Sublime Foods Private Limited

2015 - 16

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUBLIME FOODS PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **SUBLIME FOODS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 there under.

We conducted our audit in accordance with the Standards on Auditing 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 the 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 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 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 the 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 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 financial statements.

Opinion

in our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,.

i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31,2016;

ii. in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date;

iii. in the case of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (herein after referred to as "Order") and on the basis of such checks of such books and records of the Company as we consider appropriate and according to the information and explanation given to us, we give in the Annexure a statement on the matter specified under Paragraphs 3 and 4 of the Order.

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

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

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

   c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account

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

   e. On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 the our separate report in "Annexure B"; 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, in our opinion and to the best of our information and according to the explanations given to us:

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

ii. The Company 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 Borkar &Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Place: Bangalore
Date: May 4, 2016

Nandan Pai
Partner
M.No. 109394

ANNEXURE REFERRED TO IN PARAGRAPH 5 OF REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF THE AUDITORS' REPORT ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2016

i.

a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
c. According to the information and explanation given to us and on the basis of our examination of the records of the company, title deeds of immovable properties are held in the name of the company.

ii. According to the information and explanation given to us and on the basis of our examination of records of the Company, physical verification has been conducted by the management at reasonable intervals in respect of inventories. The discrepancies noticed on such verification between the physical stocks and book records were not significant and the same have been properly dealt with in the books of account.

iii. As informed to us the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore the disclosure of Clause (iii) of paragraph 5 of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

v. According to the information and explanations given to us the Company has not accepted any deposits, in terms of the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

vi. We are informed that the Central Government has not prescribed under section 148(1) of the Companies Act maintenance of cost records for any of the products manufactured by the Company.

vii.

a. As per information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including income tax, Sales tax service tax, excise duty, cess and any other statutory dues with the appropriate authorities. There are no outstanding statutory dues as at the last day of the financial year under audit for a period of more than six months from the date they became payable. As explained to us, the Company did not have any dues on account of employees' state insurance and provident fund.

According to the information and explanations given to us, there were no Undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there were no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute.

viii. In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of loans or borrowings to a financial institutions or bank. The company has not issued any debentures.

ix. In our opinion term loans were applied for the purpose for which the loans were obtained by the Company.

x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

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

xii. In our opinion and according to the information and explanation given to us, Company is not a Nidhi company. Accordingly, Para 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with section 177 and 188 of companies act, 2013 where applicable and the details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanation given to us and based on our examination of the records of the company, the company has not entered into any non cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

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

For Borkar & Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Nandan Pai
Partner
M.No. 109394

Place: Bangalore
Date: May 4, 2016

Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of Sublime Foods Private Limited ("Company") as of 31 March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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 31 March 2016, 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 Borkar & Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Nandan Pai
Partner
M.No. 109394

Place: Bangalore
Date. May 4, 2016

Sublime Foods Private Limited

Balance Sheet as at 31st March 2016

Particulars	Note	As at 31st March 2016	As at 31st March 2015
		Rs.	Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
(a) Share Capital	2	14,705,880	14,705,880
(b) Reserves and Surplus	3	(5,701,235)	(512,543)
Share Application Money pending allotment		-	-
Non-Current Liabilities			
Deferred Tax Liability (Net)		-	-
Long-term borrowings	4	20,094,000	-
Other Long Term Liabilities		-	-
Long Term Provisions	5	9,534	-
Current Liabilities			
Short Term Borrowings	6	10,100,196	2,107,304
Trade Payables	7	8,020,044	-
Other Current Liabilities	8	3,948,012	1,799,776
Short Term Provisions	9	20,955	-
Total		**51,197,386**	**18,100,417**
ASSETS			
Non -Current Assets			
Fixed Assets			
(a). Tangible Assets	10	35,778,924	-
(b). Intangible Assets		-	-
(c). Capital Work - in - Progress		198,900	3,226,599
Non current Investments			-
Long Term Loans & Advances	11	3,423,556	14,601,310
Other Non-Current Assets		-	-
Current Assets			
Current Investments		-	-
Inventories	12	2,383,676	-
Trade receivables	13	4,554,630	-
Cash and Bank Balances	14	4,254,138	247,508
Short Term Loans & Advances	15	603,562	25,000
Other Current Assets		-	-
Total		**51,197,386**	**18,100,417**

Significant policies and Notes on Accounts 1-42

The Notes referred to above form integral part of the Balance Sheet

In terms of our report of even date attached
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No : 101569W

For and on behalf of the Board of Directors of
Sublime Foods Private Ltd.

Nandan Pai
Partner
M No : 109394
Place: Bangalore
Date: May 4, 2016

Director
DIN: 02841752
Place: Bangalore
Date: May 4, 2016

Director
DIN: 06703644

Sublime Foods Private Limited

Statement of Profit and Loss for the year ended 31st March 2016

Particulars	Note	For the Year ended 31st March 2016	For the Year ended 31st March 2015
		Rs.	Rs.
Revenue from Operations	16	8,401,088	-
Other Income	17	-	134,480
Total Revenue		**8,401,088**	**134,480**
Expenses			
Cost of Materials Consumed	18	5,783,605	-
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	19	(332,244)	-
Employee Benefits Expense	20	2,675,868	116,668
Finance Costs	21	1,240,314	28,169
Depreciation and amortization expenses	9	830,775	-
Operating expenses	22	2,200,381	
Other Expenses	23	1,191,081	406,893
Total Expenses		**13,589,780**	**551,730**
Profit before Exceptional and Extraordinary Items andTax		(5,188,692)	(417,250)
Exceptional Items		-	-
Profit before Extraordinary Items andTax		(5,188,692)	(417,250)
Extraordinary Items		-	-
Profit before Tax		(5,188,692)	(417,250)
Tax Expenses			
1.Current Tax		-	-
2.Deferred Tax		-	-
		-	
Profit / (Loss) for the Period		**(5,188,692)**	**(417,250)**
Earning Per Equity Share			
Basic		(0.35)	(3.17)
Diluted		(0.35)	(3.17)

Significant policies and Notes on Accounts 1-42

The Notes referred to above from integral part of Statement of Profit and Loss

In terms of our report of even date attached
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No : 101569W

For and on behalf of the Board of Directors of
Sublime Foods Private Ltd.

Nandan Pai
Partner
M No : 109394
Place: Bangalore
Date: May 4, 2016

Director
DIN: 02841752
Place: Bangalore
Date: May 4, 2016

Director
DIN: 06703644

Sublime Foods Private Limited
Cash Flow Statement for the year ended 31st March 2016

Amt in INR

Particulars		For the year ended 31st March 2016		For the year ended 31st March 2015	
		Rs.	Rs.	Rs.	Rs.
A. Cash Flow from Operating Activities					
Profit /(Loss) before taxation as per statement of Profit and Loss			**(5,188,692)**		**(417,250)**
Adjustments for:					
Depreciation		830,775		-	
Interest Expense		1,240,314	2,071,089	28,169	28,169
Operating profit before working capital changes			(3,117,603)		(389,081)
Changes in Working Capital:					
Increase / (Decrease) in Trade Payables		8,020,044		-	
Increase / (Decrease) in Long term provisions		9,534		-	
Increase / (Decrease) in Short term provisions		20,955		-	
Increase / (Decrease) in Other current liabilities		2,148,236		1,777,046	
(Increase) / Decrease in Short term loans and advances		(578,562)		(25,000)	
(Increase) / Decrease in Long term loans and advances excluding capital advances		(1,767,480)		-	
(Increase) / Decrease in inventories		(2,383,676)		-	
(Increase) / Decrease in trade receivables		(4,554,630)		-	
(Increase) / Decrease in Other Current assets		-	914,421	-	1,752,046
Net cash generated from operating activities	**A**		**(2,203,182)**		**1,362,965**
B. Cash flow from Investing Activities:					
Purchase of tangible/intangible assets including Capital advances excluding interest capitalised		(19,824,828)		(17,827,909)	
Net cash from investing activities	**B**		**(19,824,828)**		**(17,827,909)**
C. Cash flow from Financing Activities					
Interest Expense		(1,240,314)		(28,169)	
Interest paid on Short term borrowings capitalised in project development costs		(811,938)		-	
Proceeds from Short term borrowings		22,171,241		2,041,804	
Proceeds from Long Term Borrowings and current Maturities of Long term debt		20,094,000		-	
Repayment of Short term borrowings		(14,178,349)		-	
Proceeds from Issuance of Share Capital including share application money(net)		-		14,605,880	
Net cash used in Financing Activities	**C**		**26,034,640**		**16,619,515**
Net increase in cash and cash equivalents	**(A+B+C)**		**4,006,630**		**154,571**
Add:					
Cash and Cash equivalents at the beginning of the year (Refer Note 14)			**247,508**		**92,937**
Cash and Cash equivalents at the end of the year (Refer Note 14)			**4,254,138**		**247,508**

In terms of our report of even date attached
For Borkar & Muzumdar
Chartered Accountants
Firm Registration No : 101569W

For and on behalf of the Board of Directors of
Sublime Foods Private Ltd.

Nandan Pai
Partner
M No : 109394
Place : Bangalore
Date: May 4, 2016

Director
DIN: 02841752
Place : Bangalore
Date: May 4, 2016

Director
DIN: 06703644

0NOTES TO ACCOUNTS

1: SIGNIFICANT ACCOUNTING POLICIES

A. Background

The Company is engaged in the business of manufacture of speciality sauces and Chutneys.

B. Statements of Significant Accounting Policies:

a) Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year

b) OperatingCycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

c) Use Of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from estimates and assumptions used in preparing these financial statements.

d) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation and impairment loss, if any. Cost comprise purchase price, all direct expenses relating to the acquisition and installation and any attributable cost of bringing the asset to its working condition for the intended use..

All capital expenditures during construction / implementation period are included under capital work in Progress until the assets are ready for use.

e) Project Development Expenses

Expenditure directly related to Project Development is grouped under Project Development Expenses and is grouped under Capital Work in Progress. Income earned during construction period is netted off with Project Development Expenses.

f) Depreciation:

Depreciation is provided on Fixed Assets on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013. The useful lives of assets/ components of assets are adjusted based on technical valuation by the management.

g) Investments:

Investments which are long term in nature are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current investments are stated at lower of cost and fair value determined on the basis of each category of investments.

h) Employee Benefits

Defined Benefit Plans:

Gratuity and Leave encashment benefits are treated as defined benefit plans. Gratuity is provided based on actuarial valuation. Employees are entitled to carry forward unutilized leave, the liability of which is arrived based on actuarial valuation. Incremental liability for leave encashment and gratuity is charged to the Statement of Profit and Loss

i) Inventories:

Raw materials, Stores and spares and Packing Material are valued at cost. Cost is ascertained under Weighted Average Cost. Work-in-progress is valued at Cost plus production overhead.

Finished goods are valued at lower of cost and net realizable value. Cost for this purpose includes direct material, labour and appropriate portion of overheads.

j) Borrowing Costs:

Borrowing costs including Foreign exchange gain or loss on revaluation of borrowings that are directly attributable to the project development during construction / implementation period are included as part of Project Development Expenses. Other borrowing costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

k) Foreign Currency Transactions

Foreign currency transactions are recorded at the rate of exchange prevailing on the date of transaction. At the year-end, all monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rates.

Exchange differences arising on actual payment / realisation and year end re-instatement referred to above are recognized in the Statement of Profit & Loss.

l) Revenue Recognition:

Sales are recognized when goods are supplied in accordance with the terms of sale and inclusive of excise duty but net of sales tax and quantity discounts.

Interest income is accounted on an accrual basis.

m) Accounting for Leases

Lease rentals in respect of assets taken on 'Operating Lease' are charged to Statement of Profit and Loss on the basis of underlying agreements.

n) Tax on income

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Minimum Alternate tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future Income Tax liability, is recognised as an asset in the balance sheet if there is convincing evidence that the Company will normal tax and such amounts can be measured reasonably.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Asset/liability recognized in the books is reassessed at the balance sheet date for the appropriateness of their carrying values.

o) Impairment:

The Company assesses at each Balance Sheet date whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets of Cash Generating Unit and if the same is less than carrying amount, carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and recognized in the Statement of Profit & Loss. If at the Balance Sheet date there is any indication that if a previously assessed impairment loss no longer exists, the recoverable amount is re assessed and the assets are reflected at the recoverable amount.

p) Segment Reporting:

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

q) Provision, Contingent Liabilities and Contingent Assets:

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management's estimate for the amount required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current estimates of the management.

A Contingent Liability is not recognized but is disclosed in the notes, unless the possibility of an outflow of resources embodying the economic benefit is remote.

Contingent assets are neither recognized nor disclosed in the financial statements.

Sublime Foods Private Limited
Notes to the Financial Statements for the year ended 31st March 2016

Amount in INR

Note -2 Share Capital

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs.
Authorised		
20,00,000 Equity Shares of Rs. 10 each	20,000,000	20,000,000
	20,000,000	**20,000,000**
Issued, Subscribed & Paid-up Capital		
14,70,588 Equity Shares of Rs. 10 each	14,705,880	14,705,880
Total	**14,705,880**	**14,705,880**

(a) Reconciliation of number of shares outstanding and amount of share capital:

Particulars	As at 31st March 2016		As at 31st March 2015	
	No of Shares	Amount in Rs	No of Shares	Amount in Rs
Opening Balance	1,470,588	14,705,880	10,000	100,000
Issued during the Year	-	-	1,460,588	14,605,880
Closing Balance	1,470,588	14,705,880	1,470,588	14,705,880

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at 31st March 2016		As at 31st March 2015	
	No of Shares	% Held	No of Shares	%Held
Dolphin Communication Pvt Ltd	670,000	46%	670,000	46%
Future Consumer Enterprise Limited	750,000	51%	750,000	51%

Note - 3 Reserves and Surplus

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs
Revenue Reserves:		
Balance in Statement of Profit And Loss		
Balance as at the beginning of the year	(512,543)	(95,293)
Add : Net Profit (Loss) for the year	(5,188,692)	(417,250)
Balance as the end of the year	**(5,701,235)**	**(512,543)**
Total	**(5,701,235)**	**(512,543)**

Note - 4 Long term Borrowings

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs.	Rs
Secured		
Term loans		
i)From Banks		
State Bank of India Primary Security: a)Hypothecation of Plant and Machinery b)Personal Guarantees of all Directors of the Company and Third Party Guarantee by Mr.Sudhir Bhandari c)Corporate Guarantee by M/s Future Consumer Enterprise Ltd and M/s Dolphin Communication Pvt Ltd. Repayable in 60 monthly installments beginning April 2016.	21,170,686	-
Less: Current Maturities of Long Term Borrowings	1,076,686	-
Total	**20,094,000**	**-**

Note - 5 Long Term Provisions

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits		
-Gratuity- Unfunded	9,534	-
Total	**9,534**	**-**

Note - 6 Short Term Borrowings

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured		
-Loans and Advances from Related Parties	10,100,196	2,107,304
Total	**10,100,196**	**2,107,304**

Sublime Foods Private Limited
Notes to the Financial Statements for the year ended 31st March 2016

Amount in INR

Note - 7 Trade Payables

Particulars	As at 31st March 2016	As at 31st March 2015
Dues to Micro, Small and Medium enterprises	-	-
Sundry Creditors- other than dues to Micro, Small and Medium enterprises	8,020,044	-
Total	**8,020,044**	**-**

Note - 8 Other Current Liabilities

Particulars	As at 31st March 2016	As at 31st March 2015
Current Maturities of long term Debts	1,076,686	-
Interest Accrued but not due on Borrowings	258,075	-
Other Payables		
-Dues to Employees	576,748	-
-Creditors for Capital Goods		
Dues to Micro Small and Medium Enterprises	-	-
Dues to Other than Micro Small and Medium Enterpries	722,484	1,463,495
-Statutory Dues	1,314,019	336,281
Total	**3,948,012**	**1,799,776**

Note - 9 Short Term Provisions

Particulars	As at 31st March 2016	As at 31st March 2015
Provision for Employee Benefits		
-Provision for Gratuity	1,059	-
-Provision for Compenseted Absence	6,985	
Other Provisions	12,911	-
Total	**20,955**	**-**

Note - 11 Long Term Loans and Advances

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured, Considered Good		
Capital advances	1,656,076	14,601,310
Others		
Security deposits	1,767,480	-
Total	**3,423,556**	**14,601,310**

Note - 12 Inventories

Particulars	As at 31st March 2016	As at 31st March 2015
	Rs	Rs.
i. Raw Materials (Valued at Cost)	740,470	-
ii. Work in Progress (Valued at Cost plus production overheads)	104,022	
iii. Finished Goods (Valued at lower of Cost of Production or Net Realisable Value)	228,222	-
iv. Packing Material (Valued at Cost)	1,310,962	-
Total	**2,383,676**	**-**

Note - 13 Trade Receivables

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured, Considered Good		
Trade Receivables outstanding for a period above than six months	-	-
Others	4,554,630	-
Total	**4,554,630**	**-**

Note - 14 Cash and Bank Balances

Particulars	As at 31st March 2016	As at 31st March 2015
Cash in Hand	49,871	35,615
Balance with banks	4,204,267	211,893
Total	**4,254,138**	**247,508**

Note - 15 Short Term Loans and advances

Particulars	As at 31st March 2016	As at 31st March 2015
Unsecured considered Good		
Others:		
Vat Receivables	561,784	-
Advances	41,778	-
Total	**603,562**	**-**

Sublime Foods Private Limited
Notes to the Financial Statements for the year ended 31st March 2016

Note 10 Fixed Assets

Particulars		Gross Block (At Cost)				Depreciation / Amortisation				Net Block	
		As At 1st April 2015	Additions	Deductions / Adjustments	As at 31st March 2016	As At 1st April 2015	For the Year ended 31st march 2016	Deductions / Adjustments	As at 31st March 2016	As at 31st March 2016	As at 31st March 2015
Tangible Assets											
Factory Building	C.Y.	-	473,424	-	473,424	-	5,081	-	5,081	468,343	-
	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Plant and machinery*	C.Y.	-	32,099,953	-	32,099,953	-	696,069	-	696,069	31,403,884	-
	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Furniture and fittings	C.Y.	-	1,232,090	-	1,232,090	-	36,302	-	36,302	1,195,788	-
	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Electrical Installations	C.Y.	-	1,599,575	-	1,599,575	-	45,515	-	45,515	1,554,060	-
	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Lab equipments	C.Y.	-	174,390	-	174,390	-	5,015		5,015	169,375	-
	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Office equipments	C.Y.	-	203,187	-	203,187	-	12,643	-	12,643	190,544	-
	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Pipelines	C.Y.	-	677,891	-	677,891	-	14,578	-	14,578	663,313	-
	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Computers	C.Y.	-	149,189	-	149,189	-	15,572	-	15,572	133,617	-
	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Total	**C.Y.**	**-**	**36,609,699**	**-**	**36,609,699**	**-**	**830,775**	**-**	**830,775**	**35,778,924**	**-**
Total	P.Y	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)	(-)

* Includes an amount of RS. 8,11,936 being eligible borrowing costs capitalised to Plant & Machinery

Sublime Foods Private Limited
Notes to the Financial Statements for the year ended 31st March 2016

Amount in INR

Note - 16 Revenue from Operations

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Sale of Products	8,567,538	-
Less:Excise duty	166,450	-
Total	**8,401,088**	**-**

Note - 17 Other Income

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Commission received	-	134,480
Total	**-**	**134,480**

Note -18 Cost of Materials Consumed

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Raw Materials Consumed:		
Opening Stock		-
Add: Purchases	5,878,089	-
Less: Closing Stock	740,470	-
	5,137,619	-
Packing Material consumed:		
Opening Stock		-
Add: Purchases	1,956,948	-
Less: Closing Stock	1,310,962	-
	645,986	-
Total	**5,783,605**	**-**

Note -19 Changes in Inventories of finished goods and work-in-progress

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Opening Finished Goods (A)	-	-
Closing Finished Goods (B)	228,222	-
Changes Finished Goods Stock (A-B)	(228,222)	-
Opening Work in Progress (C)	-	-
Closing Work in Progress (D)	104,022	-
Changes in Work in Progress (C-D)	(104,022)	-
Total	**(332,244)**	**-**

Note - 20 Employee Benefits Expense

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Salaries, Wages and Incentives	2,596,666	116,228
Contribution to Provident and other funds	10,593	-
Staff Welfare	68,609	440
Total	**2,675,868**	**116,668**

Note - 21 Finance Costs

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Interest Expenses	925,390	28,169
Other Borrowings costs	314,924	-
Total	**1,240,314**	**28,169**

Note - 22 Operating Expenses

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Rent Plant	1,375,885	-
Power and fuel Expenses	662,365	-
Consumption Stores and Spares	39,793	-
Repairs and Maintenance Plant	117,863	-
Excise Duty on Finished Goods	4,475	-
Total	**2,200,381**	**-**

Note - 23 Other Expenses

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Rent	255,583	-
Rates & Taxes	72,342	13,100
Repairs and maintenance Others	2,300	-
Legal & Professional Fees	230,906	84,102
Travelling Expenses	413,974	-
Miscellaneous Expenses	215,976	30,691
Preliminary Expenses Written Off	-	279,000
Total	**1,191,081**	**406,893**

24. Contingent Liabilities not provided for: NIL

25. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) - Rs. Nil

26. <u>Related Party Disclosures:</u>

a) List of Related Party

Holding Company

Future Consumer Enterprise Limited

Associate Company

Dolphin Communication Private Limited

Subsidiary of Holding Company

Integrated Food Park Private Ltd

The Nilgiri Dairy Farm Private Limited

Key Managerial Personnel:

Sulabh Bhandari

b) Transaction with Related Parties

Nature of Transaction	Holding Company	Subsidiary of Holding Company
Unsecured Borrowings Received	1,01,00,196	0
	(-)	(-)
Unsecured Borrowings Repaid	0	0
	(-)	(-)
Creditors	8,49,698	37,05,314
	(-)	(8,608)
Security deposit Paid	0	12,42,480
	(-)	(-)
Trade Receivables	45,54,630	0
	(-)	(-)
Interest Payable	2,58,075	0
	(-)	(-)
Interest Expense (Note 1)	16,56,090	0
	(-)	(-)
Sale of products(including Excise duty and Including VAT)	92,06,317	0
	(-)	(-)
Power and Fuel expenses (Note 3)	0	8,94,901
	(-)	(-)
Rent Plant (Note 2)	0	26,12,098
	(-)	(8,608)
Repairs and maintenance Plant	0	70,771
	(-)	(-)
Rent-Office	0	68,486
	(-)	(-)
Purchases of Raw Materials	7,57,181	5,87,870
	(-)	(-)
Consumption of Stores and Spares	0	3,000
	(-)	(-)

Figures in bracket are for previous year.

Notes:

1: Includes an amount of Rs. 811,936 capitalized to fixed assets.

2: Includes an amount of Rs. 1,087,790 of Rent Plant, and Rs. 148,421 of Service Tax capitalized to fixed assets.

3: Includes an amount of Rs. 232,536 capitalized to fixed assets.

c) Disclosure in respect of Material Related Party Transactions during the Year:

i. Interest Expenses includes Future Consumer Enterprises Ltd Rs.16,56,090(P.Y. Rs. Nil)

ii. Unsecured Borrowings received includes Future Consumer Enterprises Ltd Rs. 1,01,00,196(P.Y. Rs.Nil)

iii. Interest Payable (Net) includes Future Consumer enterprises LtdRs. 2,58,075(P.Y. Rs. Nil)

iv. Security deposit Paid includes Integrated Food Park Private limited Rs. 1,242,480(P.Y. Rs. Nil)

v. Trade Receivables includes Future Consumer Enterprise Limited Rs. 45,54,630(P.Y. Rs. Nil)

vi. Creditors includes Future Consumer Enterprise Limited Rs.8,49,698 (P.Y. Rs. Nil), Integrated Food Park Private Limited Rs.37,02,314 (P.Y. Rs.8,608) and The Nilgiri Farm Pvt Ltd. Rs. 3,000 (P.Y. Nil)

vii. Sale of Products includes Future Consumer Enterprise Limited Rs.92,06,317 (P.Y. Rs. Nil)

viii. Rent Plant includes Integrated Food Park Private LimitedRs.2,612,098(P.Y. Rs.8,608)

ix. Power and Fuel Expenses includes Integrated Food Park Private LimitedRs.8,94,901 (P.Y. Rs. Nil)

x. Repairs and maintenance Plant paid includes Integrated Food Park Private Limited Rs.70,771 (P.Y. Rs. Nil)

xi. Rent Officeincludes Integrated Food Park Private Limited Rs.68,486 (P.Y. Rs. Nil)

xii. Purchase of Raw materials includes Future Consumer Enterprise Limited Rs.7,57,181 (P.Y. Rs. Nil) Integrated Food Park Private LimitedRs.5,04,371(P.Y. Rs. Nil)and The Nilgiri Dairy Farm Pvt Ltd. 83,499 (P.Y. Rs. Nil)

xiii. Consumption of Stores and spares includes The Nilgiri Dairy Farm Pvt Ltd. Rs. 3,000 (P.Y. Nil)

xiv. Remuneration paid to key managerial person during the year : Rs. 200,000

27. Disclosures in terms of Accounting 19- Accounting for Leases:

The Company has taken Plant (Flatted Factory) on lease from Integrated Food Park Private Limited with a lockin period of 5 years. The amount of lease costs incurred during the year is Rs. 2,6,63,821 (Previous Year: Rs. Nil). Of the above, an amount of Rs.12,36,211 (Previous Year Rs. Nil) has been capitalised to Fixed Assets during the year.

The total of future minimum lease payments under non-cancellable leases of 5 years excluding taxes for each of the following periods:

i. Not later than one year: Rs. 25,98,854 (Previous Year: Rs. Nil)
ii. Later than one year and not later than five years: Rs. 88,54,238(Previous Year: Rs. Nil)
iii. Later than five years: Rs. Nil(Previous Year: Rs.Nil)

28. Expenditure in Foreign Currency

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Foreign travel	99,005	-

29. Borrowing costs capitalised to Fixed assets during the year: Rs. 8,11,936 (Previous Year Rs.Nil)

30. Preoperative expenses Capitalised to Fixed Assets during the year: Rs.57,87,112.

31. Since the Company has only one segment reportable under Accounting Standard (AS 17) on Segment Reporting as specified in Companies (Accounts) Rules 2014 viz. Manufacture of speciality sauces and Chutneys, no further disclosures are required to comply with the said standard.

32. Value of Imports on CIF Basis: Rs. Nil (P.Y.Rs. Nil)

33. Earnings in Foreign Currency (Accrual Basis) Rs. Nil (P.Y.Rs. Nil)

34. Earnings Per Share

Numerator

The Company has only one class of equity share, hence the Profit after Tax is used for computation of earnings per share without any adjustment.

Denominator

Particulars	Year ended 31st March, 2016
No. of equity shares at the beginning of the year	1,470,588
No. of equity shares at the end of the year	1,470,588
Weighted average number of shares for Basic Earnings per share	1,470,588

35. Employee Benefits:

The following table sets out the status of Gratuity Plan and compensated absences as required under Accounting Standard 15 "Employee Benefits":

	Particulars	As At March 31, 2016	
		Gratuity	Compensated absences
I	**Changes in the Present Value of Benefit Obligation**		
	Present Value of Obligation –Opening	-	-
	Interest Cost	-	-
	Current Service Cost	17,312	11,457
	Past Service Cost	-	-
	Benefits Paid	-	-
	Actuarial (gain)/loss on Obligation	(6,719)	(4,472)
	Present Value of Obligation –closing	10,593	6,985
II	**Component of Employer's Expense**		
	Current Service Cost	17,312	11,457
	Interest Cost	-	-
	Expected Return on Plan Assets	-	-
	Net Actuarial Loss recognized in the year	(6,719)	(4,472)
	Past Service Cost	-	-
	Expenses Recognized in the Statement of Profit and Loss	10,593	6,985
III	**Movement in the Net Liability recognized in the Balance Sheet**		
	Opening Net Liability	-	-
	Expenses capitalised as project cost/Profit and loss account	10,593	6,985
	Less: Benefits Paid	-	-
	Closing Net Liability	10,593	6,985
IV	**Actuarial Assumptions**		
	Discount Rate	8%	8%
	Salary Escalation Rate	5%	5%
	Expected Return on Plan Assets	N.A	N.A

The Company does not have any category of funded plan assets.

36. Deferred tax:

Considering this is the first year of operations of the Company, deferred tax assets have not been recognised.

37. Due to Micro, Small and Medium Enterprises:

An amount of Rs.Nil(P.Y. Rs. Nil) is Due to Micro, Small and Medium Enterprises as on 31st March 2016.During the year there were no delays in payment of dues to such enterprises. This information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company.

38. Details of Managerial remuneration#:

Amount in INR

Name of the person	Year ended 31st March 2016	Year ended 31st March 2015
Salary to Sulabh Bhandari	200,000	-
Salary to Siddarth Bhandari*	13,50,000	-

#excluding contribution to Gratuity as the same is provided on actuarial basis for the Company as a whole

*includes an amount of Rs. 1224194 capitalised to Fixed assets as preoperative expenses.

39. Auditors Remuneration (included in Legal & professional fees in Note 23 including service tax)

Particulars	Year ended 31st March, 2016
Statutory Audit Fees	83,013
Other services	51,525
Total	**134,538**

40. Consumption of Raw material and Packing Materials :

Particulars	%	Year ended 31st March, 2016	%	Year ended 31st March, 2015
Imported	0%	-	-	-
Indigenous	100%	5,783,605	-	-
		5,783,605		-

41. Consumption of Stores during the year:

Particulars	%	Year ended 31st March, 2016	%	Year ended 31st March, 2015
Stores and spares (Indigenous)	100%	39,793	100%	-

42. Previous year figures have been regrouped, reclassified and recast wherever necessary to conform to the current year's presentation.