax rate:**		
	Profit/(loss) before tax	6,166.06	1,485.81
	Income tax expense calculated at 34.608% (31 March 2017: 34.608%)	2,133.95	514.21
	Effect of:		
	Effect of income that is exempt from taxation	(471.68)	(39.59)
	Effect of expenses that is non-deductible in determining taxable profit	25.99	15.52
	Effect of change in tax rate	5.62	-
	Effect of tax on other items	54.45	(20.87)
		1,748.33	**469.27**
	Adjustments recognised in relation to earlier years	-	(1,041.18)
	Income tax expense recognised in statement of profit and loss	**1,748.33**	**(571.91)**

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

(d) The movement in deferred tax assets and liabilities during the year ended March 31, 2018 and March 31, 2017:

	Balance sheet			Statement of profit and loss	
	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Deferred tax assets					
Expenditure debited to statement of profit and Loss but allowed for tax purposes in the following years	(43.51)	(84.60)	(42.44)	41.09	(42.16)
Provision for impairment of property, plant and equipment	(1.75)	(1.73)	(1.73)	(0.02)	-
Provision for doubtful receivables / loans that are deducted for tax purposes when written off	(259.72)	(154.34)	(135.01)	(105.38)	(19.33)
Provision for employee benefits	(95.26)	(67.72)	(40.94)	(27.54)	(26.78)
MAT Credit entitlement	(1,141.33)	(1,764.74)	(391.24)	623.41	(1,373.50)
Carry forward of unabsorbed depreciation	(275.10)	-	-	(275.10)	-
Carry forward of business loss	(102.19)	(6.47)	-	(95.72)	(6.47)
Other items giving rise to temporary differences	(175.05)	-	-	(175.05)	-
Deferred tax liabilities					
Accelerated depreciation for tax purposes	1,512.77	1,248.46	723.63	264.31	524.83
Other items giving rise to temporary differences	-	27.97	11.38	(27.97)	16.59
Net deferred tax liabilities/ (assets) (net)	**(581.14)**	**(803.17)**	**123.65**		
Deferred tax (income)/ expenses				**222.03**	**(926.83)**

The tax rate used for above deferred tax reconciliation for March 31, 2018 and March 31, 2017 is 34.944% and 34.608% respectively.

Reflected in the balance sheet as follows:

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Deferred tax assets	(2,093.91)	(2,079.60)	(611.36)
Deferred tax liabilities	1,512.77	1,276.43	735.01
Deferred tax liabilities/ (assets) (net)	**(581.14)**	**(803.17)**	**123.65**

(e) Reconciliation of deferred tax assets/ liabilities (net):

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Opening balance as of 1 April	**(803.17)**	**123.65**
Tax (income)/expense during the year recognised in the statement of profit and loss	218.44	(913.87)
Tax (income)/expense during the year recognised in OCI	3.59	(12.96)
Closing balance as at 31 March	**(581.14)**	**(803.17)**

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

The Group 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.

(f) During the year, the increase of the Corporate income tax rate from 34.608% to 34.944% was substantively enacted on February 1, 2018 and will be effective from April 1, 2018. As a result, the relevant deferred tax balances have been remeasured. Deferred tax liability expected to be reversed after March 31, 2018 has been measured using the effective rate that will apply for the period.

The impact of the change in tax rate has been recognised in tax expense in the statement of profit and loss, except to the extent that it relates to items previously recognised outside profit or loss.

NOTE 21: OTHER NON-CURRENT LIABILITIES

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Deferred government grant	323.28	385.66	448.04
	323.28	**385.66**	**448.04**
At 1 April	**448.04**	**510.42**	**510.42**
Received during the year	-		-
Released to the statement of profit and loss (refer Note 26)	(62.38)	(62.38)	-
At 31 March	**385.66**	**448.04**	**510.42**
The above amount is classified as:			
Non current	323.28	385.66	448.04
Current	62.38	62.38	62.38
	385.66	**448.04**	**510.42**

NOTE 22: TRADE PAYABLES

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Dues to micro and small enterprises*	-	-	-
Other trade payables	9,968.91	7,161.49	5,396.56
	9,968.91	**7,161.49**	**5,396.56**

*Based on the information available with Group as at period end there are no dues outstanding to the suppliers who are registered as micro and small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006". This has been relied upon by the auditors

Trade payables are non interest bearing and are normally settled in 0 to 45 days terms. There are no other amounts paid / payable towards interest / principal under the MSMED.

For explanations on the Group's credit risk management processes, refer to Note 46.

NOTE 23: OTHER CURRENT FINANCIAL LIABILITIES

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Current maturities of long-term borrowing (refer Note 18)	-	1,485.77	706.35
Creditors for capital goods	894.01	1,045.32	151.47
Security deposits	354.25	309.26	261.26
Other liabilities	770.10	-	-
	2,018.36	**2,840.35**	**1,119.08**

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

NOTE 24: OTHER CURRENT LIABILITIES

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Advance from customers	668.87	528.87	232.63
Statutory dues	238.47	81.68	116.04
Deferred government grant (refer Note 21)	62.38	62.38	62.38
	969.72	**672.93**	**411.05**

NOTE 25: NON-CURRENT TAX LIABILITIES (NET)

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Income Tax Provision [Net of advance tax ₹ 3,346.64 lakhs (31 March 2017: Nil), (1 April 2016: Nil)]	2.24	-	-
	2.24	**-**	**-**

NOTE 26: REVENUE FROM OPERATIONS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Sale of products*		
Finished goods	99,870.10	86,064.42
Traded goods	2,441.42	2,560.83
	102,311.52	**88,625.25**
Other operating revenues		
Sale of starch	148.06	101.62
Scrap sales	265.04	195.71
Government grants (refer Note 40)	985.69	822.65
Provision / liabilities no longer required written back	-	3.69
Deferred government grant income (refer Note 21)	62.38	62.38
	1,461.17	**1,186.05**
	103,772.69	**89,811.30**

* The Government of India introduced Goods and Services Tax (GST) with effect from July 1, 2017 which subsumes excise duty and various other indirect taxes. As required under Ind AS 18, revenue for the period from July 1, 2017 to March 31, 2018 is reported net of GST. Sales / Income from operations upto June 30, 2017 are reported inclusive of excise duty.

NOTE 27: OTHER INCOME

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Interest income on:		
Bank deposits	644.62	37.50
On unwinding of other financial assets	17.46	24.28
Others	142.69	106.53
Miscellaneous income	0.12	0.54
Exchange differences (net)	0.08	9.46
	804.97	**178.31**

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 28: COST OF MATERIALS CONSUMED

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Inventory at the beginning of the year	5,734.56	5,445.92
Add: Purchases	67,712.96	61,699.19
	73,447.52	**67,145.11**
Less : Sale of inventory	(306.50)	(541.32)
Less: Inventory at the end of the year	(6,467.73)	(5,734.56)
Cost of raw material and components consumed	**66,673.29**	**60,869.23**

NOTE 29: CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Opening stock:		
Finished goods	1,535.84	1,131.64
Traded Goods	43.54	54.42
	1,579.38	**1,186.06**
Less: Closing stock:		
Finished goods	1,659.33	1,535.84
Traded Goods	118.65	43.54
	1,777.98	**1,579.38**
(Increase) / Decrease in inventories	**(198.60)**	**(393.32)**

NOTE 30: EMPLOYEE BENEFITS EXPENSE

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Salaries, wages and bonus	3,211.24	2,186.91
Contribution to provident and other funds	190.89	130.05
Gratuity expense (refer Note 36)	79.20	35.44
Staff welfare expenses	170.66	136.93
	3,651.99	**2,489.33**

NOTE 31: FINANCE COSTS

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Interest:		
On loans	176.60	424.72
On others	45.64	6.78
Bank charges	18.30	25.80
Exchange differences on buyers credit	49.85	-
	290.39	**457.30**

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 32: DEPRECIATION AND AMORTIZATION EXPENSE

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Depreciation of property, plant and equipment (refer Note 3)	2,605.77	2,250.67
Amortisation of intangible assets (refer Note 4)	436.00	296.29
	3,041.77	**2,546.96**

NOTE 33: OTHER EXPENSE

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Consumption of stores, spares and other consumables	1,703.95	1,427.94
Security charges	189.51	189.46
Housekeeping charges	99.25	95.22
Power and fuel	2,594.11	2,107.88
Contract labour charges	2,615.34	2,612.84
Freight and forwarding charges	8,435.33	7,246.67
Rent / lease rent (refer Note 37)	698.16	722.18
Rates and taxes	43.51	20.42
Insurance charges	46.43	44.95
Job work charges	620.00	206.12
Repairs and maintenance		
-Plant and machinery	274.29	230.59
-Buildings	177.12	103.23
-Others	113.03	140.68
Advertisement and sales promotion	3,727.67	3,652.54
Bad debts / sundry debit balances written off	-	17.83
Provision for doubtful receivables and advances	297.28	55.86
Travelling and conveyance	278.91	226.23
Printing and stationery	30.36	28.09
Legal and professional fees	333.80	563.84
Payment to auditor	46.83	41.53
Loss on sale of property, plant and equipment	27.86	39.55
Loss on discard of property, plant and equipment	27.65	0.51
Corporate social responsibility expenditure	43.08	38.05
Directors sitting fees	26.90	15.60
Other expenses	251.29	257.39
	22,701.66	**20,085.20**

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 34: EXCEPTIONAL ITEM

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Insurance claim	-	95.73
	-	**95.73**

There was an accidental fire at Namkeen plant of the Holding Company on December 28, 2014 which resulted in loss of property, plant and equipment and inventories aggregating ₹ 291.88 lakhs. The amount of recovery from the insurance company could not be determined and hence the entire amount of ₹ 291.88 lakhs had been treated as an exceptional expense in the statement of profit and loss for the previous year ended March 31, 2015.

The Holding company received an interim claim of ₹ 99.98 lakhs from the insurance company in the year ended March 31, 2016 which was reflected as an exceptional income. During the previous year an amount of ₹ 95.73 lakhs has been received as a full and final settlement from the insurance company which is treated as an exceptional item in the statement of profit and loss for the year ended March 31, 2017.

NOTE 35: EARNINGS PER SHARE ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
Profit attributable to equity shareholders	**4,417.73**	**2,057.72**
Weighted average number of equity shares for basic EPS	213.41	151.92
Effect of dilution:		
Compulsorily convertible preference shares	8.35	55.44
Weighted average number of Equity shares adjusted for the effect of dilution *	**221.77**	**207.37**
Earnings per equity share (in ₹)		
Basic (Face Value of ₹ 5 each)	20.70	13.54
Diluted (Face Value of ₹ 5 each)	19.92	9.92

* There have been no other transactions involving equity shares or potential equity shares between the reporting date and the date of authorisation of these consolidated financial statements.

NOTE 36: EMPLOYEE BENEFITS

(a) Defined contribution plans

a. Provident fund

Provident fund is a defined contribution scheme established under a state plan. The contributions to the scheme are charged to the statement of profit and loss in the period when the contributions to the funds are due.

The Group has recognised following amounts as expense in the statement of profit and loss:

	For the year ended 31 March 2018 ₹ lakhs	For the year ended 31 March 2017 ₹ lakhs
Included in contribution to provident and other funds (refer Note 30)		
Provident fund	133.23	89.09

(b) Defined benefit plans

Gratuity - Non-funded

The Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on retirement at 15 days of last drawn salary for each completed year of service. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year. The gratuity plan is non funded.

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Current	21.22	15.15	8.51
Non-current	230.31	169.11	102.90
	251.53	**184.26**	**111.41**

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss the funded status and amounts recognised in the balance sheet for the respective plans:

			31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
I	**(a)**	**Expense recognised in the statement of profit and loss for the year ended**		
		Current service cost	39.97	27.08
		Past service cost	24.09	-
		Interest cost on benefit obligation	15.14	8.36
		Components of defined benefit costs recognised in statement of profit and loss (refer Note 30)	**79.20**	**35.44**
	(b)	**Included in other comprehensive income**		
		Actuarial gain / (loss) for the year on present defined benefit obligation	10.37	(37.46)
		Actuarial (gain) / loss recognised in OCI	**10.37**	**(37.46)**
II	**Change in present value of defined benefit obligation during the year**			
	1.	Present value of defined benefit obligation at the beginning of the year	184.26	111.41
	2.	Interest cost	15.14	8.36
	3.	Current service cost	39.97	27.08
	4.	Past service cost	24.09	-
	5.	Benefits paid	(1.56)	(0.05)
	6.	Total actuarial (gain)/loss on obligation	10.37	(37.46)
	7.	Present value of defined benefit obligation at the end of the year	**251.53**	**184.26**

The major categories of plan assets of the fair value of the total plan assets are as follows:

Not applicable

Details of asset-liability matching strategy

There are no minimum funding requirements for a gratuity benefits plan in India and there is no compulsion on the part of the Group to fully or partially pre-fund the liabilities under the plan. Since the liabilities are unfunded, there is no asset-liability matching strategy deviced for the plan.

A description of any funding arrangements and funding policy that affect future contributions:

Currently there is no specific funding arrangement that affect the future contributions.

Notes to the consolidated financial statements

for the year ended March 31, 2018

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown below:

	31 March 2018	31 March 2017	1 April 2016
Discount rate (%)	7.60%	7.10%	7.10%
Future salary increases:	7.00%	7.00%	7.00%
Withdrawal rates	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age	15% at younger ages reducing to 3% at older age

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

	Discount rate		
	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Impact on defined benefit obligation			
Impact of 0.50% increase in rate	(10.66)	(7.98)	(4.26)
Impact of 0.50% decrease in rate	8.82	7.18	4.57

	Future salary increases		
	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Impact on defined benefit obligation			
Impact of 0.50% increase in rate	7.38	6.31	3.78
Impact of 0.50% decrease in rate	(9.55)	(7.42)	(3.40)

	Withdrawal rate		
	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Impact on defined benefit obligation			
Impact of 20% increase in rate	(0.95)	(1.55)	0.24
Impact of 20% decrease in rate	(1.98)	0.14	(0.32)

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

Sensitivity due to mortality are not material and hence impact of change not calculated.

The following payments are expected contributions to the defined benefit plan in future years:

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Within the next 12 months (next annual reporting period)	21.22	15.15	8.51
Between 2 and 5 years	101.58	71.14	43.35
Beyond 5 years	408.83	287.38	172.31

The average duration of the defined benefit plan obligation at the end of the reporting period is 8.76 years (March 31, 2017: 8.99 years and April 1, 2016: 9.08 years)

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

NOTE 37: COMMITMENTS AND CONTINGENCIES

I. Operating lease commitments

Group as a lessee

The Group has entered into operating lease arrangements for its factory building and warehouses.

Future minimum rentals payable and charged to statement of profit and loss under non-cancellable operating leases as at March 31, are, as follows:

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Charged to statement of profit and loss	565.84	539.80	417.04
Future minimum rentals payable under non-cancellable operating leases are as under			
- not later than one year	617.30	565.06	575.82
- later than one year but not later than five years	2,452.45	2,475.92	2,654.72
- later than five years	1,428.74	1,963.05	2,488.74

II. Capital commitments

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	380.51	1,152.42	3,159.05

III. Other commitments

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
(a) Preservation charges payable to cold storage owners	171.64	163.24	158.95

IV. Contingent liabilities (to the extent not provided for)

	31 March 2018	31 March 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs
Claims against the Holding Company not acknowledged as debts			
Disputed income tax liability*	-	12.67	-
Disputed value added tax liability**	-	4.50	-
Disputed central sales tax liability (net of C Forms collected)***	-	4.27	22.20
	-	**21.44**	**22.20**

Notes:

* Income tax demand in the previous year comprise of demand from the income tax department for AY 2010-11. The Holding Company has filed an appeal before the CIT(A) and the assessment has been closed in the current year.

** Value added tax demand in the previous year comprised of demand from the commercial taxes department for FY 2014-15. During the current year the Holding Company has paid the disputed demand of ₹ 4.50 lakhs and the assessment has been closed.

*** Central Sales tax demand in the previous year comprised of demand from the Central Sales tax authorities for FY 2012-13, 2013-14 and 2014-15. During the current year, the Holding Company has submitted the required forms and supporting documentary evidences within the time granted and the assessment has been closed.

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 38: RELATED PARTY TRANSACTIONS

I]. Names of related parties and related party relationship

(a) Related parties with whom transactions have taken place during the year

Enterprise having significant influence	SCI Growth Investment II
Key management personnel	Mr. Arvind Mehta, Chairman and Executive Director
	Mr. Amit Kumat, Managing Director and Chief Executive Officer
	Mrs. Anisha Motwani, Independent Director
	Dr. Om Prakash Manchanda, Independent Director
	Mr. Vineet Kumar Kapila, Independent Director
	Mr. Haresh Ram Chawla, Independent Director
Relatives of key management personnel	Mr. Apoorva Kumat, Brother of Mr. Amit Kumat
	Mrs. Premlata Kumat, Mother of Mr. Amit Kumat
	Mrs. Swati Bapna, Sister of Mr. Amit Kumat
	Mrs. Kanta Mehta, Wife of Mr. Arvind Mehta
	Mr. Naveen Mehta, Brother of Mr. Arvind Mehta

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year are disclosed below:

		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
a.	**Recovery of expenses from (refer Note 42)**		
	Enterprise having significant influence		
	SCI Growth Investment II - IPO expenses	781.80	-
	Key managerial personnel		
	Mr. Arvind Mehta - IPO expenses	109.06	-
	Mr. Amit Kumat - IPO expenses	69.41	-
	Relatives of key management personnel		
	Mr. Apoorva Kumat - IPO expenses	69.41	-
	Mrs. Premlata Kumat - IPO expenses	46.27	-
	Mrs. Swati Bapna - IPO expenses	13.22	-
	Mrs. Kanta Mehta - IPO expenses	39.66	-
	Mr. Naveen Mehta - IPO expenses	82.63	-
		1,211.46	**-**
b.	**Remuneration**		
	Key managerial personnel		
	Mr. Arvind Mehta*	56.25	50.00
	Mr. Amit Kumat*	56.25	50.00
	Sitting fees to Independent Directors	26.90	15.60
	Relatives of key management personnel		
	Mr. Apoorva Kumat*	56.25	50.00
		195.65	**165.60**

Notes to the consolidated financial statements

for the year ended March 31, 2018

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
* Excludes provision for compensated leave and gratuity for key managerial personnel as separate actuarial valuation is not available. The remuneration of Directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.		
c. Rent paid		
Relatives of key management personnel		
Mrs. Kanta Mehta	-	17.38
	-	**17.38**
d. Preference dividend**		
Enterprise having significant influence		
SCI Growth Investment II	-	-
	-	-
**Preference dividend of ₹ 113 (31 March 2017 : ₹ 98)		
e. Purchase of freehold land		
Relatives of key management personnel		
Mrs. Kanta Mehta	-	225.00
	-	**225.00**
f. Security deposit refunded		
Relatives of key management personnel		
Mrs. Kanta Mehta	-	7.50
	-	**7.50**

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
g. Closing balances			
Security deposit			
Relatives of key management personnel			
Mrs. Kanta Mehta	-	-	7.50
	-	**-**	**7.50**
Preference dividend payable*			
Enterprise having significant influence			
SCI Growth Investment II	-	-	-
	-	**-**	**-**
*Preference dividend payable of Nil [(31 March 2017: ₹ 472), (1 April 2016: ₹ 472)]			
Other payables (refer Note 42)			
Enterprise having significant influence			
SCI Growth Investment II	87.67	-	-
Key managerial personnel			
Mr. Arvind Mehta	12.23	-	-
Mr. Amit Kumat	7.78	-	-

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

		31 March 2018	31 March 2017	1 April 2016
		₹ lakhs	₹ lakhs	₹ lakhs
	Relatives of key management personnel			
	Mr. Apoorva Kumat	7.78	-	-
	Mrs. Premlata Kumat	5.19	-	-
	Mrs. Swati Bapna	1.48	-	-
	Mrs. Kanta Mehta	4.45	-	-
	Mr. Naveen Mehta	9.27	-	-
		135.85	**-**	**-**
h.	**Guarantee given to banks for loans taken by the Group**			
	Key managerial personnel			
	Mr. Arvind Mehta (refer Note 18)	-	-	-
		-	**-**	**-**

Terms and conditions of transactions with related parties

The transactions from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest bearing and settlement will occur in cash. There have been no guarantees provided or received for any related party receivables or payables other than disclosed in aforesaid table. For the year ended March 31, 2018, the Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken at each financial year end through examining the financial position of the related party and the market in which the related party operates.

NOTE 39: SEGMENT INFORMATION

For management purpose, the Group comprise of only one reportable segment – Snacks food

The Management monitors the operating results of this segment for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

A] Information about products and services

	31 March 2018	31 March 2017
	₹ lakhs	₹ lakhs
Revenue from sale of goods to external customers		
Finished goods	99,870.10	86,064.42
Traded goods	2,441.42	2,560.83

B] Information about geographical areas

	Sale of goods	Non current operating assets
	₹ lakhs	₹ lakhs
Year ended 31 March 2018		
India	101,688.49	27,065.12
Outside India	623.03	-
Total	**102,311.52**	**27,065.12**

	Sale of goods ₹ lakhs	Non current operating assets ₹ lakhs
Year ended 31 March 2017		
India	88,379.08	25,651.80
Outside India	246.17	-
Total	**88,625.25**	**25,651.80**
Year ended 1 April 2016		
India		20,292.26
Outside India		-
Total		**20,292.26**

C] Notes

1. The business of the Group comprise of only one reportable segment i.e. Snacks food. The Management monitors the operating results of this segment for the purpose of resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

2. Segment revenue in the geographical segments considered for disclosure are as follows:

   a) Revenue within India includes sales to customers located within India.

   b) Revenue outside India includes sales to customers located outside India.

3. The Group does not have any customer, with whom revenue from transactions is more than 10% of Group's total revenue.

4. Non current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment property, investment property under development, intangible assets and intangible assets under development

NOTE 40: GOVERNMENT GRANT

I. Sales tax incentive - Assam

The Holding Company commissioned its Guwahati Unit 1 on July 17, 2014 and Guwahati Unit 2 on April 8, 2016. As per the Industrial and Investment Policy of Assam, 2014, the Units are entitled for exemption of tax payable under the Assam Value Added Tax Act 2005 and the Central Sales Tax Act 1956 for 15 years from the date of commencement of commercial production.

a) Guwahati Unit 1 :

The total VAT/CST recovery for Guwahati Unit 1 after taking VAT input credit for the year ended March 31, 2018 is Nil (March 31, 2017: ₹ 730.11 lakhs). The Holding Company has deposited ₹ 247.88 lakhs with the government authorities and recognised the balance amount of ₹ 482.22 lakhs as other operating revenue income (refer Note 26). The Holding Company has received the eligibility certificate for Guwahati Unit 1 plant on November 15, 2016.

b) Guwahati Unit 2 :

The total VAT/CST recovery for Guwahati Unit 2 after taking VAT input credit for the year ended is ₹ 147.66 lakhs (March 31, 2017: ₹ 345.09 lakhs). The Holding Company has deposited ₹ 1.48 lakhs (March 31, 2017: ₹ 3.44 lakhs) with the government authorities and recognised the balance amount of ₹ 146.18 lakhs (March 31, 2017: ₹ 340.43 lakhs) after adjusting brought forward input credit of ₹ Nil (March 31, 2017: ₹ 1.72 lakhs) as other operating revenue income (refer Note 26). The Holding Company has completed the process of application with respect to the Guwahati Unit 2 to the Assam Sales Tax Authorities on March 31, 2017 and the eligibility certificate is awaited. However, the sales tax incentive of ₹ 144.70 lakhs (March 31, 2017: ₹ 340.43 lakhs) of Guwahati Unit 2 has been recognised as income.

Notes to the consolidated financial statements

for the year ended March 31, 2018

The Assam Government has revised the incentive scheme under the GST regime, As per the notification no. FTX.113/2017/72 dated January 19, 2018, the Holding Company is entitled to reimbursement of 100% of the state tax (SGST) paid through debit in the electronic cash ledger account maintained by the unit.

II. Sales tax incentive - Madhya Pradesh

As per the Madhya Pradesh Industrial Investment Promotion Assistance Scheme, 2004, the Holding Company is entitled for refund of the commercial taxes and sales tax deposited by them for a period of three years from the date of commercial production. The Holding Company has been sanctioned Industrial Investment Promotion Assistance (IIPA) by Government of Madhya Pradesh on February 21, 2018. The eligible amount sanctioned under the aforesaid scheme for both the Chips plant at Indore capitalised on January 27, 2010 and October 26, 2012 amounts to ₹ 143.68 lakhs and ₹ 540.61 lakhs respectively. The total amount of ₹ 684.28 lakhs has been recognised as other operating revenue income (refer Note 26) and the same has been subsequently received in cash on April 4, 2018.

III. Freight subsidy

The Guwahati units of the Holding Company are eligible for freight subsidy under the Freight Subsidy Scheme ('FSS'), 2013 introduced by the Ministry of Commerce and Industry vide notification no. F. No. 11(5)/2009-DBA-II/NER. The Holding Company is eligible for the freight subsidy for a period of 5 years from the commencement of the scheme or operations, whichever is later. The Holding Company has estimated that the claim under the scheme shall be received within a period of 6 years from the end of the relevant quarter and has accordingly recognised income of ₹ 155.23 lakhs at present value as other operating revenue income (refer Note 26) in the financial year ended March 31, 2018.

NOTE 41: EMPLOYEE STOCK PURCHASE PLAN

The Holding Company had an ESPP under which 0.11 lakhs shares of equity capital were reserved for issuance to its eligible employees. Eligible employees could purchase a limited number of shares of the Holding Company's equity capital at the fair market value as determined by a Merchant Banker. The ESPP was approved in the Board Meeting held on August 23, 2013 and the grant of options was approved in the Board Meeting held on June 10, 2016 for issue of stock options to the eligible employees of the Holding Company. In the year ended March 31, 2017, 0.05 lakhs equity shares were issued under ESPP and the balance 0.01 lakhs equity shares of ESPP policy has been revoked by the Holding Company on June 21, 2016.

The details of activity under the Scheme are summarised below:

	31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs	1 April 2016 ₹ lakhs
Outstanding at the beginning of the year	-	-	-
Granted during the year	-	0.05	-
Forfeited during the year	-	-	-
Exercised during the year	-	0.05	-
Revoked during the year	-	0.01	-
Outstanding at the end of the year	-	-	-
Exercisable at the end of the year	-	-	-
Shares available for issuance under ESPP as at reporting date	-	-	0.06

NOTE 42: SHARE ISSUE EXPENSES RECOVERABLE

During the year ended March 31, 2018, the Holding Company had completed its IPO through an Offer for Sale of 30.06 lakhs equity shares and a fresh issue of 21.32 lakhs equity shares of ₹ 5 each at an issue price of ₹ 938 per share (₹ 848 per share for employees). The Holding Company has incurred total share issue expenses ₹ 2,953.50 lakhs (March 31, 2017: ₹ 439.83 lakhs). Since the issue was an offer for sale and a fresh issue, all the share issue expenses related to the IPO have been proportionately distributed between the Holding Company and the selling shareholders. The Holding Company's share of expenses have been adjusted against securities premium to the extent permissible under section 52 of the Act on successful completion of IPO.

NOTE 43: INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENTS PURSUANT TO SCHEDULE III OF THE ACT

Name of the entity	% of share in Net Assets		% of share in Net sales		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs
As on March 31, 2018										
Holding Company										
Prataap Snacks Limited	102%	53,050.86	99%	103,091.86	110%	4,878.63	85%	5.75	110%	4,884.38
Subsidiary Company										
Pure N Sure Food Bites Private Limited	5%	2,714.25	1%	680.83	-7%	(297.88)	15%	1.03	-7%	(296.85)
Employee Welfare Trust										
Prataap Snacks Employees Welfare Trust	0%	8.70	0%	-	0%	3.44	0%	-	0%	3.44
	107%	**55,773.81**	**100%**	**103,772.69**	**103%**	**4,584.19**	**100%**	**6.78**	**103%**	**4,590.97**
Inter Company eliminations	-7%	(3,819.75)	0%	-	-3%	(166.46)	0%	-	-3%	(166.46)
Total	**100%**	**51,954.06**	**100%**	**103,772.69**	**100%**	**4,417.73**	**100%**	**6.78**	**100%**	**4,424.51**

Name of the entity	% of share in Net Assets		% of share in Net sales		% of share in profit and loss		% share in other comprehensive income		% share in total comprehensive income	
	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs	%	₹ lakhs
As on March 31, 2017										
Holding Company										
Prataap Snacks Limited	103%	24,406.74	100%	89,811.30	106%	2,175.73	100%	(24.50)	106%	2,151.24
Subsidiary Company										
Pure N Sure Food Bites Private Limited	0%	47.13	0%	-	0%	8.99	0%	-	0%	8.99
Employee Welfare Trust										
Prataap Snacks Employees Welfare Trust	0%	5.26	0%	-	0%	3.98	0%	-	0%	3.98
	103%	**24,459.13**	**100%**	**89,811.30**	**106%**	**2,188.70**	**100%**	**(24.50)**	**106%**	**2,164.20**
Inter Company eliminations	-3%	(689.70)	0%	-	-6%	(130.98)	0%	-	-6%	(130.98)
Total	**100%**	**23,769.43**	**100%**	**89,811.30**	**100%**	**2,057.72**	**100%**	**(24.50)**	**100%**	**2,033.22**

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 44: FAIR VALUES

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments:

	Carrying value			Fair value		
	March 31, 2018	March 31, 2017	1 April 2016	March 31, 2018	March 31, 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Non-current financial assets						
Loans						
Loans to transporters	-	12.54	32.29	-	12.54	32.29
Loan - Others	1,554.60	1,427.18	252.68	1,554.60	1,427.18	252.68
Other non-current financial assets						
Security deposits	411.40	390.15	436.65	400.69	408.21	403.81
Margin money deposit	5.79	130.61	22.57	5.79	130.61	22.57
Subsidy receivable	155.25	-	-	155.25	-	-
Others	0.10	0.12	1.59	0.10	0.12	1.59
Current financial assets						
Trade receivables	2,043.30	1,450.95	1,794.33	2,043.30	1,450.95	1,794.33
Loans	87.59	78.10	147.43	87.59	78.10	147.43
Other current financial assets	1,496.72	605.02	616.68	1,496.72	605.02	616.68
Total	**5,754.75**	**4,094.67**	**3,304.22**	**5,744.04**	**4,112.73**	**3,271.38**

	Carrying value			Fair value		
	March 31, 2018	March 31, 2017	1 April 2016	March 31, 2018	March 31, 2017	1 April 2016
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Non-current financial liabilities						
Borrowings	-	3,871.63	2,084.01	-	3,972.37	2,124.70
Current financial liabilities						
Borrowings	748.24	2,688.88	2,651.21	748.24	2,688.88	2,651.21
Trade payables	9,968.91	7,161.49	5,396.56	9,968.91	7,161.49	5,396.56
Other current financial liabilities	2,018.36	2,840.35	1,119.08	2,018.36	2,840.35	1,119.08
	12,735.51	**16,562.36**	**11,250.86**	**12,735.51**	**16,663.10**	**11,291.55**

The management assessed that the fair value of trade receivables, other current financial assets, other current assets, current loans, trade payables, current borrowings, other current financial liabilities and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

1. Security deposits, loans and advances and other financial assets are evaluated by the Group based on parameteres such as interest rates, individual credit worthiness of the counterparties and expected duration of realisability. Based on this evaluation, allowances are taken into account for the expected credit losses of these loans and other financial assets.

2. The fair value of bank borrowings are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs and determines their impact on the total fair value.

Notes to the consolidated financial statements

for the year ended March 31, 2018

NOTE 45: FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
Assets and liabilities for which fair values are disclosed in Note 44			
Non-current financial assets			
Loans			
Loan - Others	-	1,554.60	-
Other non-current financial assets			
Security deposits	-	400.69	-
Margin money deposit	-	5.79	-
Subsidy receivable	-	155.25	-
Others	-	0.10	-
Current financial assets			
Trade receivables	-	2,043.30	-
Loans	-	87.59	-
Other current financial assets	-	1,496.72	-
Current financial liabilities			
Borrowings	-	748.24	-
Trade payables	-	9,968.91	-
Other current financial liabilities	-	2,018.36	-

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

	Fair value measurement using		
	Quoted prices in active markets	Significant observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	₹ lakhs	₹ lakhs	₹ lakhs
Assets and liabilities for which fair values are disclosed in Note 44			
Non-current financial assets			
Loans			
Loans to transporters	-	12.54	-
Loan - Others	-	1,427.18	-
Other non-current financial assets			
Security deposits	-	408.21	-
Margin money deposit	-	130.61	-
Others	-	0.12	-
Current financial assets			
Trade receivables	-	1,450.95	-
Loans	-	78.10	-
Other current financial assets	-	605.02	-

Notes to the consolidated financial statements

for the year ended March 31, 2018

	Fair value measurement using		
	Quoted prices in active markets (Level 1) ₹ lakhs	Significant observable inputs (Level 2) ₹ lakhs	Significant unobservable inputs (Level 3) ₹ lakhs
Non-current financial liabilities			
Borrowings	-	3,972.37	-
Current financial liabilities			
Borrowings	-	2,688.88	-
Trade payables	-	7,161.49	-
Other current financial liabilities	-	2,840.35	-

Quantitative disclosures fair value measurement hierarchy for assets as at April 1, 2016:

	Fair value measurement using		
	Quoted prices in active markets (Level 1) ₹ lakhs	Significant observable inputs (Level 2) ₹ lakhs	Significant unobservable inputs (Level 3) ₹ lakhs
Assets and liabilities for which fair values are disclosed in Note 44			
Non-current financial assets			
Loans			
Loans to transporters	-	32.29	-
Loan - Others	-	252.68	-
Other non-current financial assets			
Security deposits	-	403.81	-
Margin money deposit	-	22.57	-
Others	-	1.59	-
Current financial assets			
Trade receivables	-	1,794.33	-
Loans	-	147.43	-
Other current financial assets	-	616.68	-
Non-current financial liabilities			
Borrowings	-	2,124.70	-
Current financial liabilities			
Borrowings	-	2,651.21	-
Trade payables	-	5,396.56	-
Other current financial liabilities	-	1,119.08	-

NOTE 46: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include advances and deposits, trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risks, credit risks and liquidity risks. The Group's senior management oversees the management of these risks. The Group's senior management provides assurance that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors review and agree policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks namely interest rate risk, foreign currency risk and other price risk, such as equity price risk. The Group is not significantly exposed to other price risk whereas the exposure to currency risk and interest risk is given below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings. However the Group has only current borrowings, hence it is not significantly exposed to interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's current borrowings, receivables and payables due to transactions entered in foreign currencies.

Foreign exchange exposures outstanding at the year end

	Currency	31 March 2018 lakhs	31 March 2017 lakhs	1 April 2016 lakhs
Short-term borrowings - buyer's credit	JPY	1,224.00	1,530.70	1,377.81
Trade payable	USD	-	-	0.06
Export receivables	USD	0.41	0.41	0.30

Foreign exchange exposures outstanding at the year end in ₹

	31 March 2018 lakhs	31 March 2017 lakhs	1 April 2016 lakhs
Short-term borrowings - buyer's credit	748.24	890.64	810.14
Trade payable	-	-	4.18
Export receivables	26.56	26.55	20.10
Net exposure (₹)	**721.68**	**864.09**	**794.22**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD and JPY exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	Increase / decrease in %	Effect on profit or loss	
		31 March 2018 ₹ lakhs	31 March 2017 ₹ lakhs
USD ₹	2%	0.53	0.53
	-2%	(0.53)	(0.53)
JPY ₹	2%	(14.96)	(17.81)
	-2%	14.96	17.81

Notes to the consolidated financial statements

for the year ended March 31, 2018

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and deposits with banks.

Trade receivables

Customer credit is managed by the Group through established policies and procedures related to customer credit risk management. Each outstanding customer receivables are regularly monitored and if outstanding is above due date the further shipments are controlled and can only be released if there is a proper justification.

The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets and are monitored at periodical intervals. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

	₹ lakhs	
	Upto 180 Days	**More Then 180 Days**
As on 31 March 2018		
Expected loss rate	0.00%	100.00%
Gross carrying amount	2,043.30	198.06
Loss allowance provision	-	198.06
As on 31 March 2017		
Expected loss rate	0.00%	100.00%
Gross carrying amount	1,450.95	131.79
Loss allowance provision	-	131.79
As on 1 April 2016		
Expected loss rate	0.00%	100.00%
Gross carrying amount	1,794.33	104.10
Loss allowance provision	-	104.10

Impairment loss is recognised in the year based on lifetime credit losses.

Reconciliation of loss allowance provision for Trade receivables

	31 March 2018	31 March 2017
	₹ lakhs	₹ lakhs
Balance as at beginning of the year	131.79	104.10
On receivables originated in the year	71.92	30.05
Amounts recovered during the year	(5.65)	(2.36)
Balance at end of the year	**198.06**	**131.79**

LIQUIDITY RISK

(i) Liquidity risk management

The Group's principle sources of liquidity are cash and cash equivalents, current investments and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Group closely monitors its liquidity position and maintains adequate source of funding.

(ii) Maturities of financial liabilities

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The amount disclosed in the tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2018				
Current liabilities:				
(i) Borrowings	748.24	-	-	748.24
(ii) Trade payables	9,968.91	-	-	9,968.91
(iii) Other current financial liabilities	2,018.36	-	-	2,018.36
	12,735.51	**-**	**-**	**12,735.51**
As at 31 March 2017				
Non-current liabilities:				
(i) Borrowings	-	3,885.13	-	3,885.13
Current liabilities:				
(i) Borrowings	2,688.88	-	-	2,688.88
(ii) Trade payables	7,161.49	-	-	7,161.49
(iii) Other current financial liabilities	2,840.35	-	-	2,840.35
	12,690.73	**3,885.13**	**-**	**16,575.86**
As at 1 April 2016				
Non-current liabilities:				
(i) Borrowings	-	2,103.79	-	2,103.79
Current liabilities:				
(i) Borrowings	2,651.21	-	-	2,651.21
(ii) Trade payables	5,396.56	-	-	5,396.56
(iii) Other current financial liabilities	1,119.08	-		1,119.08
	9,166.85	**2,103.79**	**-**	**11,270.64**

Changes in liabilities arising from financing activities:

	1 April 2016	Net Cash (Outflow) / Inflow	Foreign exchange movement	Others	31 March 2017
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Long-term interest bearing borrowings	2,790.36	2,567.04	-	-	5,357.40
Short-term interest bearing borrowings	2,651.21	47.76	(10.09)	-	2,688.88
	5,441.57	**2,614.80**	**(10.09)**	**-**	**8,046.28**

Notes to the consolidated financial statements

for the year ended March 31, 2018

	31 March 2017	Net Cash (Outflow) / Inflow	Foreign exchange movement	Others	31 March 2018
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
Long-term interest bearing borrowings	5,357.40	(5,357.40)	-	-	-
Short-term interest bearing borrowings	2,688.88	(1,976.36)	35.72	-	748.24
	8,046.28	**(7,333.76)**	**35.72**	**-**	**748.24**

(iii) Maturities of financial assets

The following table details the Group's expected maturity for its financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 Year	1 - 5 Years	More than 5 years	Total
	₹ lakhs	₹ lakhs	₹ lakhs	₹ lakhs
As at 31 March 2018				
Non-current assets:				
(i) Loans	-	1,554.60	-	1,554.60
(ii) Other non-current financial assets	-	270.01	510.46	780.47
Current assets:				
(i) Trade receivables	2,043.30	-	-	2,043.30
(ii) Bank balance	16,134.04	-	-	16,134.04
(iii) Loans	87.59	-	-	87.59
(iv) Other current financial assets	1,496.72	-	-	1,496.72
	19,761.65	**1,824.61**	**510.46**	**22,096.72**
As at March 2017				
Non-current assets:				
(i) Loans	-	1,439.72	-	1,439.72
(ii) Other non-current financial assets	-	215.79	459.03	674.82
Current asset:				
(i) Trade receivables	1,450.95	-	-	1,450.95
(ii) Bank balance	287.03	-	-	287.03
(iii) Loans	78.10	-	-	78.10
(iv) Other current financial assets	605.02	-	-	605.02
	2,421.10	**1,655.52**	**459.03**	**4,535.65**
As at 1 April 2016				
Non-current assets:				
(i) Loans	-	284.97	-	284.97
(ii) Other non-current financial assets	-	66.10	561.04	627.14
Current asset:				
(i) Trade receivables	1,794.33	-	-	1,794.33
(ii) Bank balance	302.58	-	-	302.58
(iii) Loans	147.43	-	-	147.43
(iv) Other current financial assets	616.68	-	-	616.68
	2,861.02	**351.07**	**561.04**	**3,773.14**

NOTE 47: CAPITAL MANAGEMENT

For the purpose of the Group's capital management, equity includes issued equity capital, compulsory convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise the shareholder value. The Group's capital management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholders' value. The Group is monitoring capital using debt equity ratio as its base, which is debt to equity. The Group's policy is to keep healthy debt equity ratio ensuring minimum debt. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

	31 March 2018	31 March 2017	1 April 2016
	lakhs	lakhs	lakhs
Debt (A)	748.24	6,560.51	4,735.22
Equity (B)	51,954.06	23,769.43	20,614.57
Debt / Equity Ratio (A / B)	0.01	0.28	0.23

NOTE 48: FIRST-TIME ADOPTION OF IND AS

These conslidated financial statements, for the year ended March 31, 2018, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Group prepared its conslidated financial statements in accordance with accounting standards notified under Section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these conslidated financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Indian GAAP conslidated financial statements, including the balance sheet as at April 1, 2016 and the conslidated financial statements as at and for the year ended March 31, 2017.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

i) Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its property, plant and equipment, intangible assets and investment property as recognised in its Indian GAAP conslidated financial as deemed cost at the transition date.

ii) Group has availed the exemption available under Ind AS 101 for not restating the past business combinations at fair value.

iii) Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease in substance or legal form. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Group has done the assessment of lease in contracts based on conditions in prevailing as at the date of transition as per transition provision of Ind AS 101.

Estimates

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies).

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

Notes to the consolidated financial statements

for the year ended March 31, 2018

Reconciliation of equity as at April 1, 2016 (date of transition to Ind AS)

	Footnotes	Indian GAAP* ₹ lakhs	Adjustments ₹ lakhs	Ind AS ₹ lakhs
ASSETS				
NON-CURRENT ASSETS				
(a) Property, plant and equipment	1	16,734.97	487.97	17,222.94
(b) Capital work-in-progress		3,031.90	-	3,031.90
(c) Intangible assets		36.27	-	36.27
(d) Intangible assets under development		1.15	-	1.15
(e) Financial assets				
(i) Loans	10	676.21	(391.24)	284.97
(ii) Other non-current financial assets	2	627.95	(167.14)	460.81
(f) Deferred tax assets (net)		-	-	-
(g) Tax assets (net)		10.60	-	10.60
(h) Other non-current assets	2	1,169.71	132.21	1,301.92
TOTAL NON-CURRENT ASSETS		**22,288.76**	**61.80**	**22,350.56**
CURRENT ASSETS				
(a) Inventories		6,852.81	-	6,852.81
(b) Financial assets				
(i) Trade receivables		1,794.33	-	1,794.33
(ii) Cash and cash equivalents		325.71	-	325.71
(iii) Bank balance (other than (ii) above)		302.58	-	302.58
(iv) Loans		147.43	-	147.43
(v) Other current financial assets		616.68	-	616.68
(c) Other current assets	3 and 6	601.20	(24.83)	576.37
TOTAL CURRENT ASSETS		**10,640.74**	**(24.83)**	**10,615.91**
TOTAL ASSETS		**32,929.50**	**36.97**	**32,966.47**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	3	146.78	(115.50)	31.28
(b) Other equity	1, 2, 3, 4, 5, 6 and 10	19,932.88	650.41	20,583.29
TOTAL EQUITY		**20,079.66**	**534.91**	**20,614.57**
LIABILITIES				
NON-CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings	4	2,103.79	(19.78)	2,084.01
(b) Provisions		102.90	-	102.90
(c) Deferred tax liabilities (net)	10	1,017.64	(893.99)	123.65
(d) Other non-current liabilities	1	-	448.04	448.04
TOTAL NON-CURRENT LIABILITIES		**3,224.33**	**(465.73)**	**2,758.60**
CURRENT LIABILITIES:				
(a) Financial liabilities				
(i) Borrowings		2,651.21	-	2,651.21
(ii) Trade payables	5	5,491.16	(94.60)	5,396.56
(iii) Other current financial liabilities		1,119.08	-	1,119.08
(b) Provisions		15.40	-	15.40
(c) Other current liabilities	1	348.66	62.39	411.05
TOTAL CURRENT LIABILITIES		**9,625.51**	**(32.21)**	**9,593.30**
TOTAL LIABILITIES		**12,849.84**	**(497.94)**	**12,351.90**
TOTAL EQUITY AND LIABILITIES		**32,929.50**	**36.97**	**32,966.47**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

Notes to the consolidated financial statements

for the year ended March 31, 2018

Reconciliation of equity as at March 31, 2017

		Footnotes	Indian GAAP* ₹ lakhs	Adjustments ₹ lakhs	Ind AS ₹ lakhs
ASSETS					
NON-CURRENT ASSETS					
(a)	Property, plant and equipment	1	19,277.59	428.09	19,705.68
(b)	Capital work-in-progress		5,179.55	-	5,179.55
(c)	Intangible assets		765.42	-	765.42
(d)	Intangible assets under development		1.15	-	1.15
(e)	Financial assets				
	(i) Loans	10	3,204.46	(1,764.74)	1,439.72
	(ii) Other non-current financial assets	2	675.52	(154.64)	520.88
(f)	Deferred tax assets (net)	10	(837.89)	1,641.06	803.17
(g)	Tax assets (net)		124.66	-	124.66
(h)	Other non-current assets	2	65.26	118.98	184.24
TOTAL NON-CURRENT ASSETS			**28,455.72**	**268.75**	**28,724.47**
CURRENT ASSETS					
(a)	Inventories		7,886.80	-	7,886.80
(b)	Financial assets				
	(i) Trade receivables		1,450.95	-	1,450.95
	(ii) Cash and cash equivalents		834.38	-	834.38
	(iii) Bank balance (other than (ii) above)		287.03	-	287.03
	(iv) Loans		78.10	-	78.10
	(v) Other current financial assets		605.02	-	605.02
(c)	Other current assets	2	1,720.39	(0.40)	1,719.99
TOTAL CURRENT ASSETS			**12,862.67**	**(0.40)**	**12,862.27**
TOTAL ASSETS			**41,318.39**	**268.35**	**41,586.74**
EQUITY AND LIABILITIES					
EQUITY					
(a)	Equity share capital	3	306.05	(115.50)	190.55
(b)	Other equity	1, 2, 3, 4, 5, 6 and 10	23,506.69	72.19	23,578.88
TOTAL EQUITY			**23,812.74**	**(43.31)**	**23,769.43**
LIABILITIES					
NON-CURRENT LIABILITIES:					
(a)	Financial liabilities				
	(i) Borrowings	4	3,885.13	(13.50)	3,871.63
(b)	Provisions		169.11	-	169.11
(c)	Other non-current liabilities	1	-	385.66	385.66
TOTAL NON-CURRENT LIABILITIES			**4,054.24**	**372.16**	**4,426.40**
CURRENT LIABILITIES:					
(a)	Financial liabilities				-

Notes to the consolidated financial statements

for the year ended March 31, 2018

		Footnotes	Indian GAAP*	Adjustments	Ind AS
			₹ lakhs	₹ lakhs	₹ lakhs
	(i) Borrowings		2,688.88	-	2,688.88
	(ii) Trade payables	5	7,284.37	(122.88)	7,161.49
	(iii) Other current financial liabilities		2,840.35	-	2,840.35
(b)	Provisions		27.26	-	27.26
(c)	Other current liabilities	1	610.55	62.38	672.93
TOTAL CURRENT LIABILITIES			**13,451.41**	**(60.50)**	**13,390.91**
TOTAL LIABILITIES			**17,505.65**	**311.66**	**17,817.31**
TOTAL EQUITY AND LIABILITIES			**41,318.39**	**268.35**	**41,586.74**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

Reconciliation of profit or loss for the year ended March 31, 2017:

		Footnotes	Indian GAAP*	Adjustments	Ind AS
			₹ lakhs	₹ lakhs	₹ lakhs
I	Revenue from operations	13	90,391.64	(580.34)	89,811.30
II	Other income	2	158.01	20.30	178.31
III	**TOTAL INCOME (I + II)**		**90,549.65**	**(560.04)**	**89,989.61**
IV	**EXPENSES**				
	(a) Cost of materials consumed	7	61,925.67	(1,056.44)	60,869.23
	(b) Purchases of stock-in-trade		2,129.30	-	2,129.30
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress		(393.32)	-	(393.32)
	(d) Excise duty on sale of goods	8	1.81	413.72	415.53
	(e) Employee benefits expense	9	2,526.79	(37.46)	2,489.33
	(f) Finance costs	4	451.03	6.27	457.30
	(g) Depreciation and amortisation expense	1	2,487.08	59.88	2,546.96
	(h) Other expenses	14	20,116.87	(31.67)	20,085.20
	TOTAL EXPENSES		**89,245.23**	**(645.70)**	**88,599.53**
V	**Profit before tax and exceptional item (III - IV)**		**1,304.42**	**85.66**	**1,390.08**
VI	Exceptional item		95.73	-	95.73
VII	**Profit before tax (V + VI)**		**1,400.15**	**85.66**	**1,485.81**
VIII	**Tax expenses**				
	(a) Current tax		341.96	-	341.96
	(b) Deferred tax	10	(1,553.27)	639.40	(913.87)
IX	**Profit for the year (VII - VIII)**		**2,611.46**	**(553.74)**	**2,057.72**
X	**Other Comprehensive Income**	**9**			
	(i) Items that will not be reclassified to profit or loss				
	(a) Re-measurement gain / (loss) on defined benefit plan		-	(37.46)	(37.46)
	(b) Income tax relating to above		-	12.96	12.96
	Total other comprehensive income for the year (net of tax)		**-**	**(24.49)**	**(24.50)**
XI	**Total Comprehensive Income for the year**		**2,611.46**	**(578.23)**	**2,033.22**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirement for the purpose of this note

Footnotes to the reconciliation of equity as at April 1, 2016 and March 31, 2017 and profit or loss for the year ended March 31, 2017:

1 **Government grant:**

Under IGAAP the Group had presented government grants related to specific property, plant and equipment in the balance sheet by reducing the grant from the gross value of the concerned assets while arriving at their book value. As per Ind AS 20, the grant received shall be recognised separately as deferred income and should be recognised as income in the statement of profit and loss in equal amount over the expected useful life of related asset for availing grant. Since capital subsidy (incentive received for Indore plant) recognised under IGAAP is related to property, plant and equipment, unamortised portion of capital subsidy of ₹ 22.45 lakhs as on transition date is transferred to deferred government grant. Hence the Group has re-stated the net book value of property, plant and equipment on the transition date by ₹ 487.97 lakhs (March 31, 2017: ₹ 428.09 lakhs) with a corresponding credit to deferred government grant. Accordingly the Group has recognised additional depreciation of ₹ 59.88 lakhs and deferred government grant income of ₹ 62.38 lakhs for the year ended March 31, 2017.

2 **Amortisation of security deposits:**

Under Ind AS, security deposits paid are measured at amortised cost. Accordingly, the Group has recognised net deferred lease asset of ₹ 157.06 lakhs (March 31, 2017: ₹ 140.01 lakhs) and adjusted ₹ 10.08 lakhs (net) against retained earnings on transition date. Further during the year ended March 31, 2017, Group has expensed out the deferred lease asset amounting to ₹ 24.85 lakhs and recognised as interest income ₹ 20.30 lakhs towards unwinding of security deposits paid.

3 **Reclassification of CCPS:**

Under Ind AS, compulsorily convertible preference shares are treated as compound financial instrument, wherein the liability component will be the dividend payouts in the form of cash i.e. contractual obligation to pay 0.001% as cumulative dividend and equity component will be the number of equity shares to be issued on conversion. Accordingly equity portion of ₹ 115.50 lakhs is reclassified from equity share capital to other equity.

4 **Amortisation of loan processing fees:**

Under Ind AS, financial asset or financial liability are measured at its fair value adjusted for transaction cost on initial recognition and subsequently at amortised cost. Accordingly unamortised transaction cost on borrowings is adjusted in carrying value of the borrowings with corresponding credit to retained earnings amounting to ₹ 19.78 lakhs as on the transition date. During the year ended March 31, 2017, the Group has recognised additional finance cost of ₹ 6.27 lakhs on account of amortisation of loan processing fees.

5 **Reversal of inflation linked lease escalations:**

As per Ind AS 17, lease rentals from operating leases is accounted for on a straight-line basis over the lease terms, except where escalation in rent is in line with expected general inflation. As the escalation is in line with inflation, the Group has reversed straight-lining provision of ₹ 94.60 lakhs as on transition date and ₹ 122.86 lakhs as on March 31, 2017.

6 **Reversal of sales promotion inventory**

Under Ind AS the sales promotion inventory have to be expensed as and when incurred and not to be carried forward in the balance sheet as other current assets as the same does not meet the definition of an asset. Hence sales promotion inventory amounting to ₹ 49.68 lakhs as on transition date and ₹ 21.42 lakhs as on March 31, 2017 has been reversed with corresponding impact to retained earnings and statement of profit and loss respectively.

7 **Scheme on sales**

Under Ind AS, revenue is measured at the fair value of the consideration received or receivable taking into account the amount of discounts and rebates allowed by the Group. Accordingly, discount of ₹ 1,056.44 lakhs on sales has been reclassified from cost of materials consumed to sale of products.

Notes to the consolidated financial statements

for the year ended March 31, 2018

8 Excise duty

Under Indian GAAP, sale of products was presented as net of excise duty. However, under Ind AS, sale of products includes excise duty. Excise duty on sale of products is separately presented in the statement of profit and loss. Thus, sale of goods under Ind AS has increased by ₹ 413.72 lakhs with a corresponding recognition of excise duty in expenses. There is no impact on the total equity and profit.

9 Employee benefits expense

As per Ind AS 19 Employee Benefits, actuarial gains and losses on defined retirement benefits of ₹ 37.46 lakhs and income tax impact thereon of ₹ 12.96 lakhs are recognised in other comprehensive income and not reclassified to the statement of profit and loss in a subsequent period.

10 Deferred taxes

Under Ind AS, deferred tax is calculated using balance sheet approach on various transitional adjustments which lead to temporary differences between the carrying amount of an asset or liability and its tax base. On transition date, net deferred tax assets amounting to ₹ 67.39 lakhs is created due to transition adjustment.

Further the computation of deferred tax has been rectified to give effect to the tax expense of earlier year amounting to ₹ 514.13 lakhs as at the transition date and ₹ 95.71 lakhs for the year ended March 31, 2017.

Also, following the definition of deferred tax asset as per Ind AS 12, MAT credit has been reclassified from loans and advances under IGAAP to deferred tax assets under Ind AS. During the year ended March 31, 2017, net decrease in deferred tax asset is ₹ 33.99 lakhs on account of these adjustments.

11 Other comprehensive income

Under Indian GAAP, the Group has not presented OCI separately. Hence, it has reconciled Indian GAAP profit or loss as per Ind AS. Further, Indian GAAP profit is reconciled to total comprehensive income as per Ind AS.

12 Statement of cash flows

The transition from Indian GAAP to Ind AS did not have a material impact on the statement of cash flows.

13 Revenue from operations

The revenue from operations for the year ended March 31, 2017 has been adjusted by ₹ 62.38 lakhs on account of recognition of government grant income (refer Note 1 above), ₹ 1,056.44 lakhs on account of reclassification of discounts and rebates on sales (refer Note 7 above) and ₹ 413.72 lakhs on account of reclassification of excise duty on sale of products (refer Note 8 above).

14 Other expenses

The other expense for the year ended March 31, 2017 has been adjusted by ₹ 24.85 lakhs on account of ammortisation of deferred lease expenses (refer Note 2 above), ₹ 28.26 lakhs on account of reversal of straightlining of lease rental expenses (refer Note 5 above) and ₹ 28.26 lakhs on account of sales promotion inventory(refer Note 6 above).

NOTE 49: STANDARDS ISSUED BUT NOT YET EFFECTIVE

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 1, 2018. The Group is evaluating the requirements of the amendment and the effect on the financial statements.

Amendments to Ind 112 Disclosure of Interests in Other Entities: Clarification of the scope of disclosure requirements in Ind AS 112

The amendments clarify that the disclosure requirements in Ind AS 112, other than those in paragraphs B10–B16, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

These amendments are not applicable to the Group.

Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

These amendments are effective for annual periods beginning on or after April 1, 2018. The Group will adopt the new standard on the required effective date. The amendment is not likely to have any material impact on its consolidated financial statements.

Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after April 1, 2018. However, since the Group's current practice is in line with the Interpretation, the Group does not expect any effect on its consolidated financial statements.

Ind AS 28 Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

(i) An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss

(ii) If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that

Notes to the consolidated financial statements

for the year ended March 31, 2018

investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which:

(a) the investment entity associate or joint venture is initially recognised;

(b) the associate or joint venture becomes an investment entity; and

(c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from April 1, 2018. These amendments are not applicable to the Group.

As per our report of even date
For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per **Abhishek Agarwal**
Partner
Membership no.: 112773

Place: Mumbai
Date: May 16, 2018

For and on behalf of the Board of Directors of
Prataap Snacks Limited
(formerly known as Prataap Snacks Private Limited)

Arvind Mehta
Chairman and Executive Director
DIN - 00215183

Amit Kumat
Managing Director and Chief Executive Officer
DIN - 02663687

Sumit Sharma
Chief Financial Officer

Rishabh Kumar Jain
Company Secretary

Place: Mumbai
Date: May 16, 2018

NOTICE

9th ANNUAL GENERAL MEETING

CIN: L15311MP2009PLC021746
Registered and Corporate Office: Khasra No. 378/2, Nemawar Road, Near Makrand House,
Dist. Indore – 452020 (M.P.) India. **Tel:** (91 731) 243 9999; **Fax:** (91 731) 243 7605
E-mail: complianceofficer@yellowdiamond.in, **Website:** www.yellowdiamond.in

NOTICE is hereby given that the Ninth Annual General Meeting (AGM) of the members of Prataap Snacks Limited (the "Company") will be held on Friday, September 28, 2018 at 11:00 A.M. at The Grand Bhagwati Palace, Omaxe City, Bypass Road, Mayakhedi, Indore – 452 016 Madhya Pradesh, India, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

    a. the Audited Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Reports of the Board of Directors and the Auditors thereon;

    b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018, together with the Report of the Auditors thereon.

2. To declare dividend for the financial year ended March 31, 2018.

3. To appoint a Director in place of Mr. Arvind Mehta (DIN: 00215183), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

4. To consider the ratification of appointment of M/s. S R B C & Co. LLP, Chartered Accountants, (Firm Registration No.: 324982E/E300003) as the Statutory Auditors of the Company and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

    "**RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the corresponding provisions of Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the resolution passed by the Members at the 5th Annual General Meeting of the Company held on August 7, 2014, appointing M/s. S R B C & Co. LLP, Chartered Accountants, (Firm Registration No.: 324982E/E300003) as the Statutory Auditors of the Company to hold office until the conclusion of the 10th Annual General Meeting; consent of the Members of the Company be and is hereby accorded to ratify the appointment of M/s. S R B C & Co. LLP, as the Statutory Auditors of the Company to hold office from the conclusion of this 9th Annual General Meeting till the conclusion of the 10th Annual General Meeting on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

5. Revision in remuneration of Mr. Apoorva Kumat, President-Operations

    To consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

    "**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013, read with Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act and the rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force) and the relevant provisions of the Memorandum of Association and Articles of Association of the Company based on the recommendation of Nomination and Remuneration Committee, consent of the members of the Company be and is hereby accorded to revise the remuneration of Mr. Apoorva Kumat, relative of Mr. Amit Kumat, Managing Director and Chief Executive officer of the Company with effective from January 1, 2018, as set out in the Explanatory statement annexed to the Notice convening this Annual General Meeting."

    FURTHER RESOLVED THAT Mr. Apoorva Kumat shall also be eligible for all other benefits including medical benefits, group medical insurance, gratuity, leave encashment, promotion, incentive / performance linked bonus and other benefits as per the policy of the Company, applicable to other employees of the Company under similar cadre/grade.

FURTHER RESOLVED THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution) be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto and to settle and finalize all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation finalizing and executing any agreement, deeds and such other documents as may be necessary and to delegate all or any of the powers vested or conferred herein to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolutions."

6. Variation in terms of Objects of the Issue

To consider and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 13 and 27 of the Companies Act 2013, read with the Companies (Incorporation) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modifications or re-enactments thereof) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable rules, regulations, guidelines and other statutory provisions for the time being in force, if any, and such other approvals, permissions and sanctions, as may be necessary, the approval of members of the Company be and is hereby accorded to vary the terms referred to in the prospectus dated September 27, 2017 (the '**Prospectus**') in relation to the terms of utilization of the proceeds received from the initial public offering of equity shares (the '**IPO**') made in pursuance of the Prospectus and utilize such proceeds for the objects and in the manner as mentioned in the explanatory statement annexed to this Notice;

"**FURTHER RESOLVED THAT** for the purpose of giving effect to this resolution, the Board of Directors (hereinafter referred to as the 'Board', which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly constituted committee thereof) be and is hereby authorized to do all such acts, deeds, matters and things, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval and ratification thereto expressly by the authority of this resolution."

7. Approval of 'Prataap Employees Stock Appreciation Rights Plan 2018'

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members' of the Company be and are hereby accorded respectively to the introduction and implementation of "Prataap Employees Stock Appreciation Rights Plan 2018" ("ESARP 2018"/ "Plan") and authorizing the Board of Directors of the Company *(hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations)* to create and grant from time to time, in one or more tranches, such number of employee stock appreciation rights ("ESARs"), to or for the benefit of such person(s) who are in permanent employment of the Company within the meaning of ESARP 2018, including any director, whether whole time or otherwise (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), as may be decided under ESARP 2018, exercisable into not more than 3,51,000 (Three lakhs fifty one thousand) equity shares of face value of ₹ 5/- (Rupees Five) each fully paid-up, where one ESAR upon exercise shall entitle for lesser than one equity share of the Company to be issued on such terms and conditions, as may be determined in accordance with the provisions of the ESARP 2018 and in due compliance with the applicable laws and regulations including SEBI SBEB Regulations."

"**FURTHER RESOLVED THAT** the equity shares so issued and allotted as mentioned herein before shall rank pari passu with the then existing equity shares of the Company."

"**FURTHER RESOLVED THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company to the ESAR grantees for the purpose of making a fair and reasonable adjustment to the ESARs granted earlier, the ceiling in terms specified above shall be deemed to be increased to the extent of such additional equity shares issued."

"**FURTHER RESOLVED THAT** in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the ESAR grantees under the plans shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 5/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said grantees."

"**FURTHER RESOLVED THAT** the Board be and is hereby authorized to take necessary steps for listing of the equity shares allotted under the ESARP 2018 on the stock exchanges, where the equity shares of the Company are listed in due compliance with SEBI SBEB Regulations and other applicable laws."

"**FURTHER RESOLVED THAT** the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESARP 2018."

"**FURTHER RESOLVED THAT** the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESARP 2018 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the members and further to execute all such documents, writings and to give such directions and or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESARP 2018 and do all other things incidental and ancillary thereof in conformity with the provisions of the Companies Act, 2013, the Memorandum and Articles of Association of the Company, SEBI SBEB Regulations and any other applicable laws in force."

"**FURTHER RESOLVED THAT** the Board, be and is hereby authorized to do all such acts, deeds and things, as may, at its absolute discretion, deems necessary including authorizing or directing to appoint merchant Bankers, brokers, solicitors, registrars, compliance officer, investors service center and other advisors, consultants or representatives, being incidental to the effective implementation and administration of ESARP 2018 as also to make applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions, difficulties or doubts whatsoever which may arise and take all such steps and decisions in this regard."

"**FURTHER RESOLVED THAT** Board be and is hereby authorised to delegate all or any of the power herein conferred to any committee of Directors."

8. To approve grant of employee stock appreciation rights to the employees/Directors of the Subsidiary Company(ies) of the Company under Prataap Employees Stock Appreciation Rights Plan 2018.

To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as "SEBI SBEB Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject further to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members' of the Company be and are hereby accorded authorizing the Board of Directors of the Company *(hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution and under Regulation 5 of the SEBI SBEB Regulations)*, to create, offer and grant from time to time, in one or more tranches, such number of employee stock appreciation rights ("ESARs") under 'Prataap Employees Stock Appreciation Rights Plan 2018' ("ESARP 2018"/ "Plan") within the limit prescribed therein to or for the benefit of the permanent employees including Directors (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company), of any subsidiary company(ies) of the Company whether in or outside India as may be decided under ESARP 2018, exercisable into corresponding number of equity shares of face value of ₹ 5/- (Rupees Five) each fully paid-up, where one ESAR upon exercise shall entitle for lesser than one equity share of the Company to be issued, on such terms and conditions, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations."

9. Appointment of Mr. Chetan Kumar Mathur (DIN 00437558) as an Independent Director:

   To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

   RESOLVED THAT pursuant to the provisions of Section 149, 152, 160, and other applicable provisions, if any, of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014, the Companies (Amendment) Act, 2017 (including any statutory modification(s) or re-enactment thereof for the time being in force), relevant applicable regulation(s) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and also provisions of Articles of Association of the Company, Mr. Chetan Kumar Mathur (DIN 00437558) who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from August 7, 2018 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting or the last date on which the Annual General Meeting for Financial Year 2018-19 should have been held, whichever is earlier and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of which the Company has received a notice in writing from a member signifying his intention to propose him as a candidate for the office of the Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation.

   "**FURTHER RESOLVED THAT** the Board is hereby authorized to make suitable entries in the statutory registers and all other relevant records and to do all other acts and deeds necessary for completing and updating the records of the Company in respect of the appointment of Mr. Chetan Kumar Mathur;

   "**FURTHER RESOLVED THAT** for the purposes of giving effect to the above resolution, any of the director of the Company, be and is hereby authorized to file all required filings under applicable statues, laws and regulations, including appointment of director with the ROC and perform all such acts, deeds and things as may be required under applicable statutes, laws and regulations."

By and on behalf of the Board of
Prataap Snacks Limited

Place: Indore
Date: August 22, 2018

Rishabh Kumar Jain
Company Secretary

NOTES:

1. A statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act") in respect of the special business under Item No. 5 to Item No. 9 of the Notice is annexed hereto.

2. Relevant documents referred to in this Notice and the explanatory statement are available for inspection at the registered office of the Company during business hours on all working days except Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ("Meeting") i.e. Friday, September 28, 2018.

3. In terms of Section 152 of the Act, Mr. Arvind Mehta (DIN: 00215183), Director, retires by rotation at the ensuing Meeting and being eligible has offered himself for re-appointment. Accordingly, a brief profile of Mr. Arvind Mehta and the information pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the applicable provisions of Secretarial Standards 2 issued by the Institute of Company Secretaries of India is provided in the Annexure I, forming part of this notice.

4. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

5. The instrument appointing the proxy, in order to be effective, must be deposited at the registered office of the Company, duly completed, signed and stamped not less than 48 HOURS before the commencement of the Meeting **(i.e. on or before September 26, 2018, 11:00 a.m. IST)**. A proxy form for the Meeting is enclosed.

6. Pursuant to Section 105 of the Act, a person shall not act as a proxy for more than 50 (fifty) Members and holding in aggregate, not more than 10% (ten percent) of the total share capital of the Company. However, a single person may act as a proxy for a Member holding more than 10% (ten percent) of the total share capital of the Company provided that such person shall not act as a proxy for any other person.

7. Non-individual Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution/Letter of Authority, together with their specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting, to the Company's Registrar and Transfer Agent.

8. An instrument appointing proxy is valid only if it is properly stamped as per the applicable law. Blank or incomplete, unstamped or inadequately stamped, undated proxies or proxies upon which the stamps have not been cancelled, will be considered as invalid. If the Company receives multiple proxies for the same holdings of a Member, the proxy which is dated last will be considered as valid. If such multiple proxies are not dated or they bear the same date without specific mention of time, all such proxies shall be considered as invalid.

9. During the period beginning 24 hours before the time fixed for the commencement of the Meeting and ending with conclusion of the Meeting, a Member can inspect the proxies lodged at any time during business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

10. The proxy-holder shall provide identity proof at the time of attending the Meeting.

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

12. The Register of Directors and Key Managerial Personnel and their shareholdings, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be made available for inspection by the Members at the Meeting.

13. Members who hold shares in demat form are requested to direct any change of address/bank mandate to their respective Depository Participant. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividend.

14. Members holding shares in physical form are requested to notify/send any change in their address/bank mandate to the Company's Registrar and Transfer Agent at:

    Karvy Computershare Private Limited,
    Karvy Selenium Tower B, 31-32,
    Financial District, Nanakramguda,
    Gachibowli, Hyderabad - 500 032.
    E-mail: einward.ris@karvy.com
    Website: https://karisma.karvy.com

    Members may also address all other correspondences to the Registrar and Transfer Agent at the address mentioned above.

15. Members may update their e-mail address with the concerned Depository Participant for the shares held in demat mode and for the shares held in physical mode, Members may update the e-mail address with the Company's Registrar and Share Transfer Agent by sending an e-mail at einward.ris@karvy.com.

16. Members / proxies / authorised representatives should bring duly filled Attendance Slip enclosed herewith along with a valid identify proof such as PAN card, passport, AADHAAR card, or driving license to enter the venue and attend the Meeting.

17. Members seeking any information or clarification on the Annual Report 2017-18 are requested to send written queries to the Company, at least twenty four hours before the date of the Meeting to enable the Company to compile the information and provide replies at the Meeting.

18. The Securities and Exchange Board of India (SEBI) has mandated the submission of PAN by every participant in securities market. Members holding shares in demat form are, therefore requested to submit their PAN to the Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Transfer Agent.

19. Pursuant to the provisions of Section 72 of the Act read with the Rules made thereunder, Members holding shares in single name may avail the facility of nomination in respect of shares held by them. Members holding shares in physical form may avail this facility by sending a nomination in the prescribed Form No. SH-13 duly filled to the Registrar and Transfer Agent. Members holding shares in electronic form may contact their respective Depository Participant(s) for availing this facility.

20. Members who wish to claim dividends that remain unclaimed/ unpaid are requested to write to the Company's Registrar and Transfer Agent (at details mentioned herein) or the Company Secretary, at the Company's Registered Office. Members are requested to note that dividends that are not claimed or remain unpaid for seven years from the date of transfer to the Company's unpaid dividend account will be / is transferred to the Investor Education and Protection Fund (IEPF). **Further, equity shares in respect whereof dividend remains unclaimed / unpaid for seven consecutive years will also be transferred to the IEPF as per Section 124 of the Act read with Rules notified thereunder, as may be amended from time to time.**

21. The Company does not give gifts, gift coupons or cash in lieu of gifts to its Members and also does not offer its products at discounted rates. The Company also does not organize any plant visits for its Members. However, the Company is committed to the Members' wealth maximization through superior performance reflected in corporate benefits like dividend and increased market capitalization.

22. Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder, Companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s). Accordingly, the Notice of the Meeting along with the Annual Report 2017-18 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless a Member has requested for a physical copy of the same. For Members who have not registered their e mail addresses, physical copies are being sent through permitted modes.

23. Members may note that the Notice of the Meeting and the Annual Report 2017-18 is available on the Company's website www.yellowdiamond.in and also on the website of Central Depository Services (India) Ltd (CDSL) i.e. www.evotingindia.com.The physical copies of the same will also be available at the Company's registered office for inspection during the business hours on working days except Saturdays, Sundays and public holidays up to the date of the Meeting i.e. September 28, 2018.

24. Pursuant to Section 108 and other applicable provisions, if any, of the Act read with the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a facility is provided to the Members to cast their votes using an electronic voting system from a place other than venue of the Meeting ("remote e-voting") in respect of the resolutions proposed in the accompanying Notice.

25. A facility for voting by Poll or otherwise will also be made available to the Members attending the Meeting and who have not already cast their votes by remote e-voting prior to the Meeting. Members who have cast their votes by remote e-voting prior to the Meeting may attend the Meeting but shall not be entitled to cast their votes at the meeting.

26. **Voting Rights shall be reckoned on the paid-up value of equity shares registered in the name of the Members as on the cut-off date i.e. Thursday, September 20, 2018. A person, whose name is recorded in the Register of Members or in the Register of beneficial owners (in case of electronic shareholding) maintained by the depositories as on the cut-off date, i.e. Thursday, September 20, 2018, only shall be entitled to avail the facility of remote e-voting provided at the Meeting.**

27. **The remote e-voting period commences on Monday, September 24, 2018 from 10:00 a.m. IST and ends on Thursday, September 27, 2018 at 5:00 p.m. IST. During this period Members holding shares either in physical form or in dematerialized form, as on Thursday, September 20, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.**

28. **Voting Results**

    The Board of Directors of the Company has appointed Mr Ritesh Gupta and in his absence Mr. Burhanuddin Ali Husain Maksi Wala or Mr. Mohammed Sohail of M/s Ritesh Gupta & Co., Practicing Company Secretaries, Indore, as the Scrutinizer to scrutinize the voting including remote e-voting process in a fair and transparent manner.

29. The Scrutinizer shall immediately after the conclusion of voting at the Meeting will first count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a Director or Company Secretary authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

30. Once declared, the results along with the consolidated Scrutinizer's report shall be placed on the Company's website www.yellowdiamond.in and on the website of CDSL www.evotingindia.com.

    The Company shall also forward the results to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

31. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Friday, September 28, 2018.

32. The instructions for remote e-voting are enclosed.

33. Any person becoming a Member of the Company after the dispatch of the Notice of the Meeting and holds shares as on the cut-off date i.e. Thursday, September 20, 2018, can exercise their voting rights through remote e-voting by following the instructions listed hereinabove or by voting facility provided at the meeting.

34. Route Map showing direction to reach the venue of the Meeting is enclosed.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

Mr. Apoorva Kumat is President – Operations in our Company. He has been with our Company since April 1, 2012. He holds a bachelor's degree in commerce from Indore Christian College, Indore. Prior to joining our Company, he was associated with Prakash Snacks, our Group Company, and Hello Agro Food Products Limited, and has several years of experience in the snack foods industry. Mr. Apoorva Kumat had provided direction in terms of production, sales and marketing, customer retention, enriched services and overall raising the bar of performance across all parameters, falling under his domain. The Company has realized immense benefit in terms of revenue enhancement, customer satisfaction and increasing its market share despite stiff competition.

Mr. Apoorva Kumat, as President – Operations has been contributing immensely towards the growth and performance of the Company. He has been instrumental in finalizing the Business strategies which has given the required traction to the Company. The Board of Directors of the Company, upon consideration of the performance of Mr. Apoorva Kumat and the fact that the last revision of Mr. Apoorva Kumat's remuneration was done in Extra Ordinary General Meeting of the members held on December 21, 2015, subject to your approval, at its meeting held on December 13, 2017 approved the revision in the remuneration of Mr. Apoorva Kumat, with effect from January 1, 2018. The said increase in remuneration, has also been duly approved by the Nomination and Remuneration Committee at its meeting held on December 13, 2017.

During his current tenure as President – Operations Mr. Apoorva Kumat has assisted the Managing Director and Chief Executive Officer of the Company in various facets of operations under his elevated role. He has been deeply involved with Production, Marketing, Sales and logistic function of the Company.

The Company is continuously on lookout for personnel particularly in the area of emerging domain, Industry Practices and pro-activeness and Mr. Apoorva Kumat, with his performance and experience with the Company, clearly emerges as a suitable candidate.

Brief of the proposed revision in remuneration of Mr. Apoorva Kumat is as under:

a. Effective date of revised remuneration: Janauary1, 2018.

b. Revised Remuneration: ₹ 75 Lakhs p.a.

c. Existing Remuneration: ₹ 50 Lakhs p.a.

Mr. Apoorva Kumat is related to the Managing Director and Chief Executive Officer of the Company and hence the revision in remuneration of Mr. Apoorva Kumat, would amount to holding of Office or Place of Profit under the provisions of Section 188(1)(f) of Companies Act, 2013 and shall require prior approval of members of the Company.

Section 188(1)(f) of the Companies Act, 2013 read with Rule 15(3)(i) of Companies (Meetings of Board and its Powers) Rules, 2014 as amended, provides that related party's appointment to any office or place of profit in the Company carrying monthly remuneration exceeding ₹ 250,000/- shall be subject to approval by the Board of Directors of the Company and prior approval of the Members of the Company by special resolution.

Members are requested to consider and approve increase in remuneration of Mr. Apoorva Kumat u/s 188(1)(f) of the Companies Act, 2013, effective from January 1, 2018.

None of the Directors and Key Managerial Personnel of the Company or their relatives except Mr. Amit Kumat, Managing Director and Chief Executive Officer being Brother of Mr. Apoorva Kumat, are concerned or interested in the said resolution.

The Board of Directors recommends the resolution for your approval as a Special Resolution.

All documents referred to in the above item will be available for inspection at the Company's Registered Office for inspection on all working days, except Saturdays, Sundays and public holidays between 2 PM to 4 PM upto the date of the Annual General Meeting.

ITEM NO. 6

Pursuant to the approval of the Board and the members of the Company received in the year 2017, the Company had undertaken an IPO of its equity shares (the 'Issue'). The net proceeds from the Issue were ₹ 18,747.89 Lakhs (net off share issue expenses), (the 'Net Proceeds'). The Company had, in terms of Prospectus, proposed to utilise the Net Proceeds towards:

1. Repayment/pre-payment, in full or part, of certain borrowings availed by our Company.
2. Funding capital expenditure requirements in relation to expansion (including through setting up of a new production line and construction of a building) and modernisation at certain of our existing manufacturing facilities;
3. Investment in our Subsidiary, Pure N Sure Food Bites Private Limited, towards enabling the repayment/pre-payment of certain borrowings availed of by our Subsidiary;
4. Marketing and brand-building activities
5. General corporate purposes

   Whilst the Company does not foresee spending in the few objects included in point 2 above. Therefore, the Company intends to vary the terms of Objects of the Issue as referred to in the Prospectus.

Accordingly, in terms of the provisions of Sections 13 and 27 of the Act and any other applicable provisions and the rules made thereunder, the Company seeks approval of the members by way of Special Resolution in general meeting and providing facility of e- voting for variation in the terms of the Objects of the Issue as disclosed in the Prospectus.

Post proposed variation, the amount to be utilized for the objects for which the prospectus was issued will not be less than seventy five percent of the amount raised and, hence, the requirement of providing an exit to dissenting shareholders in accordance with the provisions of Companies Act, 2013 and the extant SEBI regulations, shall not apply.

1. Details of utilisation of the Net Proceeds towards the Objects and Schedule of Deployment as at August 22, 2018 :

Sr. No.	Particulars	Net Proceed	Total Utilised as at August 22, 2018	Total Proposed to be Utilised for Objects as per Prospectus	Total Variation in the Objects against mentioned in prospectus	% achievement as per prospectus (including proposed utalisation)
1.	Repayment/pre-payment, in full or part, of certain borrowings availed by the Company	1,298.20	1,298.20	-	-	100.00%
2.	Funding capital expenditure requirements in relation to expansion (including through setting up of a new production line and construction of a building) and modernisation at certain of our existing manufacturing facilities	6,699.80	-	2,747.80	3,952.00	41.01%
3.	Investment in Subsidiary, Pure N Sure Food Bites Private Limited, for repayment/ pre-payment of certain borrowings availed by our Subsidiary	2,937.00	2,937.00	-	-	100.00%
4.	Marketing and brand building activities	4,000.00	618.90	3,381.10	-	100.00%
5.	General corporate purposes	3,812.89	3,812.89	-	-	100.00%
	Total	**18,747.89**	**8,666.99**	**6,128.90**	**3,952.00**	**78.92%**

Note:

1. The amounts have been rounded off to the nearest figure.
2. The Company share of issue expenses has been netted off from general corporate purpose.

As of August 22, 2018, the Company has achieved approximately 78.92% (in terms of the amount utilised as per Prospectus) including the proposed utilisation as per prospectus.

2. Particulars of the proposed variation, time limit, schedule of implementation and interim use

The company intends to change the object for the item mentioned in the table below, these items were farming part of object "Funding capital expenditure requirements in relation to expansion (including through setting up of a new production line and construction of a building) and modernisation at certain of our existing manufacturing facilities".

Sr. No.	Particulars	Amount (in ₹ Lakhs)
A.	**Chips**	
1.	Expansion through setting up of new production line, packaging line and purchase of related utilities and ancillary equipment/machinery at our manufacturing facility at Indore	3,451
B.	**Building**	
1.	Construction of building for storage of raw materials, packaging materials and finished goods at our manufacturing facility at Indore	501
	Total (A+B)	**3,952**

The company will use ₹ 3,952 lakhs for Strategic investment/acquisition in Avadh Snacks Private Limited ("the Investee Company") by (i) acquisition of 76.88% of the share capital of the Investee Company from its existing shareholders; and (ii) a subsequent equity investment of upto 3.12% of the share capital of the Investee Company, post completion of acquisition in (i) above. Pursuant to the above transaction, the Company will also indirectly acquire control of Red Rotopack Private Limited, which is a wholly owned subsidiary of the Investee Company ("WHS"). The Company on August 22, 2018 has entered into a share purchase agreement and shareholders' agreement for the said transaction.

The acquisition of 76.88% of the issued and paid-up share capital of the Investee Company will be completed by October 20, 2018 and investment for 3.12% of the issued and paid-up share capital of the Investee Company will be done within one year from the date of signing of the agreements (unless extended by mutual consent) and subject to satisfaction of identified conditions precedent, the detials of acquisition is mentioned hereunder:

Sr. No.	Details of events that need to be provided	Information of such event
1.	Name of the target entity, details in brief such as size, turnover etc.	**Investee Company** **Name:** Avadh Snacks Private Limited **Size:** Equity share capital of ₹ 65 lakhs **Turnover:** ₹ 138.87* crores for the year ended on March 31, 2018 *includes the turnover of M/s Avadh Food Products the erstwhile partnership firm. **WHS** **Name:** Red Rotopack Private Limited **Size:** Equity share capital of ₹ 75 lakhs **Turnover:** ₹ 23.62 crore for the year ended on March 31, 2018
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";	The acquisition does not fall within related party transactions. The promoter / promoter group have no interest in the Investee Company or WHS.
3.	Industry to which the entity being acquired belongs;	**Investee Company** Fast Moving Consumer Goods **WHS** Packing Material
4.	objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	The acquisition of Avadh Snacks Private Limited ('Avadh') will help us accelerate our growth and deepen our presence in the key market of Gujarat. We are impressed with the founders and the velocity of growth of Avadh's business since inception. Gujarat is the biggest salty snacks market in India and is one of the most important markets where your company would like to build a presence with a strong partner like Avadh. The product bouquet of your company and Avadh are complementary and will create a balanced portfolio with a mix of regional and national flavours & variants across categories. The acquisition will also lead to a significant synergy in distribution across Gujarat and neighbouring markets
5.	Brief details of any governmental or regulatory approvals required for the acquisition;	None
6.	Indicative time period for completion of the acquisition	76.88% of the issued and paid-up share capital of the Investee Company by October 20, 2018 and 3.12% of the issued and paid-up share capital of the Investee Company within one year from the date of signing of the agreements (unless extended by mutual consent) and subject to satisfaction of identified conditions precedent.
7.	Nature of consideration - whether cash consideration or share swap and details of the same;	Cash Consideration
8.	Cost of acquisition or the price at which the shares are acquired	Cost of acquisition is ₹148 crores for 80% stake in the Investee Company (which includes acquisition of shares and proposed equity investment).

Sr. No.	Details of events that need to be provided	Information of such event
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	Prataap Snacks Limited will acquire 80% of the issued and paid up equity share capital of the Investee Company through a combination of primary & secondary investment (in a manner detailed above).
10.	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);	**Investee Company** **Brief background:** Please refer to point (1) above. **Date of incorporation:** August 25, 2017 (converted from erstwhile partnership firm (M/s Avadh Food Products) pursuant to Chapter XXI of the Companies Act, 2013). **Turnover in the last 3 years:** March 31, 2018 - ₹ 138.87* crores *includes the turnover of M/s Avadh Food Products the erstwhile partnership firm from April 1, 2017 to August 24, 2017. March 31, 2017 - ₹ 97.53* crores March 31, 2016 - ₹ 27.52* crores *represents the turnover of M/s Avadh Food Products the erstwhile partnership and proprietorship firm. **Country of presence:** India **WHS** **Brief background:** Please refer to point (1) above. **Date of incorporation:** December 17, 2015 **Turnover in the last 3 years:** March 31, 2018 - ₹ 23.62 crore March 31, 2017 - ₹ 14.91 crore March 31, 2016 - NA **Country of presence:** India

The total requirement of ₹ 14,800 lakhs for the acquisition, will be met partially by the company's internal accrual ₹ 10,848 lakhs and balance out the proposed variation in the object.

The Company, in accordance with the policies established by the Board from time to time, will have flexibility to deploy the Net Proceeds for interim use. Pending utilization for the purposes described above, the Unutilised Amount will temporarily remain invested in fixed deposit with schedule commercial bank. The Company confirms that it shall not use the Net Proceeds for any investment in the equity markets.

3. Reason and justification for seeking variation

The Company has entered into agreement with the three job workers for manufacturing of Potato Chips located at Kolkata, Bengaluru and Ahmedabad post filling of the prospectus. These decentralized manufacturing facilities will help our company to respond the demand in faster way by optimizing the logistics cost and hence our company does not require to expand the potato chips manufacturing facility at Indore. Further as the expansion plan of potato chips facility at Indore is being dropped, the related building is also not required to be constructed.

Gujarat is one of the biggest salty snacks market in India therefore, this is one of the most important markets where our company would like to build a presence.

Avadh Snacks Private Limited has started manufacturing and selling of branded packaged snacks under brand name "Avadh" in 2010 and today has a well-diversified and strong product portfolio for namkeens like bhujia, chevda, fafda, gathiya, etc. and extruded pellets like wheels, cups, pasta, etc. with strong presence in the state of Gujarat and now expanding to Maharashtra and Rajasthan.

The product bouquet of our company and Avadh are complementary and will create a balanced portfolio with a mix of regional and national flavours & variants across categories. The acquisition will also lead to a significant synergy in distribution across Gujarat and neighbouring market. Hence the company proposes to use ₹ 3,952 lakhs for funding this acquisition.

4. **Risk factors**

Any of the following risks, individually or together could adversely affect our business, financial conditions, results of operations or prospects. The actual results may differ materially from those suggested by the proposed objects due to risks or uncertainties associated with the expectations with respect to, but not limited to the industry in which we operate or to India and its ability to respond to them, its ability to successfully implement its strategy, its growth and expansion, technological changes, its exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, the following:

1. Target Company may not perform in future the way it has been performing in the past.
2. Synergy may not come as we have planned at the time of acquisition
3. Target company management team operating capability
4. IT infrastructure capability, transition costs
5. Inconsistent M&A planning and execution
6. Overpaying for deals
7. Culture assimilation challenges
8. Fuzzy growth strategy or specific deal rationale
9. Maintaining strategic clarity and focus

While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we may face.

5. **Estimated financial impact of the proposed variation in terms of the Objects of the Issue on the earnings and cash flow of the Company**

Based on the market analysis and other factors, the management of the Company is of the view that the proposed variation in terms of the Objects of the Issue will ensure optimum utilization of Net Proceeds and maximize the return on investment for members. Though it is difficult to estimate the financial impact of this proposed variation in view of various subjective factors, this variation is sought to ensure that these funds be utilized to result in commensurate generation of revenues and earnings.

None of the Directors or Key Managerial Personnel of the Company including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution except to the extent of their shareholding in the Company, if any.

The Board of Directors recommends the resolution for your approval as a Special Resolution.

All documents referred to in the above item will be available for inspection at the Company's Registered Office for inspection on all working days, except Saturdays, Sundays and public holidays between 2 PM to 4 PM upto the date of the Annual General Meeting.

ITEM NO. 7 AND ITEM NO. 8

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through stock based compensation plan. Your Company believes that equity based compensation plans are an effective tool to reward the talents working with your Company and its subsidiaries. With a view to motivate the key work force seeking their contribution to the corporate growth, to create an employee ownership culture, to attract new talents, and to retain them for ensuring sustained growth, your Company intends to implement an employee stock appreciation rights ("ESARs") plan namely 'Prataap Employees Stock Appreciation Rights Plan 2018' ("ESARP 2018"/ "Plan") seeking to cover eligible employees of the Company and of its subsidiaries.

Accordingly, the Nomination and Remuneration Committee of the Directors ("Committee") and the Board of Directors of the Company at their respective meetings held on August 22, 2018 had approved the introduction of ESARP 2018, subject to your approval.

In terms of Section 62(1)(b) of the Companies Act, 2013 read with Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), the Company seeks your approval as regards implementation of the Plan and grant of ESARs thereunder to the eligible employees of the Company and of its subsidiaries as decided from time to time as per provisions of the Plan read with provisions of SEBI SBEB Regulations.

The main features of the ESARP 2018 are as under:

1. **Brief Description of the ESARP 2018:**

Keeping view the aforesaid objectives, the ESARP 2018 contemplates grant of ESARs to the eligible employees of the Company and of its subsidiaries. The SEBI SBEB Regulations permit granting ESARs to employees which entitle them to receive appreciation in the value of shares of the Company at a future date and in a pre-determined manner, where such appreciation is settled by way of allotment of shares of the Company.

The Committee shall act as Compensation Committee for the administration of ESARP 2018. All questions of interpretation of the ESARP 2018 shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in ESARP 2018.

2. **Total number of ESARs to be granted/ equity shares to be issued:**

The total number of ESARs to be granted shall be such which upon exercise shall not exceed 3,51,000 (Three lakhs fifty one thousand) equity shares in aggregate in the Company of face value of ₹5/- each fully paid-up unless otherwise intended to be settled by way of cash at the discretion of the Board, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

If the settlement results in fractional equity shares, then the consideration for fractional shares should be settled in cash.

Vested ESARs lapsed due to non-exercise and/or unvested ESARs that get cancelled due to resignation/ termination of the employees or otherwise, would be available for being re-granted at a future date. The Committee is authorized to re-grant such lapsed / cancelled ESARs as per the provisions of ESAR 2018, within the overall ceiling.

Further, SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division etc., a fair and reasonable adjustment needs to be made to the ESARs granted. In this regard, the Committee shall adjust the number and price of the ESARs granted in such a manner that the total value of the ESARs granted under the ESARP 2018 remain the same after any such corporate action. Accordingly, if any additional ESARs are issued by the Company to the ESARs grantees for making such fair and reasonable adjustment, the above ceiling of equity shares, shall be deemed to be increased to the extent of such additional equity shares issued.

If the settlement results in fraction of an equity share, then the consideration for such fraction of a share shall be settled in cash as per requirements of SEBI SBEB Regulations

3. **Identification of classes of employees entitled to participate in ESARP 2018**

Following classes of employees are entitled to participate in ESARP 2018:

a. permanent employees and of the Company working in India or out of India;

b. a director of the Company, whether a whole time director or not but excluding an Independent director; or

c. an employee as defined in clause (a) or (b) of a subsidiary in or outside India

but does not include-

a. an employee who is a Promoter or belongs to the Promoter Group;

b. a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company;

4. **Requirements of vesting and period of vesting:**

All the ESARs granted on any date shall vest not earlier than minimum of 1 (One) year and not later than a maximum of 5 (Five) years from the date of grant of ESARs as may be determined by the Committee. The Committee may extend, shorten or otherwise vary the vesting period from time to time subject to these minimum and maximum vesting period.

The vesting dates in respect of the ESARs granted under the ESARP 2018 shall be determined by the Committee and may vary from an employee to employee or any class thereof and / or in respect of the number or percentage of ESARs to be vested.

ESARs shall vest essentially based on continuation of employment/ service as per requirements of SEBI SBEB Regulations. Apart from that the Committee may prescribe achievement of any performance condition(s) for vesting.

5. **Maximum period within which the ESARs shall be vested:**

All the ESARs granted on any date shall vest not later than a maximum of 5 (Five) years from the date of grant of ESARs as stated above.

6. **ESAR price or pricing formula:**

The ESAR price per ESAR shall not being more than the market price of the share or any other price determined by the Committee at the time of grant.

7. **Exercise period and the process of Exercise:**

The exercise period would commence from the date of vesting and will expire on completion 3 (Three) years from the date of respective vesting or such other shorter period as may be decided by the Committee from time to time.

The vested ESARs shall be exercisable by the ESAR Grantees by a written application to the Company expressing his/ her desire to exercise such ESARs in such manner and on such format as may be prescribed by the Committee from time to time. The ESARs shall lapse if not exercised within the specified exercise period.

8. **Appraisal process for determining the eligibility of employees under ESARP 2018:**

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time. The broad criteria for appraisal and selection may include parameters like tenure of association with the Company, performance during the previous year(s), contribution towards strategic growth, contribution to team building and succession, cross-functional relationship, corporate governance, etc.

9. **Maximum number of ESARs to be issued per employee and in aggregate:**

The number of ESARs that may be granted per employee of the Company under the ESARP 2018, in any financial year and in aggregate under the ESARP 2018 shall not exceed 3,51,000 (Three lakhs fifty one thousand) in number of ESARs.

10. **Maximum Quantum of benefits to be provided per employee under the ESARP 2018**

Apart from grant of ESARs as stated above, no monetary benefits are contemplated under the ESARP 2018.

11. **Route of ESARP 2018**

The ESARP 2018 shall be implemented and administered directly by the Company.

12. **Source of acquisition of shares under ESARP 2018**

The ESARP 2018 contemplates issue of fresh/ primary shares by the Company.

13. **The amount of loan to be provided for implementation of the ESARP 2018 by the Company to the Trust, its tenure, utilisation, repayment terms etc.**

This is currently not contemplated under the present ESARP 2018.

14. **Maximum percentage of Secondary Acquisition that can be made by the Trust for the purchase of the scheme**

This is not relevant under the present ESARP 2018.

15. **Accounting and Disclosure Policies:**

The Company shall follow the IND AS 102 on Share based Payments and/ or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein. In case, the existing rules, guidance note or Accounting Standards do not prescribe accounting treatment or disclosure requirements, any other Accounting Standard that may be issued by ICAI or any other competent authority shall be adhered to in due compliance with the requirements of Regulation 15 of SEBI SBEB Regulations.

16. **Method of ESARs Valuation:**

The Company shall adopt 'fair value method' for valuation of ESARs as prescribed under guidance note or under the Accounting Standard, as applicable, notified by appropriate authorities from time to time.

17. **Declaration:**

In case, the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the ESARs and the impact of this difference on profits and on Earning Per Share (EPS) of the Company shall also be disclosed in the Directors' Report.

None of the Directors, key managerial personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Plan.

The Board of Directors recommends the resolution for your approval as a Special Resolution by the members pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI SBEB Regulations.

A draft copy of the ESARP 2018 is available for inspection at the Company's Registered Office for inspection on all working days, except Saturdays, Sundays and public holidays between 2 PM to 4 PM upto the date of the Annual General Meeting.

ITEM NO. 9

Based on the recommendation of the Nomination and Remuneration Committee, Mr. Chetan Kumar Mathur was appointed by the Board as an Additional Director (Independent) with effect from August 7, 2018, in terms of provisions of Section 161 of the Companies Act, 2013, rules made thereunder and also in terms of Articles of Association of the Company. As per the provisions contained under Section 161 of the Companies Act, 2013, the "Additional Director" so appointed shall hold office upto the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier. Accordingly, Mr. Chetan Kumar Mathur, as an Additional Director, holds office upto the date of this Annual General Meeting.

In terms of provisions contained under Section 160 of the Companies Act, 2013 and the rules made thereunder, a person who is not a retiring director in terms of Section 152 shall, subject to the provisions of this Act, be eligible for appointment to the Office of Director at any General Meeting, if he or some member intending to propose him as a Director, has, not less than fourteen days before the meeting, left at the Registered Office of the company, a notice in writing under his hand signifying his candidature as a Director, or the intention of such member to propose him as a candidate for that office, as the case may be, along with deposit of one lakh rupees. However, as per the proviso to Sec. 160 which is made effective 09.02.2018 the requirements of deposit of amount shall not apply in case of appointment of Independent Director. Since Mr. Chetan Kumar Mathur is an Independent Director of the Company, there is no requirement of submission of requisite deposit.

Accordingly, Company has received a notice from a member proposing candidature of Mr. Chetan Kumar Mathur for the office of Director in terms of Section 160 of the Companies Act, 2013. Mr. Chetan Kumar Mathur has also given a declaration to the company that he meets criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment & Qualification of Directors) Rules, 2014 and relevant regulation of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. He does not hold any shares of the Company.

Mr. Chetan Kumar Mathur is a finance professional with over 30 years of experience and worked in the Foods & Beverages industry including PepsiCo India where he worked for more than 23 years. Mr. Chetan Kumar Mathur has strong operating experience in leadership roles in finance in the consumer goods industry. His specialties include risk management, integration of newly acquired entities, mergers, acquisitions and divestitures; internal control and strong people manager. He has worked as Interim CFO for Jubilant Foodworks Ltd from December 2017 to February 2018. He is currently a Director on the Board & Academic Council - Global Risk Management Institute, Mahindra HZPC, Traktion Solutions Pvt Ltd, Doctor 24x7 and Rumi's Kitchen Management Pvt Ltd.

None of the Directors, key managerial personnel of the Company including their relatives are interested or concerned in the resolution.

The Board of Directors recommends the resolution for your approval as an Ordinary Resolution.

All documents referred to in the above item will be available for inspection at the Company's Registered Office for inspection on all working days, except Saturdays, Sundays and public holidays between 2 PM to 4 PM upto the date of the Annual General Meeting.

REMOTE E-VOTING INSTRUCTIONS

Pursuant to Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Your Company has provided a facility to its Members to cast their votes using an electronic voting system from a place other than venue of the Meeting ("remote e-voting") in respect of all resolutions set out in the Notice convening the 9th Annual General Meeting to be held on Friday, September 28, 2018 at 11.00 a.m. The Company has engaged services of the Central Depository Services (India) Ltd (CDSL) to provide remote e-voting facility.

The Notice convening the 9th Annual General Meeting is made available on the website of the Company at www.yellowdiamond.in and on the website of the CDSL at www.evotingindia.com.

The remote e-voting period is as follows:

Remote e-voting commences on	Monday, September 24, 2018 from 10:00 a.m. IST
Remote e-voting ends on	Thursday, September 27, 2018 from 5:00 p.m. IST

These remote e-voting instructions are integral part of the Notice convening the 9th Annual General Meeting. Please read the remote e-voting instructions mentioned hereunder before exercising your vote.

Instructions for remote e-voting

1. The voting period begins on September 24, 2018 at 10.00 A.M. and ends on September 27, 2018 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of September 20, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

2. The shareholders should log on to the e-voting website www.evotingindia.com.

3. Click on Shareholders / Members

4. Now Enter your User ID

   a) For CDSL: 16 digits beneficiary ID,

   b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c) Members holding shares in Physical Form should enter Folio Number registered with the Company.

5. Next enter the Image Verification as displayed and Click on Login.

6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

7. If you are a first time user follow the steps given below:

   For Members holding shares in Demat Form and Physical Form-

   - PAN

   Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)

   Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

   In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

   - Dividend Bank Details OR Date of Birth (DOB)

   Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.

   If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

9. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

10. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

11. Click on the EVSN for the relevant **Prataap Snacks Limited** on which you choose to vote.

12. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

13. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

14. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

15. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

16. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

17. If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

18. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

19. Note for Non – Individual Shareholders and Custodians

    a. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

    b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

    c. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

    d. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

    e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

20. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

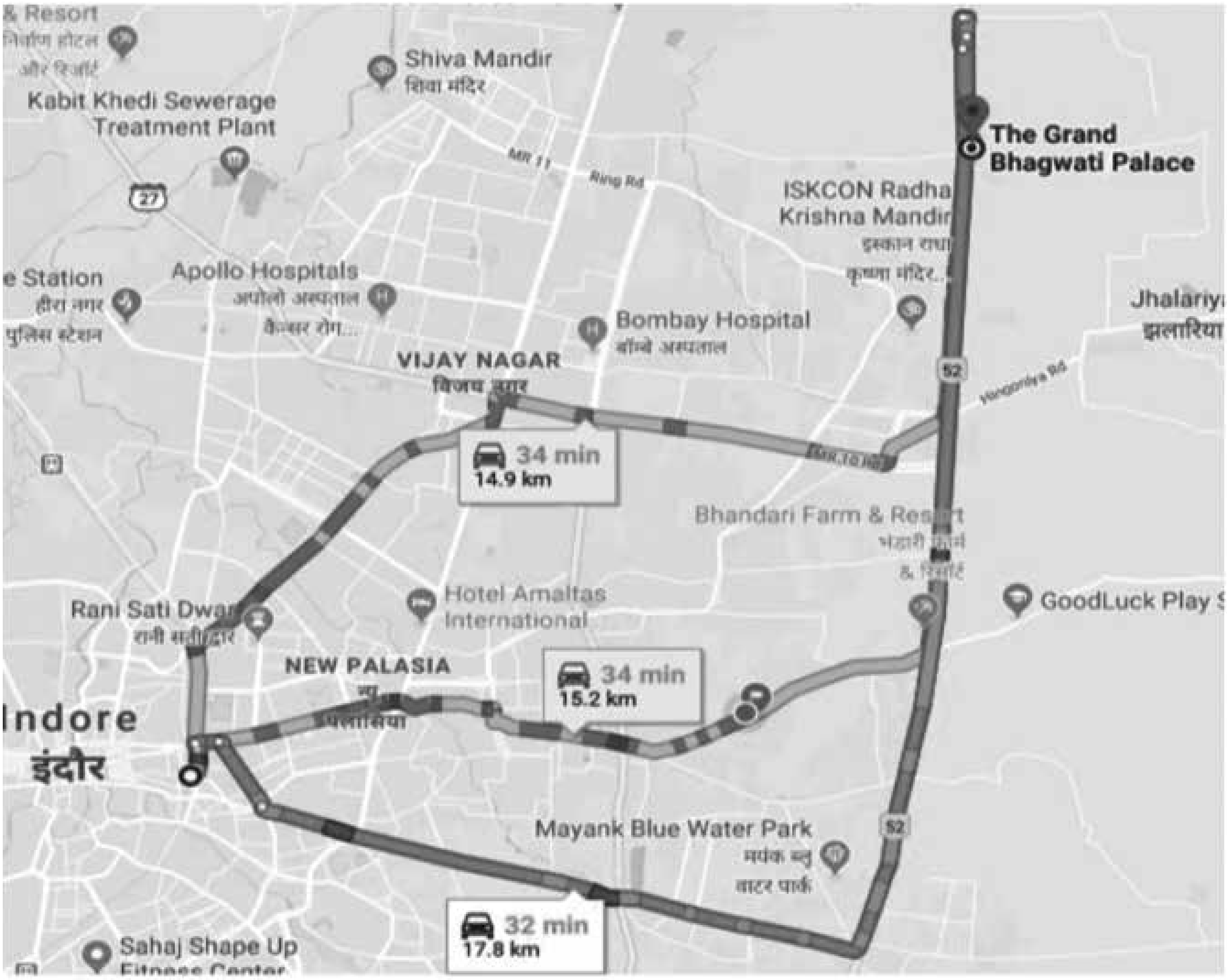
ANNEXURE 1

DETAILS OF DIRECTORS SEEKING APPOINTMENT / REAPPOINTMENT AT THE 9TH ANNUAL GENERAL MEETING

[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings]

Name of the Director	Mr. Arvind Mehta	Mr. Chetan Kumar Mathur
DIN	00215183	00437558
Date of Birth and Age	August 31, 1967 51 Year	August 30, 1961 57 Years
Date of appointment on the Board	He was appointed as an additional Director of our Company on May 12, 2011 and was regularised on September 30, 2011	He was appointed as an additional Director of our Company on August 7, 2018
Qualifications	Bachelor's degree in commerce	Chartered Accountant
Experience and Expertise	He has over 29 years of experience in real estate business along with over 15 years of experience in snack foods industry and financing business.	Please refer Item no. 9 in the explanatory statement forming part of this notice.
Number of Meetings of the Board attended during the year	7 out of 7	NA
List of Directorship / Membership / Chairmanship of Committees of other Board	**Directorship of other Board** 1. Orange Infracon Private Limited 2. Prakash Snacks Private Limited 3. Pure N Sure Food Bites Private Limited **Membership / Chairmanship of Committees of other Board** Nil	**Directorship of other Board** 1. Mahindra HZPC Private Limited 2. Traktion Solutions Private Limited 3. Rumi's Kitchen Management Private Limited 4. IHealthclinics Technology Private Limited 5. RJC 2NDINNINGS Advisory Private Limited 6. Risk Educators Private Limited **Membership / Chairmanship of Committees of other Board** Nil
Shareholding in Prataap Snacks Limited	5,59,684 Equity shares culminating into 2.39% of paid up capital of the Company as on March 31, 2018.	Nil
Relationship with other directors, manager and other Key Managerial Personnel of the Company	Nil	Nil
Terms and Conditions of appointment/re-appointment along with details of remuneration sought to be paid and remuneration last drawn by such person	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.yellowdiamond.in. The remuneration will be paid as approved by the nomination and remuneration committee and board. Remuneration last drawn is ₹ 56.25 Lakh in FY 2017-18.	Terms and Conditions of appointment or re-appointment are as per the Remuneration and Nomination Policy of the Company as displayed on the Company's website i.e. www.yellowdiamond.in.
Justification for choosing the appointees for appointment as Independent Directors	NA	Please refer Item no. 9 in the explanatory statement forming part of this notice.

VENUE FOR THE ANNUAL GENERAL MEETING TO BE HELD ON SEPTEMBER 28, 2018



PRATAAP SNACKS LIMITED

CIN: L15311MP2009PLC021746

Registered and Corporate Office: Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist. Indore – 452020 (M.P.) India. **Tel:** (91 731) 243 9999; **Fax:** (91 731) 243 7605

E-mail: complianceofficer@yellowdiamond.in, **Website:** www.yellowdiamond.in

FORM NO. MGT – 11

PROXY FORM

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

Name of the Member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No. /DP ID & Client ID*	:	
No. of shares held	:	

I/We, being the holder(s) of ___________________equity shares of **PRATAAP SNACKS LIMITED**, hereby appoint:

Name of the Member(s)	:	
Address	:	
E-mail ID	:	
		Signature or failing him/her

Name of the Member(s)	:	
Address	:	
E-mail ID	:	
		Signature or failing him/her

Name of the Member(s)	:	
Address	:	
E-mail ID	:	
		Signature

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th ANNUAL GENERAL MEETING ("the AGM") of the Company to be held on Friday, **September 28, 2018 at 11:00 A.M. at The Grand Bhagwati Palace, Omaxe City, Bypass Road, Mayakhedi, Indore – 452 016 Madhya Pradesh, India**, and at any adjournment thereof in respect of such resolutions as are indicated below :

Reso. No.	Description	For	Against
Ordinary Business			
1.	To receive, consider and adopt: a. the Audited Financial Statement of the Company for the Financial Year ended 31 March 2018, together with the Reports of the Board of Directors and the Auditors thereon; b. the Audited Consolidated Financial Statement of the Company for the Financial Year ended 31 March 2018, together with the Report of the Auditors thereon.		
2.	Declaration of dividend for the year ended March 31, 2018.		
3.	Re-appointment of Mr. Arvind Mehta, as Director, who retires by rotation.		
4.	Ratification of appointment of M/s. S R B C & Co. LLP, Chartered Accountants, (Firm Registration No.: 324982E/E300003) as Statutory Auditors of the Company and fixing their remuneration.		
Special Business			
5.	Revision in remuneration of Mr. Apoorva Kumat, President-Operations		
6.	Variation in terms of Objects of the Issue		
7.	Approval of 'Prataap Employees Stock Appreciation Rights Plan 2018'		
8.	To approve grant of employee stock appreciation rights to the employees/Directors of the Subsidiary Company (ies) of the Company under Prataap Employees Stock Appreciation Rights Plan 2018.		
9.	Appointment of Mr. Chetan Kumar Mathur (DIN 00437558) as an Independent Director:		

Signed this ____________day of ___________2018 Signature of Member________________

Affix Revenue Stamp

_______________________ _______________________ _________________________

Signature of First Proxy | Signature of Second Proxy | Signature of third proxy holder

Notes:

1. This form in order to be effective must be duly stamped, completed and signed and must be deposited at the registered office of the Company, not later than 48 hours before the commencement of the meeting.
2. Please put an 'X' in the appropriate column against the respective resolutions. if you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
3. A Proxy need not be a Member of the company. Pursuant to the provisions of Section 105 of the companies Act, 2013 and Secretarial Standards -2 issued by institute of company Secretaries of India, a person can act as Proxy on behalf of not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share capital of the company may appoint a single person as Proxy, who shall not act as Proxy for any other Member.
4. The Proxy-holder shall prove his identity at the time of attending the Meeting.

PRATAAP SNACKS LIMITED

CIN: L15311MP2009PLC021746

Registered and Corporate Office: Khasra No. 378/2, Nemawar Road, Near Makrand House, Dist. Indore – 452020 (M.P.) India. **Tel:** (91 731) 243 9999; **Fax:** (91 731) 243 7605

E-mail: complianceofficer@yellowdiamond.in, **Website:** www.yellowdiamond.in

ATTENDANCE SLIP

NINTH ANNUAL GENERAL MEETING ON FRIDAY, SEPTEMBER 28, 2018 AT 11.00 A.M.

Folio No. / DP ID & Client ID	:	
No. of shares held	:	

I/We certify that I/We am/are registered Member /proxy for the registered Member of the Company.

I/We hereby record my presence at the **NINTH ANNUAL GENERAL MEETING** of the Company to be held at 11.00 a.m. on **Friday, September 28, 2018 at 11:00 A.M. at The Grand Bhagwati Palace, Omaxe City, Bypass Road, Mayakhedi, Indore – 452 016 Madhya Pradesh, India.**

Member's / Proxy's name in **BLOCK** letters

Signature of Member /Proxy

Note: Please fill in the attendance slip and hand it over at the entrance of the Meeting hall. Joint Member(s) may obtain additional attendance slip at the venue of the Meeting.

E-VOTING PARTICULARS

EVEN (eVoting Event Number)	User ID	Password

Yellow Diamond

Dildaar hain hum

PRATAAP SNACKS LIMITED

(Formerly known as
Prataap Snacks Private Limited)

Khasra No. 378/2, Nemawar Road,
Near Makrand House,
Dist. Indore – 452020 (M.P.)

Tel. +91 731 2439999
Email: complianceofficer@
yellowdiamond.in
Website: yellowdiamond.in

Concept, & Design WYATTPrism COMMUNICATIONS (info@wyatt.co.in)