

# Walker Chandiook & Co LLP

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**Walker Chandiook & Co LLP**  
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India

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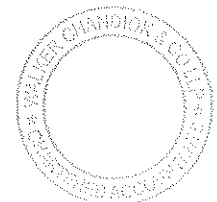
## Independent Auditor's Report

To the Members of Daawat Kameda (India) Private Limited

### Report on the Audit of the Financial Statements

#### Opinion

1. We have audited the accompanying financial statements of Daawat Kameda (India) Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.



## Basis for Opinion

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

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

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

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

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

The Directors report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

## Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

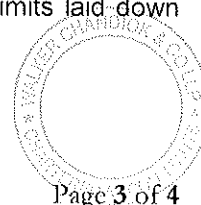


## **Auditor's Responsibilities for the Audit of the Financial Statements**

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
8. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Other Legal and Regulatory Requirements**

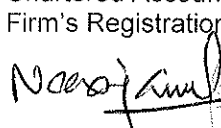
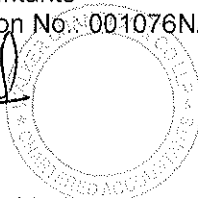
10. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.



# Walker Chandiook & Co LLP

11. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
  - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
  - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of section 164(2) of the Act;
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 25 May 2020 as per Annexure B expressed an unmodified opinion; and
  - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2020;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
    - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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

**Neeraj Goel**  
Partner  
Membership No.: 99514  
UDIN: 20099514AAAACR9325  
Place: Gurugram  
Date: 25 May 2020

# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Daawat Kameda (India) Private Limited, on the financial statements for the year ended 31 March 2020

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and material discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
  - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.



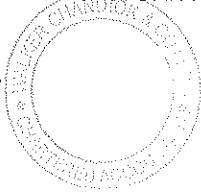
# Walker Chandiook & Co LLP

## Annexure A to the Independent Auditor's Report of even date to the members of Daawat Kameda (India) Private Limited, on the financial statements for the year ended 31 March 2020

- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the Company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

*Neeraj Goel*



**Neeraj Goel**  
Partner  
Membership No.: 99514  
UDIN: 20099514AAAACR9325

**Place:** Gurugram  
**Date:** 25 May 2020

Annexure B to the Independent Auditor's Report of even date to the members of Daawat Kameda (India) Private Limited on the financial statements for the year ended 31 March 2020

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

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

**Responsibilities of Management for Internal Financial Controls**

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

Balance Sheet as at March 31, 2020

(All amounts in Rs in lakhs unless otherwise stated)

	Note	As at March 31, 2020	As at March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2(i)	1,711.04	6.83
Capital work-in-progress	2(ii)	-	190.76
<b>Financial assets</b>			
Loans	3	4.24	0.10
Other non-current assets	4	30.10	407.67
Income tax assets	5	31.35	13.60
<b>Total non-current assets</b>		<b>1,776.73</b>	<b>618.96</b>
<b>Current assets</b>			
Inventories	6	54.71	37.82
<b>Financial assets</b>			
Trade receivables	7	54.95	20.04
Cash and cash equivalents	8	419.70	1,412.29
Other bank balances	9	1,641.17	2,613.41
Other current assets	10	454.29	87.19
<b>Total current assets</b>		<b>2,624.82</b>	<b>4,170.75</b>
<b>Total assets</b>		<b>4,401.55</b>	<b>4,789.71</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	4,717.36	4,717.36
Other equity	12	(566.02)	(60.12)
<b>Total equity</b>		<b>4,151.34</b>	<b>4,657.24</b>
<b>Non-current liabilities</b>			
Provisions	13	2.80	-
<b>Total non-current liabilities</b>		<b>2.80</b>	<b>-</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
Trade payables	14	-	4.17
Due to micro and small enterprises		-	4.17
Due to others		16.52	9.08
Other financial liabilities	15	173.78	113.85
Provisions	16	0.15	-
Other current liabilities	17	56.96	5.36
<b>Total current liabilities</b>		<b>247.41</b>	<b>132.46</b>
<b>Total equity and liabilities</b>		<b>4,401.55</b>	<b>4,789.71</b>

**Summary of significant accounting policies**

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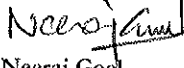
The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements.

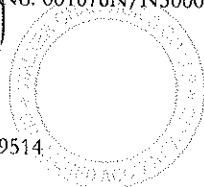
This is the Balance sheet referred to in our report of even date.


For Walker Chandiok & Co LLP

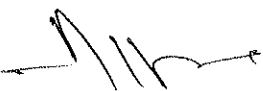
For and on behalf of Board of Directors of  
Daawat Kameda (India) Private Limited

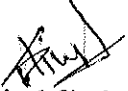
Chartered Accountants  
Firm's Registration No: 001076N/N500013

  
Neeraj Goel  
Partner  
Membership No.: 99514



  
Ritesh Arora  
Director  
DIN :06975957

  
Ashwani Kumar Arora  
Director  
DIN :01574773

  
Akash Singh  
Company Secretary  
Membership No.: A34328

Place : Gurugram  
Date : May 25, 2020



Annexure B to the Independent Auditor's Report of even date to the members of Daawat Kameda (India) Private Limited on the financial statements for the year ended 31 March 2020

## Meaning of Internal Financial Controls with Reference to Financial Statements

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

## Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

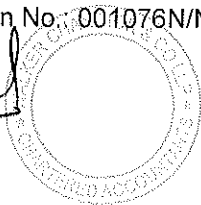
## Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note issued by ICAI.

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

*Neeraj Goel*

**Neeraj Goel**  
Partner  
Membership No.: 99514  
UDIN: 20099514AAAACR9325



Place: Gurugram

Date: 25 May 2020

**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended March 31, 2020**  
(All amounts in Rs in lakhs unless otherwise stated)

	Note	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Revenue</b>			
Revenue from operations			
Other income	18	55.47	35.55
<b>Total income</b>	19	<u>187.87</u>	<u>127.31</u>
		<u><b>243.34</b></u>	<u><b>162.86</b></u>
<b>Expenses</b>			
Cost of material consumed	20	77.99	131.93
Changes in inventories of finished goods and work in process	21	8.99	(11.56)
Employee benefits expense	22	135.13	60.40
Finance costs	23	-	0.09
Depreciation expense	24	8.30	1.56
Other expenses	25	518.83	190.78
<b>Total expenses</b>		<u>749.24</u>	<u>373.20</u>
<b>Loss before tax</b>		<u><b>(505.90)</b></u>	<u><b>(210.34)</b></u>
<b>Tax expense</b>		-	-
<b>Loss for the year</b>		<u><b>(505.90)</b></u>	<u><b>(210.34)</b></u>
<b>Other comprehensive income</b>			
1) Items that may be reclassified to Statement of Profit and Loss		-	-
2) Items that will not be reclassified to Statement of Profit and Loss		-	-
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive loss for the year</b>		<u><b>(505.90)</b></u>	<u><b>(210.34)</b></u>
<b>Loss per equity share (Refer note 27)</b>			
Basic		(1.07)	(0.91)
Diluted		(1.07)	(0.91)

**Summary of significant accounting policies**

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements.

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No: 001076N/N500013

*Neeraj Goel*

Neeraj Goel  
Partner

Membership No.: 99514

For and on behalf of Board of Directors of  
Daawat Kameda (India) Private Limited

*Ritesh Arora*

Ritesh Arora  
Director  
DIN :06975957

*Ashwani Kumar Arora*

Ashwani Kumar Arora  
Director  
DIN :01574773

*Akash Singh*

Akash Singh  
Company Secretary  
Membership No.: A34328

Place : Gurugram

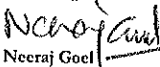
Date : May 25, 2020

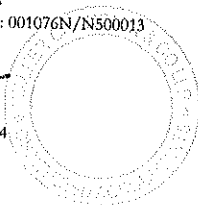
**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**  
**Cash flow statement for the year ended March 31, 2020**  
 (All amounts are in ₹ in lakhs unless otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before tax		
Adjustments for non cash items	(505.90)	(210.34)
Depreciation expense		
Interest expense	8.30	1.56
Interest income	-	0.09
Unrealised foreign exchange loss/(gain)	(187.87)	(125.49)
Amounts written off	1.89	(4.87)
<b>Operating loss before working capital changes</b>	<u>0.07</u>	<u>-</u>
<b>Changes in:</b>	<u>(683.51)</u>	<u>(339.04)</u>
Trade and other receivables		
Inventories	(34.91)	(9.25)
Other non-current assets	(16.89)	(34.01)
Other current assets	(1.17)	0.01
Loans	(367.17)	(76.71)
Trade payables	(6.03)	(0.10)
Other current liabilities	6.22	15.55
Other financial liabilities	51.60	16.61
<b>Cash used in operations</b>	<u>94.55</u>	<u>(15.41)</u>
Income taxes paid (net of refunds)	(957.32)	(442.34)
<b>Net cash used in operating activities (A)</b>	<u>(17.75)</u>	<u>(12.55)</u>
	<u>(975.07)</u>	<u>(454.89)</u>
<b>B CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(1,177.66)	(502.79)
Proceeds from/(Investment in) fixed deposits	1,099.47	(2,535.04)
Interest on fixed deposits received	60.58	47.12
Interest on income tax refund received	0.08	-
<b>Net cash used in investing activities</b>	<u>(17.53)</u>	<u>(2,990.72)</u>
<b>C CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity share capital (Including securities premium)	-	4,610.00
<b>Net cash flows from financing activities</b>	<u>-</u>	<u>4,610.00</u>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<u>(992.59)</u>	<u>1,164.39</u>
Cash and cash equivalents at the beginning of the year	1,412.29	247.90
<b>Cash and cash equivalents at the end of the year</b>	<u>419.70</u>	<u>1,412.29</u>
<b>Components of cash and cash equivalents (refer note 8)</b>		
Balances with banks		
- on current account		
- on fixed deposit	419.70	388.72
<b>Total cash and cash equivalents</b>	<u>419.70</u>	<u>1,023.57</u>
	<u>419.70</u>	<u>1,412.29</u>

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements.


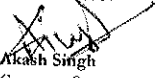
This is the Cash Flow Statement referred to in our report of even date.


For Walker Chandniok & Co LLP  
 Chartered Accountants  
 Firm's Registration No: 001076N/N500013  
  
 Neeraj Goel  
 Partner  
 Membership No.: 99514



Place : Gurugram  
 Date : May 25, 2020

For and on behalf of Board of Directors of  
 Daawat Kameda (India) Private Limited

  
 Ritesh Arora  
 Director  
 DIN :06975957  
  
 Akash Singh  
 Company Secretary  
 Membership No.: A34328

  
 Ashwani Kumar Arora  
 Director  
 DIN :01574773

**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**  
**Statement of Changes in Equity for the year ended March 31, 2020**  
 (All amounts in Rs in lakhs unless otherwise stated)

**A. Equity Share Capital**

Balance as at April 1, 2018	335.00
Changes during the year	4,382.36
Balance as at March 31, 2019	4,717.36
Changes during the year	-
Balance as at March 31, 2020	4,717.36

**B. Other Equity**

	Reserves and surplus		Total
	Retained earnings	Securities premium	
Balance as at April 1, 2018	(77.42)	-	(77.42)
Loss for the year	(210.34)	-	(210.34)
Securities premium on issue of shares	-	227.64	227.64
Balance as at March 31, 2019	(287.76)	227.64	(60.12)
Loss for the year	(505.90)	-	(505.90)
Balance as at March 31, 2020	(793.66)	227.64	(566.02)

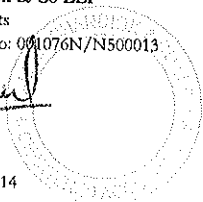
This is the Statement of Changes in Equity referred to in our report of even date.

For Walker Chandiook & Co LLP  
 Chartered Accountants

Firm's Registration No: 001076N/N500013

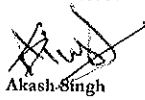
Neeraj Goel  
 Partner

Membership No.: 99514





Ritesh Arora  
 Director  
 DIN :06975957



Akash Singh  
 Company Secretary  
 Membership No: A34328

For and on behalf of Board of Directors of  
 Daawat Kameda (India) Private Limited

  
 Ashwani Kumar Arora  
 Director  
 DIN :01574773

Place : Gurugram  
 Date : May 25, 2020

**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in Rs in lakhs unless otherwise stated)

2

(i) **Property, plant and equipment:**

Description	Leasehold improvements	Furniture and fixtures	Plant and machinery	Office equipment	Total
<b>Gross carrying value</b>					
<b>As at April 1, 2018</b>	-	-	-	-	-
Additions	-	-	8.16	0.23	8.39
Disposals	-	-	-	-	-
<b>As at March 31, 2019</b>	-	-	<b>8.16</b>	<b>0.23</b>	<b>8.39</b>
Additions	184.16	17.67	1,495.91	14.78	1,712.51
Disposals	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>184.16</b>	<b>17.67</b>	<b>1,504.06</b>	<b>15.01</b>	<b>1,720.91</b>
<b>Accumulated depreciation</b>					
<b>As at April 1, 2018</b>	-	-	-	-	-
Charge for the year	-	-	1.46	0.10	1.56
Disposals	-	-	-	-	-
<b>As at March 31, 2019</b>	-	-	<b>1.46</b>	<b>0.10</b>	<b>1.56</b>
Charge for the year	5.26	0.01	1.96	1.07	8.30
Disposals	-	-	-	-	-
<b>As at March 31, 2020</b>	<b>5.26</b>	<b>0.01</b>	<b>3.42</b>	<b>1.17</b>	<b>9.86</b>
<b>Net carrying value</b>					
<b>At March 31, 2019</b>	-	-	<b>6.70</b>	<b>0.13</b>	<b>6.83</b>
<b>At March 31, 2020</b>	<b>178.90</b>	<b>17.66</b>	<b>1,500.65</b>	<b>13.84</b>	<b>1,711.04</b>

(i) **Contractual obligations**

Refer note 29 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

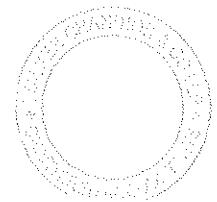
(ii) **Capital work-in-progress**

	As at March 31, 2020	As at March 31, 2019
Capital work-in-progress *	-	190.76
	-	190.76

**Movement in capital work in progress:**

	Amount
<b>Balance as at April 01, 2018</b>	-
Add: Additions during the year	190.76
Less: Capitalisation during the year	-
<b>Balance as at March 31, 2019</b>	<b>190.76</b>
<b>Balance as at April 01, 2019</b>	<b>190.76</b>
Add: Additions during the year	1,518.15
Less: Capitalisation during the year	1,708.91
<b>Balance as at March 31, 2020</b>	<b>-</b>

\* Capital work-in-progress mainly comprises plant and machinery under construction at its plant location.



**MAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2020

(All amounts in Rs in lakhs unless otherwise stated)

	As at March 31, 2020	As at March 31, 2019
<b>3 Loans</b>		
Security deposits	4.24	0.10
	<u>4.24</u>	<u>0.10</u>
<b>Break-up of security details</b>		
Loans considered good - Secured	-	-
Loans considered good - Unsecured	4.24	0.10
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	<u>4.24</u>	<u>0.10</u>

	As at March 31, 2020	As at March 31, 2019
<b>4 Other non-current assets</b>		
Prepaid expenses	1.17	-
Capital advances	28.93	407.67
	<u>30.10</u>	<u>407.67</u>

	As at March 31, 2020	As at March 31, 2019
<b>5 Income tax assets</b>		
Tax deducted at source	31.35	13.60
	<u>31.35</u>	<u>13.60</u>

	As at March 31, 2020	As at March 31, 2019
<b>6 Inventories</b>		
Raw material	9.78	13.12
Stores and spares	15.01	11.32
Packing material	27.35	1.82
Finished goods	2.57	11.56
	<u>54.71</u>	<u>37.82</u>

**Amounts recognised in Statement of Profit and Loss**

Write-downs of inventories to net realisable value amounted to Rs 23.47 lacs (March 31, 2019 Rs.11.01 lacs). These were recognised as an expense during the year and included in "changes in inventories of finished goods and semi-finished goods" in the Statement of Profit and Loss.

	As at March 31, 2020	As at March 31, 2019
<b>7 Trade receivables</b>		
Trade receivables	54.95	20.04
Trade receivables credit impaired	-	-
	<u>54.95</u>	<u>20.04</u>
Less: Allowance for expected credit loss	-	-
	<u>54.95</u>	<u>20.04</u>



**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2020

(All amounts in Rs in lakhs unless otherwise stated)

As at  
March 31, 2020                      As at  
March 31, 2019

**Break-up of security details**

Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	54.95	20.04
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-

\* Includes amount due from related parties

LT Foods Limited	54.64	20.04
------------------	-------	-------

**8 Cash and cash equivalents**

As at  
March 31, 2020                      As at  
March 31, 2019

Balance with banks		
-on current accounts	419.70	388.72
-on fixed deposits with maturity less than 3 months	-	1,023.57
	<u>419.70</u>	<u>1,412.29</u>

**9 Other bank balances**

As at  
March 31, 2020                      As at  
March 31, 2019

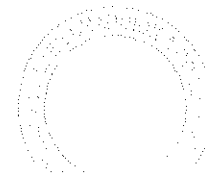
Deposits with original maturity more than 3 month but less than 12 months	1,641.17	2,613.41
	<u>1,641.17</u>	<u>2,613.41</u>

**10 Other current assets**

As at  
March 31, 2020                      As at  
March 31, 2019

Prepaid expenses	1.76	0.03
Advance to suppliers	49.73	0.10
Advance to employees	0.29	2.95
Others	0.37	-
Balances with government authorities	402.14	84.11
	<u>454.29</u>	<u>87.19</u>

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11 Share capital

	As at March 31, 2020	As at March 31, 2019
<b>Authorized</b>		
60,000,000 shares of Rs. 10 each (March 31, 2019 - 60,000,000 equity shares of 10 each)	6,000.00	6,000.00
<b>Issued, subscribed and paid up</b>		
47,173,574 shares of Rs. 10 each (March 31, 2019 - 47,173,574 equity shares of 10 each)	4,717.36	4,717.36
	<u>4,717.36</u>	<u>4,717.36</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares at the beginning of the year  
 Add: Issue of share capital  
 Equity shares at the end of the year

As at March 31, 2020		As at March 31, 2019	
No of Shares	Amount	No of Shares	Amount
4,71,73,574	4,717.36	53,50,000	335.00
-	-	4,38,23,574	4,382.36
<u>4,71,73,574</u>	<u>4,717.36</u>	<u>4,71,73,574</u>	<u>4,717.36</u>

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having the par value of Rs 10 per share (March 31, 2019: Rs 10 per share). Each holder of equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

Kameda Seika Co., Ltd  
 LT Foods Limited

As at March 31, 2020		As at March 31, 2019	
No of Shares	%	No of Shares	%
2,31,17,215	49%	2,31,17,215	49%
2,40,56,359	51%	2,40,56,359	51%
<u>4,71,73,574</u>	<u>100</u>	<u>4,71,73,574</u>	<u>100</u>

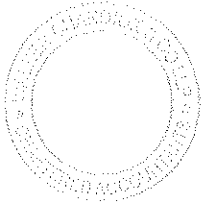
(d) Shares held by the holding company

LT Foods Limited

As at March 31, 2020		As at March 31, 2019	
No of Shares	Amount	No of Shares	Amount
2,40,56,359	24,05,63,590	2,40,56,359	24,05,63,590
<u>2,40,56,359</u>	<u>24,05,63,590</u>	<u>2,40,56,359</u>	<u>24,05,63,590</u>

(e) The Company has not issued any equity shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back since inception.

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**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2020**  
 (All amounts in Rs in lakhs unless otherwise stated)

**12 Other equity**

	As at March 31, 2020	As at March 31, 2019
<b>(i) Retained earnings</b>		
Opening balance	(287.76)	(77.42)
Add: Loss for the year	(505.90)	(210.34)
Closing balance	<u>(793.66)</u>	<u>(287.76)</u>
<b>(ii) Securities premium reserve</b>		
Opening balance	227.64	-
Change during the year*	-	227.64
Closing balance	<u>227.64</u>	<u>227.64</u>
<b>Total other equity (i+ii)</b>	<u>(566.02)</u>	<u>(60.12)</u>

**Nature and purpose of other reserves**

**Retained earnings**

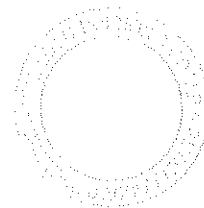
Retained earnings comprises of (losses) that Company has incurred till date.

**Securities premium reserve:**

Securities premium reserve represents premium received on issue of shares. The reserve will be utilized in accordance with the provisions of the Companies Act.

\* The above securities premium is received on the issue of shares.

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**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

**Notes to the financial statements for the year ended March 31, 2020**

(All amounts in Rs in lakhs unless otherwise stated)

**13 Long-term provisions**

Provision for compensated absences  
Provision for gratuity

*Refer note 26 for employee benefit expense*

As at March 31, 2020	As at March 31, 2019
1.26	-
1.54	-
<b>2.80</b>	<b>-</b>

**14 Trade payables**

Dues to  
Micro and small enterprises  
Others

As at March 31, 2020	As at March 31, 2019
-	4.17
16.52	9.08
<b>16.52</b>	<b>13.25</b>

Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:-

S.No	Particulars	As at March 31, 2020	As at March 31, 2019
i)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	Principal amount remaining unpaid	-	4.17
	Interest accrued and remaining unpaid as at year end	-	0.09
ii)	Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii)	Amount paid to the suppliers beyond the respective due date.	-	-
iv)	Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v)	Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
vi)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
		<b>-</b>	<b>4.26</b>

**15 Other current financial liabilities**

Other payables\*  
Creditor for capital goods \*  
Expenses payable  
Employee related payables

\* Includes amount due to related parties (refer note 30)

LT Foods Limited  
Kameda Seika Co, Ltd

As at March 31, 2020	As at March 31, 2019
81.06	6.56
60.13	94.75
24.02	7.40
8.57	5.13
<b>173.78</b>	<b>113.85</b>
75.47	4.69
-	74.60

**16 Short term provisions**

Provision for compensated absences  
Provision for gratuity

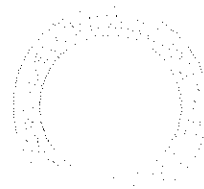
*Refer note 26 for employee benefit expense*

As at March 31, 2020	As at March 31, 2019
0.14	-
0.01	-
<b>0.15</b>	<b>-</b>

**17 Other current liabilities**

Statutory liabilities

As at March 31, 2020	As at March 31, 2019
56.96	5.37
<b>56.96</b>	<b>5.36</b>



**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2020**  
(All amounts in Rs in lakhs unless otherwise stated)

Revenue from operations	For the year ended March 31, 2020	For the year ended March 31, 2019
18 Sale of goods *		
Kari - Kari	55.47	35.55
	<u>55.47</u>	<u>35.55</u>

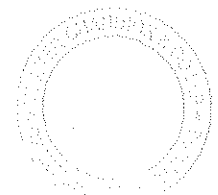
**\*Details of products sold**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Kari - Kari	55.47	35.54
	<u>55.47</u>	<u>35.54</u>

19 Other income	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income on fixed deposits	187.79	125.49
Interest income on income tax refund	0.08	-
Net gain on foreign currency transactions and translations	-	1.82
	<u>187.87</u>	<u>127.31</u>

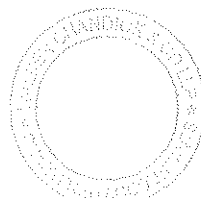
20 Cost of material consumed	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening stock</b>		
Raw material	13.12	3.42
Packing material	1.82	-
	<u>14.94</u>	<u>3.42</u>
<b>Add: purchases</b>		
Raw material	57.08	133.32
Packing material	43.10	10.13
	<u>100.18</u>	<u>143.45</u>
<b>Less: closing stock</b>		
Raw material	9.78	13.12
Packing material	27.35	1.82
	<u>37.13</u>	<u>14.94</u>
<b>Cost of material consumed</b>	<u>77.99</u>	<u>131.93</u>

21 Changes in inventories of finished goods and work in process	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Opening Stock</b>		
Finished goods	11.56	-
<b>Closing stock</b>		
Finished goods	2.57	11.56
	<u>8.99</u>	<u>(11.56)</u>



**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**  
**Notes to the financial statements for the year ended March 31, 2020**  
**(All amounts in Rs in lakhs unless otherwise stated)**

	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>22 Employee benefit expenses</b>		
Salaries, wages and bonus	130.42	60.40
Contribution to provident and other fund	2.28	-
Staff welfare expenses	2.43	-
	<u>135.13</u>	<u>60.40</u>
<b>23 Finance costs</b>		
Interest expenses	-	0.09
	<u>-</u>	<u>0.09</u>
<b>24 Depreciation expense</b>		
Depreciation on property, plant and equipment	8.20	1.56
	<u>8.30</u>	<u>1.56</u>
<b>25 Other expenses</b>		
Rent expenses (refer note 33)	188.94	0.53
Jobwork charges	3.19	17.66
Stores and consumables	17.39	-
Survey fees	-	0.96
Advertisement and sales promotion expenses	41.27	8.02
Legal and professional charges	62.63	47.41
Rates and taxes	6.83	53.07
Other administrative expenses	1.62	4.33
Travelling and conveyance	19.69	5.11
Net loss on foreign currency transactions and translations	14.48	-
Other selling expenses	76.87	51.07
Bank charges	0.52	0.32
Testing and inspection charges	2.89	-
Power and electricity expenses	44.06	-
Repairs		
-Computer	0.24	-
-Plant and machinery	0.01	-
-Others	6.78	-
Insurance expenses	1.05	-
Business promotion expenses	25.26	-
Telephone expenses	0.04	-
Seminar expenses	0.86	-
Auditor's remuneration (refer note A)	4.14	2.31
Amounts witten off	0.07	-
	<u>518.83</u>	<u>190.78</u>
<b>A. Auditors' remuneration</b>		
Statutory audit	4.00	2.00
Out of pocket expenses	0.14	0.31
	<u>4.14</u>	<u>2.31</u>



## 26 Employee benefit obligations

Particulars	March 31, 2020		March 31, 2019	
	Current	Non-current	Current	Non-current
Gratuity	0.01	1.54	-	-
Compensated absences	0.14	1.26	-	-
<b>Total</b>	<b>0.15</b>	<b>2.80</b>	<b>-</b>	<b>-</b>

## A Gratuity

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

## Disclosure of gratuity

## (i) Amount recognised in the Statement of Profit and Loss is as under:

Description	March 31, 2020	March 31, 2019
Current service cost	1.55	-
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>1.55</b>	<b>-</b>

## (ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)

Description	March 31, 2020	March 31, 2019
<b>Remeasurement on the net defined benefit obligation</b>		
Actuarial (gain)/loss arising from change in demographic assumption	-	-
Actuarial (gain)/loss arising from change in financial assumption	-	-
Actuarial (gain)/loss arising from change in experience assumption	-	-
<b>Remeasurement on plan assets</b>		
Return on plan assets (excluding interest)	-	-
<b>Total actuarial (gain)/loss recognised in OCI</b>	<b>-</b>	<b>-</b>

## (iii) Movement in the defined benefit obligation during the year is as under:

Description	March 31, 2020	March 31, 2019
Present value of defined benefit obligation as at the start of the year		
Current service cost	1.55	-
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1.55</b>	<b>-</b>

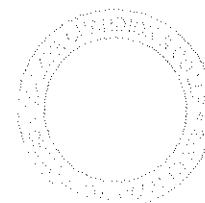
## (iv) Actuarial assumptions

Description	March 31, 2020	March 31, 2019
Discount rate	6.73%	-
Retirement age	58 years	-
Employee turnover	6.00%	-
Rate of increase in compensation	4.00%	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## (v) Movement in net liability recognised in balance sheet

Description	March 31, 2020	March 31, 2019
Defined Benefit Obligation	1.55	-
Fair value of Plan Assets	-	-
<b>Liability recognised in the Balance Sheet</b>	<b>1.55</b>	<b>-</b>



**EAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2020

(All amounts are in ` in lacs unless otherwise stated)

(vii) Sensitivity analysis for gratuity liability

Description	March 31, 2020	March 31, 2019
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	1.55	-
- Impact due to increase of 1 %	(0.18)	-
- Impact due to decrease of 1 %	0.21	-
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	1.55	-
- Impact due to increase of 1 %	0.16	-
- Impact due to decrease of 1 %	(0.16)	-

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

**B Compensated absence**

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

(i) Actuarial assumptions

Description	As at March 31, 2020	As at March 31, 2019
Discount rate	6.73%	-
Future basic salary increase	4.00%	-
Employee turnover/ Withdrawal rate	6.00%	-
Retirement age	58 years	-

Notes:

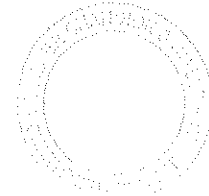
- 1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- 2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

**C Provident fund and ESI fund**

Contribution made towards provident fund by the Company during the year is ` 2.27 lakhs (March 31, 2019: Nil)

Contribution made towards ESI fund by the Company during the year is ` 0.40 lakhs (March 31, 2019: Nil)

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**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2020

(All amounts in Rs in lakhs unless otherwise stated)

**27 Earnings per share**

	For the year ended March 31, 2020	For the year ended March 31, 2019
Loss attributable to equity shareholders	(505.90)	(210.34)
Numbers of weighted average equity share outstanding at the year end for Basic	471.74	231.61
Numbers of weighted average equity share outstanding at the year end for Diluted	471.74	231.61
Nominal value per share	10.00	10.00
<b>Earnings per equity share</b>		
Basic	(1.07)	(0.91)
Diluted	(1.07)	(0.91)

**28 Income tax**

	For the year ended March 31, 2020	For the year ended March 31, 2019
--	--------------------------------------	--------------------------------------

The income tax expense consists of the following :

Current tax expense for the current year

Deferred tax expense/(benefit)

**Total income tax**

	-	-
	-	-
	-	-

The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

Loss before income taxes

At India's statutory income tax rate of 22.88% (31 March 2019: 26.00%)

Impact of deferred tax on unabsorbed loss\*

**Total income tax expense**

	(505.90)	(210.34)
	(115.75)	(54.16)
	115.75	54.16
	-	-

**Unused tax loss**

Unused tax losses for which no deferred tax asset has been recognised

Potential tax benefit @ 22.88% (31 March 2019 : 26%)

	As at March 31, 2020	As at March 31, 2019
	858.10	237.11
	196.33	61.65

Unused business loss can be carried forward based on the year of origination as follows:

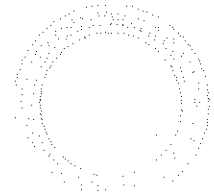
Financial year/period of origination	Financial year of expiry	Amount as at March 31, 2020	Amount as at March 31, 2019
2017-18	2024-25	77.42	77.42
2018-19	2025-26	159.69	159.69
2019-20	2026-27	620.99	-

**29 Contingencies and commitments**

(A) Contingent liabilities

(B) Capital commitments remaining to be executed and not provided for net of capital advances

	As at March 31, 2020	As at March 31, 2019
	-	-
	64.20	143.89
<b>Total</b>	<b>64.20</b>	<b>143.89</b>



**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

Notes forming part of financial statements for the year ended March 31, 2020

(All amounts in Rs in lakhs unless otherwise stated)

**30 Related party disclosures**

The Company's related party transactions and outstanding balances are with its joint venturer's, key management and others as described below.

**A. Relationships**

**a) Joint Venturer**

LT Foods Limited  
Kameda Seika Co, Ltd

**B. Key management personnel and directors**

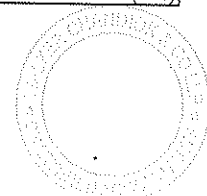
**-Key Management Personnel**

Name	Designation
Mr. Vijay Kumar Arora	Director
Mr. Ashwani Kumar Arora	Director
Mr. Ritesh Arora	Director
Mr. Shinichi Furusawa	Director (upto August 6, 2019)
Mr. Hiroyuki Horibe	Director (upto August 6, 2019)
Mr. Masahiro Nakayama	Director (w.e.f August 6, 2019)
Mr. Toshiyuki Osawa	Director (w.e.f November 14, 2019)
Mr. Jun Kono	Director (w.e.f August 06, 2019)

**Transactions with joint venturer's and Key Managerial Personnel**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>Sales</b>		
LT Foods Limited	63.26	35.55
<b>Issue of share capital</b>		
LT Foods Limited	-	2,234.79
Kameda Seika Co., Ltd	-	2,147.57
<b>Reimbursement of expenses</b>		
LT Foods Limited	370.72	87.64
Kameda Seika Co., Ltd	114.80	0.62
<b>Rent expense</b>		
LT Foods Limited	188.94	0.53
<b>Purchase of fixed assets</b>		
Kameda Seika Co., Ltd	-	79.47
<b>Purchases</b>		
Kameda Seika Co., Ltd	4.63	-
LT Foods Limited	23.15	-
<b>Consultancy charges</b>		
Mr. Ritesh Arora	16.00	-
<b>Short term employee benefits</b>		
Managerial remuneration		
Mr. Ritesh Arora	7.82	24.00
Mr. Masahiro Nakayama	24.00	-
Mr. Jun Kono	21.23	-
Mr. Toshiyuki Osawa	4.10	-

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Balances at the year-end {net receivable/(net payable)}</b>		
LT Foods Limited	(20.82)	15.35
Kameda Seika Co., Ltd	47.63	(74.60)
Mr. Ritesh Arora	-	(2.00)





**31 Fair value disclosures**

**i) Fair values hierarchy**

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

**Fair value of instruments measured at amortized cost**

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

**(ii) Fair value of instruments measured at amortised cost**

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	As at March 31, 2020		As at March 31, 2019	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Trade receivables	Level 3	54.95	54.95	20.04	20.04
Cash and cash equivalents	Level 3	419.70	419.70	1,412.29	1,412.29
Other bank balances	Level 3	1,641.17	1,641.17	2,613.41	2,613.41
Security deposit	Level 3	4.24	4.24	0.10	0.10
<b>Total financial assets</b>		<b>2,120.06</b>	<b>2,120.06</b>	<b>4,045.84</b>	<b>4,045.84</b>
<b>Financial liabilities</b>					
Trade payables	Level 3	16.52	16.52	13.25	13.25
Other financial liabilities	Level 3	173.78	173.78	113.85	113.85
<b>Total financial liabilities</b>		<b>190.30</b>	<b>190.30</b>	<b>127.10</b>	<b>127.10</b>

The management assessed that security deposits, trade payables and other financial 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.

**32 Financial risk management**

**i) Financial instruments by category**

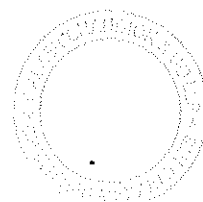
Particulars	As at March 31, 2020			As at March 31, 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Trade receivables	-	-	54.95	-	-	20.04
Cash and cash equivalents	-	-	419.70	-	-	1,412.29
Other bank balances	-	-	1,641.17	-	-	2,613.41
Security deposit	-	-	4.24	-	-	0.10
<b>Total</b>	-	-	<b>2,120.06</b>	-	-	<b>4,045.84</b>
<b>Financial liabilities</b>						
Trade payables	-	-	16.52	-	-	13.25
Other financial liabilities	-	-	173.78	-	-	113.85
<b>Total</b>	-	-	<b>190.30</b>	-	-	<b>127.10</b>

**ii) Risk management framework**

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required

The Company's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.



**A) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

**a) Credit risk management**

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low
- B: Medium
- C: High

Assets under credit risk –

Credit rating		As at March 31, 2020	As at March 31, 2019
A: Low	Cash and cash equivalents		
	Other bank balances	419.70	1,412.29
	Loans	1,641.17	2,613.41
	Trade receivables	4.24	0.10
		54.95	20.04

*Cash & cash equivalents and bank deposits*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks

*Trade receivables*

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

**Expected credit loss for trade receivables under simplified approach**

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables other than those where default criteria are met. Trade receivables are subject to credit limits, controls and approvals processes. The majority of receivables are from related parties where the Company has greater visibility of creditworthiness. Further based on the historical experience, the risk of default in case of trade receivables is low.

Particulars	0-1 Year
<b>As at March 31, 2020</b>	
Trade receivables	54.95
Default rate	0.00%
Expected credit loss	-
<b>As at March 31, 2019</b>	
Trade receivables	20.04
Default rate	0.00%
Expected credit loss	-

**B) Liquidity risk**

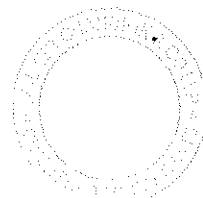
The Company monitors its risk of a shortage of funds through its group treasury department. The Company does not have any liquidity risk as it has enough assets / support from the JV partners L.I Foods Limited and Kameda Seika Co., Ltd for its continued operations in the foreseeable future.

**Maturities of financial liabilities**

The tables below analyse the Company's financial liabilities into relevant maturity of Company based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Particulars	As at March 31, 2020			As at March 31, 2019		
	Less than 1 year	1-3 year	Total	Less than 1 year	1-3 year	Total
Trade payables	16.52	-	16.52	13.25	-	13.25
Other financial liabilities	173.78	-	173.78	113.85	-	113.85
<b>Total</b>	<b>190.30</b>	<b>-</b>	<b>190.30</b>	<b>127.10</b>	<b>-</b>	<b>127.10</b>

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**2) Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

**(a) Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the Japanese Yen (JPY) and Euro (EUR). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR).

**(i) Exposure to currency risk:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed are as follows:

Particulars	In foreign currency		In INR	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
<b>Financial liabilities</b>				
<b>Trade payables</b>				
JPY	7.06	119.32		
Euro	0.67	-	4.91	74.60
			55.91	

**Sensitivity**

A reasonably possible strengthening (weakening) of the Japanese Yen (JPY) and Euro (EUR) against all other currencies at March 31, 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Strengthen		Weaken	
	Effect on profit after tax		Effect on profit after tax	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Sensitivity of change in exchange rate by 1%				
JPY	(0.04)	(0.55)	0.04	0.55
Euro	(0.43)	-	0.43	-

**32 Revenue from Contracts with Customers**

Ind AS 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing, and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

**Significant changes in contract assets and liabilities**

There has been no significant changes in contract assets/contract liabilities during the year.

**Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods'. Same has been disclosed as below:

Description	Year ended March 31, 2020	Year ended March 31, 2019
Amounts included in contract liabilities at the beginning of the year	Nil	Nil
Performance obligations satisfied in previous years	Nil	Nil

**Disaggregation of revenue**

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by segment and type.

Revenue by segment	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue from contract with customer</b>		
Domestic		
Export	55.47	35.55

The Company has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company does not have any open contract for which the expected duration is more than one year as at the reporting period.

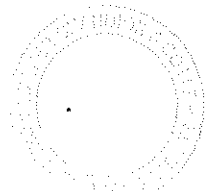
Revenue by time	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue recognised over time		
Revenue recognised at point in time	55.47	35.55
	55.47	35.55

**Assets and liabilities related to contracts with customers**

Description	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of goods</b>				
Trade receivables		54.95		20.04
<b>Contract liabilities related to sale of goods</b>				
Advance from customers				

**Reconciliation of revenue recognised with contract price**

Description	For the year ended March 31, 2020	For the year ended March 31, 2019
Contract price	63.85	56.15
Adjustment for:		
Visibility charges	8.38	20.60
	55.47	35.55



**DAAWAT KAMEDA (INDIA) PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2020

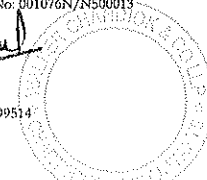
(All amounts in ₹ in lakhs unless otherwise stated)

- 33 The Company has entered into rent agreement as a lessee for warehouse for a term of 11 months , which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2020 and March 31, 2019 was ₹ 188.94 and ₹ 0.53 respectively.
- 34 The outbreak of Coronavirus (Covid 19) has disrupted economic activities across the world. However, the Company continued to operate its manufacturing facilities and distribute its products which are covered under the essential commodities category. Though, there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. As the economic environment continues to remain highly uncertain, the management is regularly monitoring the development in the areas where it operate or supplies goods and take necessary action to adapt to changing environment.
- 35 **Segment information**  
The Company is engaged in the manufacturing of rice based snack "Kari-Kari". Basis the nature of Company's business and operations, the Company has one operating segment for which information is reviewed by the Chief Operating Decision Maker (CODM) to allocate resources and assess performance. Hence, the Company has only one reportable segment as per the requirements of Ind AS 108 -- 'Operating Segments'.
- 36 **Transfer Pricing**  
As per the international transfer pricing norms introduced in India with effect from April 1, 2001 and the domestic transfer pricing norms introduced with effect from April 1, 2012, the Company is required to use certain specified methods in computing arm's length price of international and domestic transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial period. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.
- 37 Previous year figures have been reclassified/regrouped wherever considered necessary to conform to the current year presentation.

For Walker Chandniok & Co LLP  
Chartered Accountants


Firm's Registration No.: 001076N/N500013

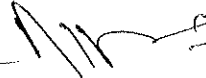
  
Neeraj Goel  
Partner  
Membership No.: 99514

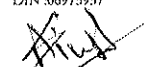


Place : Gurgaon  
Date : May 25, 2020

For and on behalf of Board of Directors of  
Daawat Kameda (India) Private Limited

  
Ritesh Arora  
Director  
DIN :06975957

  
Ashwani Kumar Arora  
Director  
DIN :01574773

  
Akash Singh  
Company Secretary  
Membership No.: A34328