Singhi & Co.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of Happymate Foods Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Happymate Foods Limited** ("the Company"), which comprise the Balance Sheet as at March 31 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, 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 audit opinion on the financial statements.

Other Information

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

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial 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.

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.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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



Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

   (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report

   (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;

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

      i. The Company did not have any pending litigations.
      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.

SINGHI & CO. Chartered Accountants

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Anurag Singhi
Partner
Membership No. 066274

Place: Kolkata
Date: 18th May, 2019

ANNEXURE-1 TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2019, we report that:

i. (a) In respect of Fixed Assets, the Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.

(b) According to the information and explanation given to us, the fixed assets of the Company have been physically verified by the management based on a phased manner and discrepancies noted between the book records and the physical assets have been duly accounted for in the books of accounts. In our opinion, the frequency of verification is reasonable.

(c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the Company does not have immovable property in its own name.

ii. In respect of inventories, physical verification has been conducted at reasonable intervals during the year by the management and in our opinion the frequency of verification is reasonable. According to the information and explanation given to us and on the basis of our examination of the records of the company, no material discrepancies were noticed on physical verification of inventories.

iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, paragraph 3(iii) of the Order is not applicable.

iv. In our opinion and according to the information and explanations given to us, the provisions of section 185 and 186 of the Act are not applicable to the company during the year.

v. In our opinion and according to the information and explanations given to us, the Company did not receive any deposits covered under sections 73 to 76 of the Companies Act and the rules framed there under.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods & Service Tax, Duty of Customs, Duty of Excise, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed dues as above were outstanding as at 31st March, 2019 for a period of more than six months from the date they became payable.

(b) According to the records of the company examined by us and the information and explanation given to us, there are no dues of Income Tax, Service Tax, Custom duty, Excise Duty and cess which have not been deposited as on 31st March 2019 on account of any dispute.

viii. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to banks or financial institutions. There were were no debentures outstanding at any time during the year.

ix. Based on our audit procedures and according to the information and explanations given to us, the company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.

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 year.



xi. According to the information and explanation given to us and on the basis of our examination of the records of the company, the provisions of Section 197 read with Schedule V to the Act is not applicable to the company.

xii. The company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations give 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 explanations given to us and based on our examination of the records of the Company, the Company has not entered into 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 Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

Anurag Singhi
Partner
Membership No. 066274

Place : Kolkata
Date : 18th May,2019

ANNEXURE - 2 TO THE INDEPENDENT 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 **Happymate Foods Limited** ("the Company") as of 31st March 2019 in conjunction with our audit of the 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

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

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

SINGHI & CO. Chartered Accountants

Anurag Singhi
Partner
Membership No. 066274

Place : Kolkata
Date : 18th May,2019

HAPPYMATE FOODS LIMITED

CORPORATE IDENTITY NO. (CIN) - U15118WB2018PLC226457

Innovation Tower, Premises No. 16-315, Plot No. DH 6/32

Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

BALANCE SHEET AS AT 31ST MARCH, 2019

	Notes	As at 31.03.2019 Rs.
I. EQUITY AND LIABILITIES		
1. Shareholders' Funds		
(a) Share Capital	2	50,001,000
(b) Reserves and Surplus	3	(50,124,557)
(c) Money Received against Share Warrants	4	50,000,000
2. Non-Current Liabilities		
(a) Long term Provisions	5	367,329
(b) Other Non - Current Liabilities	6	32,979,720
3. Current Liabilities		
(a) Trade Payables	7	
Total outstanding dues of micro enterprises and small enterprises		640,720
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,721,658
(b) Other Current Liabilities	8	2,954,490
(c) Short Term Provisions	5	12,978
		92,553,338
II. ASSETS		
1. Non-Current Assets		
(a) Fixed Assets	9	
(i) Property, Plant & Equipment		2,714,070
(b) Loans and Advances	10	50,000,000
2. Current Assets		
(a) Current Investment	11	18,299,948
(b) Inventories	12	12,666,523
(c) Trade Receivables	13	1,250,923
(d) Cash and Cash Equivalents	14	1,280,203
(e) Loan & Advances	15	6,341,671
		92,553,338
Summary of significant accounting policies	1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Firm Registration No: 302049E
Chartered Accountants

Anurag Singhi
Partner
Membership No.: 066274

For and on behalf of the Board of Directors

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Place : Kolkata
Date : 18th May, 2019

HAPPYMATE FOODS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants

HAPPYMATE FOODS LIMITED

CORPORATE IDENTITY NO. (CIN) - U15118WB2018PLC226457

Innovation Tower, Premises No. 16-315, Plot No. DH 6/32

Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Notes	2018-19 Rs.
I. Revenue from Operations	16	8,818,980
II. Other Income	17	989,843
III. Total Revenue		9,808,823
IV. EXPENSES		
Cost of Raw Materials Consumed	18	6,168,819
(Increase) / Decrease in Inventories of Finished Goods	19	(4,286,802)
Employees Benefit Expense	20	8,128,817
Depreciation and Amortization Expenses	9	203,681
Other Expenses	21	49,718,865
		59,933,380
V. (LOSS) BEFORE TAX (III - IV)		(50,124,557)
VI. Tax Expenses:		
(a) Current Tax		-
(b) Deferred Tax		-
		-
VII. (Loss) for the Year (V - VI)		(50,124,557)
VIII. (Loss) Per Equity Share:	22	
Basic and Diluted (Nominal Value per Share Rs. 10/-)		(13.91)
Summary of significant accounting policies	1	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Firm Registration No: 302049E
Chartered Accountants

Anurag Singhi
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Banwari Lal Mittal
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HAPPYMATE FOODS LIMITED

CORPORATE IDENTITY NO. (CIN) - U15118WB2018PLC226457
Innovation Tower, Premises No. 16-315, Plot No. DH 6/32
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CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2019

(Amount in Rs.)

	Particulars	2018-19
A.	**Cash Flow from Operating Activities**	
	Loss before tax	**50,124,557**
	Adjustments for :-	
	Depreciation and Amortization Expense	**(203,681)**
	Interest on Fixed Deposit	**38,716**
	Gratuity Expenses	**(194,206)**
	Profit on sale of Current Investments	**949,948**
	Operating cash flow before working capital changes	**(50,715,334)**
	(Increase) in Loans and Advances	**(56,341,671)**
	(Increase) in Trade Receivables	**(1,250,923)**
	(Increase) in Inventories	**(12,666,523)**
	Increase in Trade Payables	**6,362,378**
	Increase in Provision	**186,101**
	Increase in Other Liabilities	**35,934,210**
	Cash (used in) operations	**(78,491,762)**
	Income Tax paid (net of refunds)	**-**
	Net cash (used in) operating activities	**(78,491,762)**
B.	**Cash Flow from Investing Activities**	
	Purchase of Property, Plant and Equipment	**(2,917,751)**
	Interest on Fixed Deposits	**38,716**
	Purchase of Current Investments	**(95,500,000)**
	Proceeds from sale of Current Investments	**78,150,000**
	Net cash generated from/(used in) investing activities	**(20,229,035)**
C.	**Cash Flows from Financing Activities**	
	Proceeds from Issue of Equity Share Capital including Securities Premium	**50,001,000**
	Proceeds from Issue of Share Warrant	**50,000,000**
	Net cash generated from financing activities	**100,001,000**
D.	**Net change in cash and cash equivalents (A+B+C)**	**1,280,203**
E.	**Cash and Cash equivalents - Opening Balance**	**-**
F.	**Cash and Cash equivalents - Closing Balance***	**1,280,203**

Components of cash and cash equivalents as indicated in Note 14 comprises of:

Cash on hand	**40,819**
Balances with scheduled banks on Current Accounts	**1,239,384**
Total	**1,280,203**

As per our attached report of even date
For Singhi & Co.
Firm Registration No: 302049E
Chartered Accountants

Anurag Singhi
Partner
Membership No.: 066274

Place : Kolkata
Date : 18th May, 2019

For and on behalf of the Board of Directors

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Notes to Financial Statements as at and for the year ended 31st March, 2019

1. Corporate Information

Happymate Foods Limited (the"Company" or"HFL") is a public company domiciled in India. The Company is incorporated in 6th June, 2018 under the provision of Companies Act, 2013 and engaged in the business of manufacturing of certain food products and sale of those products as a wholesale trader.

2. 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). The Company has prepared these financial statements to comply in all material aspects with the accounting standards notified under Section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standard) Amendment Rule, 2016. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 Summary of Significant Accounting Policies:

i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets and liabilities in future periods.

ii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

a) Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The company collects taxes on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue.

b) Fees from Professional Services are recognized as and when the services are rendered to the customers and when there is a reasonable certainty of its ultimate realisation/collection.

c) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable. Interest income is included under the head "Other Income" in the statement of profit and loss.

d) Dividend income is recognized when the shareholder's right to receive dividend is established by the balance sheet date.

e) Profit / (loss) on sale of current investments is determined based on the weighted average cost of the investments sold. Profit / (loss) on sale of current investments is included under the head "Other Income" in the statement of profit and loss.

iii) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and initial estimate of decommissioning, restoring and similar liabilities, if any. Any trade discount and rebates are deducted in arriving at the purchase price.

Such cost includes the cost of replacing part of the plant and equipment. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Gains or losses arising from de-recognition of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is de-recognised.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

HAPPYMATE FOODS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants

iv) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

v) Depreciation on Property, Plant and Equipment and Amortization on intangible assets

a. Depreciation on Property, Plant and Equipment is calculated on Written Down Value (WDV) basis using the rates arrived at based on the useful lives estimated by the management which is as per the rates specified in Schedule II to the Companies Act, 2013 except for Plant & Machinery which are lower than those indicated in Schedule II, i.e., 5 to 15 years.

b. Depreciation on Property, Plant and Equipment added/disposed off during the year is provided on prorata basis with reference to the date of addition/disposal.

c. The company has used the following useful Life to provide depreciation on its fixed asset.

Type of Assets	Useful lives estimated by the management
Plant & Equipment	5-15 years
Computer	3 years
Office Equipments	5 years
Electrical Equipments	10 years

vi) Impairment of Property, Plant & Equipment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which represents the greater of the net selling price and 'Value in use' of the assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

After impairment, depreciation / amortization is provided on the revised carrying amount of the assets over its remaining useful lives.

A previously recognized impairment loss is increased or reversed depending on the changes in the circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation / amortization if there was no impairment.

vii) Investments

Investments that are readily realisable and intended to be held for not more than one year from the date of such investment are classified as "Current Investments". All other Investments are classified as Long term Investments. Current Investments are stated at lower of cost and market rate on an individual investment basis. Long term investments are considered "at cost" on individual investment basis, unless there is a decline other than temporary in the value, in which case adequate provision is made against such diminution in the value of investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

viii) Inventories

Raw materials and packing materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected will to be sold at or above cost. Cost of raw material and packing material are determined on Weighted Average basis.

Finished goods are valued at lower of cost and net realizable value. Cost includes direct and a proportion of manufacturing overheads. Cost is determined on a weighted average basis.
Traded Goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventory to their present location and condition. Cost is determined on a specific identification of cost basis.

Net realizable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

HAPPYMATE FOODS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants

Notes to Financial Statements as at and for the year ended 31st March, 2019

ix) **Taxes 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 Income Tax Act, 1961. Deferred Income tax 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.

The deferred tax for timing differences between the book and tax profit for the year is accounted for using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax asset is recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised. If the Company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realised.

The carrying amount of deferred tax asset is reviewed at each Balance Sheet date. The company writes down the carrying amount of a Deferred Tax Asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

At each Balance Sheet date, the Company recognizes the unrecognized deferred tax asset 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 asset can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

x) **Retirement and other employees benefits**

a) Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to a reduction in future payment or a cash refund.

b) Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method at the end of each financial year. Actuarial gains / losses are recognized in full in the period in which they occur in the Statement of Profit and Loss.

c) Short term compensated absences are provided for based on estimates. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

xi) **Cash and Cash Equivalents**

Cash and cash equivalents in the cash flow statement comprise of cash at bank and Cash / Cheque on hand and short-term investments with an original maturity of three months or less.

xii) **Earnings Per Share**

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

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





Notes to Financial Statements as at and for the year ended 31st March, 2019

xiii) **Borrowing costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

xiv) **Provisions**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on best estimate required to settle the obligation, at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

xv) **Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

xvi) **Segment Reporting:**

The Company is engaged mainly in the business of trading of healthcare products. These, in the context of Accounting Standard -17 on Segment Reporting are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.





HAPPYMATE FOODS LIMITED

CORPORATE IDENTITY NO. (CIN) - U15118WB2018PLC226457

Innovation Tower, Premises No. 16-315, Plot No. DH 6/32
Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	As at 31.03.2019 Rs.
2. SHARE CAPITAL	
Authorised	
100,00,000 Equity Shares of Rs. 10/- each	**100,000,000**
	100,000,000
Issued, Subscribed and Paid-up	
50,00,100 Shares of Rs. 10/- each	**50,001,000**
	50,001,000

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

Equity Shares

	As at 31st March, 2019	
	Nos.	**Rs.**
At the beginning of the Year	-	-
Issued during the year	**5,000,100**	**50,001,000**
Outstanding at the end of the year	**5,000,100**	**50,001,000**

(b) Terms / Rights attached to the equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing in the Annual General Meeting.

(c) Share held by Holding Company

Out of the share issued by the company, shares issued by it holding company are as below :

	31.03.2019 (Rs.)
50,00,000 Equity Shares of Rs. 10 each, fully paid up	
Sastasundar Healthbuddy Limited (including shares held by its nominees)	**50,000,000**
Total	**50,000,000**

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

Name of the shareholder	31.03.2019	
	No. of shares	**% of holding**
(Equity shares of Rs. 10 each full paid up)		
Sastasundar Healthbuddy Limited (including shares held by its nominees)	5,000,000	**100%**

(e) No shares have been reserved for issue under options and contracts/commitments for the same of shares/disinvestment as at the balance sheet date.

(f) No shares have been bought back by the company during the period of 5 years, preceding the date as at which the balance sheet is prepared.

(g) No calls are unpaid by any Director and officer of the company during the period.

HAPPYMATE FOODS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants

HAPPYMATE FOODS LIMITED

CORPORATE IDENTITY NO. (CIN) - U15118WB2018PLC226457

Innovation Tower, Premises No. 16-315, Plot No. DH 6/32
Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	As at 31.03.2019 Rs.
3. RESERVES AND SURPLUS	
Surplus / (Deficit) in the Statement of Profit and Loss	
As per the last Financial Statements	-
(Loss) for the Year transferred from the Statement of Profit and Loss	(50,124,557)
	(50,124,557)
4. MONEY RECEIVED AGAINST SHARE WARRANTS	
Money Received Against Share Warrants	50,000,000
	50,000,000

5. PROVISION	Long Term As at 31.03.2019 Rs.	Short Term As at 31.03.2019 Rs.
Provision for Employee Benefits		
For Gratuity [Refer Note 23]	367,329	12,978
	367,329	12,978

6. OTHER NON - CURRENT LIABILITIES	
Trade Payable	32,979,720
	32,979,720
7. TRADE PAYABLES	
Total outstanding dues of micro and small enterprises [Refer Note 26]	640,720
Total outstanding dues of creditors other than micro and small enterprises	5,721,658
	6,362,378
8. OTHER CURRENT LIABILITIES	
Other liabilities	
- Statutory Dues Payable	983,697
- Employee Payables	1,970,793
	2,954,490

9. FIXED ASSETS

A. Property, Plant and Equipment (Amount in Rs.)

Particulars	Computers	Plant and Machinary	Office Equipments	Total
Gross Block				
At April 1, 2018	-	-	-	-
Additions	298,575	2,559,795	59,381	2,917,751
Disposals				
At March 31, 2019	**298,575**	**2,559,795**	**59,381**	**2,917,751**
Depreciation				
At April 1, 2018	-	-	-	-
Charge for the year	50,565	152,228	888	203,681
Disposals				
At March 31, 2019	**50,565**	**152,228**	**888**	**203,681**
Net Block				
At April 1, 2018	-	-	-	-
At March 31, 2019	**248,010**	**2,407,567**	**58,493**	**2,714,070**

10.NON - CURRENT LOANS AND ADVANCES	
Security Deposits	50,000,000
	50,000,000

HAPPYMATE FOODS LIMITED KOLKATA

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HAPPYMATE FOODS LIMITED

CORPORATE IDENTITY NO. (CIN) - U15118WB2018PLC226457
Innovation Tower, Premises No. 16-315, Plot No. DH 6/32
Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	No of Units	As at 31.03.2019 Rs.
11. CURRENT INVESTMENT		
(Valued at Cost or Market Value- Whichever is lower)		
Reliance Liquid Fund-Treasury Plan- Growth Plan- Growth Option	4,242.99	18,299,948
		18,299,948
Aggregate Value Of Investments		
Unquoted		18,299,948
Aggregate Net Asset Value of Mutual Fund Units		19,259,833
12. INVENTORIES		
(Valued at lower of cost and net realisable value)		
Raw Materials		3,073,276
Finished Goods		4,286,802
Packing Materials		5,306,445
		12,666,523
13. TRADE RECEIVABLES		
Outstanding for a period exceeding six months from the date they are due for payment		
(Unsecured, considered good)		-
		-
Others		
(Unsecured, considered good)		1,250,923
		1,250,923
		1,250,923
14. CASH AND CASH EQUIVALENTS		
Cash on Hand		40,819
Balances with Scheduled Banks on Current Accounts		1,239,384
		1,280,203
15. CURRENT LOAN & ADVANCES		
(Unsecured considered good)		
Security Deposit		55,000
Balance with Government Authorities		5,227,347
Advances recoverable in cash or kind or value to be received or pending adjustments		1,055,452
Advance Income Tax and Tax Deducted at Source (Net of provision Rs. NIL)		3,872
		6,341,671

HAPPYMATE FOODS LIMITED KOLKATA

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HAPPYMATE FOODS LIMITED

CORPORATE IDENTITY NO. (CIN) - U15118WB2018PLC226457

Innovation Tower, Premises No. 16-315, Plot No. DH 6/32
Action Area - 1D, New Town, Rajarhat, Kolkata - 700 156

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

	2018-19 Rs.
16 REVENUE FROM OPERATIONS	
Sale of Products	
Finished Goods	8,818,980
	8,818,980
17. OTHER INCOME	
Interest on Fixed Deposit	38,716
Profit on sale of Current Investments	949,948
Miscellaneous Income	1,179
	989,843
18. COST OF RAW MATERIALS CONSUMED	
Food Ingredients	
Inventory at the beginning of the year	-
Add : Purchases	9,242,095
Less : Inventory at the end of the year	3,073,276
	6,168,819
Details of raw materials consumed	
Food Ingredients	6,168,819
19. (INCREASE) / DECREASE IN INVENTORIES OF FINISHED GOODS	
Inventories at the beginning of the year	
Finished Goods	-
	-
Inventories at the end of the year	
Finished Goods	4,286,802
	4,286,802
	(4,286,802)
20. EMPLOYEE BENEFITS EXPENSE	
Salary, Bonus	7,552,652
Contribution to Provident Fund	262,003
Contribution to Employees' State Insurance	98,831
Gratuity Expense [Refer Note 23]	194,206
Staff Welfare Expenses	21,125
	8,128,817
9. DEPRECIATION AND AMORTISATION EXPENSE	
Depreciation of Property, Plant and Equipment	203,681
	203,681
21. OTHER EXPENSES	
Advertisement Expenses	32,305,894
Business Promotion Expenses	1,324,389
Conversion Charges	8,047,529
Packing Materials Consumed	1,571,858
Testing Charges	132,368
Logistic Expenses	961,481
Service Charges	1,821,030
Electricity Expenses	89,813
Repair & Maintenance	148,674
Travelling and Conveyance	912,874
Insurance	7,998
Bank and Demat Charges	2,996
Legal and Professional fees	830,872
Rent	282,000
Rates & Taxes	17,100
Filling Fees	4,800
Printing & Stationery	154,073
Communication Expenses	24,626
Auditor's Remuneration	
Audit Fees	45,000
Preliminary Expenses	882,645
Miscellaneous Expenses	150,845
	49,718,865
22. EARNING PER SHARE	
Basis for calculation of Basic and Diluted Earnings Per Share is as under:	
(Loss) after tax (Rs.)	(50,124,557)
Weighted Average Number of Equity Shares (Nos)	3,602,812
Nominal Value of each Equity Share (Rs.)	10.00
(Loss) Per Equity Share (Rs.)	(13.91)

HAPPYMATE FOODS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants

Notes to the financial statements as at and for the year ended 31st March, 2019

23 The Company has a defined employee benefit plan in the form of gratuity. Every employee, who has completed five years or more of services, is entitled to gratuity on terms not less favorable than the provisions of the payment of Gratuity Act, 1972. The scheme is funded with Life Insurance Corporation of India from the current year.

The following tables summaries the components of gratuity expenses recognised in the Statement of Profit and Loss and in Balance Sheet.

	Particulars	2018-19 (Rs.)
(i)	**Net Employee Expense /(benefit)**	
	Current service cost	**132,197**
	Interest cost on benefit Obligation	**7,174**
	Net Actuarial (gain) /loss recognised in the year	**54,835**
	Total employer expense / (benefit) recognised in Statement of Profit and Loss	**194,206**
(iii)	**Benefit Asset/(Liability)**	
	Defined benefit obligation	**380,307**
	Fair value of Plan Assets	**-**
	Benefit Asset/(Liability)	**(380,307)**
(iv)	**Movement in benefit liability**	
	Opening defined benefit obligation	**-**
	Acquisition Adjustment#	**186,101**
	Interest cost on benefit obligation	**7,174**
	Current service cost	**132,197**
	Benefits paid	**-**
	Actuarial (gains)/losses on obligation	**54,835**
	Closing benefit obligation	**380,307**
(vii)	**The principal actuarial assumptions are as follows**	
	Discount Rate	**7.71%**
	Salary increase	**6%**
	Withdrawal rates	**1%**
(viii)	**Amount incurred as expense for defined contribution plans**	
	Contribution to Provident / Pension fund	**262,003**
	Contribution to Employees State Insurance	**98,831**
(ix)	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.	
(x)	The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.	
(xi)	The Company expects to contribute Rs. 10,00,000 (2017-18: Rs. NIL) to gratuity fund April, 2019 to March, 2020.	
(xii)	**Amounts for the current year and previous years are as follows :**	**Year Ended 31st March, 2019**
	Gratuity	
	Defined Benefit Obligation	**380,307**
	Surplus / (Deficit)	**(380,307)**
	Experience adjustments on plan liabilities	**54,835**

* Due to change in Gratuity Benefit from Rs. 10,00,000 to Rs. 20,00,000

#Acquisition adjustment in the form of Gratuity in respect of employee transferred to Happymate Foods Limited has been transferred by Sastasundar Healthbuddy Limited(formerly Microsec Health Buddy Limited).

24 Related Party in terms of Accounting Standard 18 and as per the Companies Act, 2013 are given below:

a **Name of related parties and description of relationship**

i) Related parties where control exists

Holding Company / Ultimate Holding Company

Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited), Holding Company
Sastasundar Ventures Limited (Formerly Microsec Financial Services Limited), Ultimate Holding Company

ii) Name of other related parties with whom transactions have taken place during the year

a) Fellow Subsidiary Companies/Limited Liability Partnership

Sastasundar Marketplace Limited (Formerly Sastasundar Shop Private Limited)
Innogrow Technologies Limited (formerly Microsec Technologies Limited)
Genu Path Labs Limited
Retailer Shakti Supply Chain Private Limited

b) Key Management Personnel

Mr. Banwari Lal Mittal, Director
Mr. Ravi Kant Sharma, Director

HAPPYMATE FOODS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants

HAPPYMATE FOODS LIMITED

NOTES TO THE FINANCIAL STATEMENT AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2019

(Amount in Rs.)

24.(b) Details of Related Party Transactions

Particulars	Sastasundar Healthbuddy Limited (Formerly Microsec Health Buddy Limited)	Retailer Shakti Supply Chain Private Limited	Innogrow Technologies Limited (Formerly Microsec Technologies Limited)	Total
Proceeds from Issuance of Share Capital	50,000,000	-	-	**50,000,000**
	(-)	(-)	(-)	(-)
Purchase of Goods	3,164,817	-	-	**3,164,817**
	(-)	(-)	(-)	(-)
Sale of Goods	5,332,430	2,635,628	-	**7,968,058**
	(-)	(-)	(-)	(-)
Conversion Charges	8,047,530	-	-	**8,047,530**
	(-)	(-)	(-)	(-)
Rent Expense	-	-	282,000	**282,000**
	(-)	(-)	(-)	(-)
Amount Paid towrads Office Maintenance & Electricity Expense	-	-	131,813	**131,813**
	(-)	(-)	(-)	(-)
Other Expenses	-	8,992	-	**8,992**
	(-)	(-)	(-)	(-)
Amount Payable (Net)	2,479,737	-	20,580	**2,500,317**
	(-)	(-)	(-)	(-)
Amount Receivable (Net)	-	1,247,185	-	**1,247,185**
	(-)	(-)	(-)	(-)

SINGHI & CO. Chartered Accountants

HAPPYMATE FOODS LIMITED KOLKATA

Notes to the financial statements as at and for the year ended 31st March, 2019

25 Deferred Tax Asset / (Liability) (Net)

Deferred Tax Asset has not been recognized in these accounts in view of the Accounting Policy specified in significant policies in Note 1(ix) above.

26 Details of dues to Micro and Small Enterprises as defined under the MSMED Act,2006

Particulars		As at 31st March, 2019
		Rs.
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at end of each accounting year		
Principal amount due to micro and small enterprises		**640,720**
Interest due on above		**Nil**
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to supplier beyond the appointed day during each the accounting year		
Principal		**Nil**
Interest		**Nil**
iii) The amount of interest due and payable for the period of delay in making payment (which been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006		**Nil**
iv) The amount of interest accrued and remaining unpaid at the end of each accounting year		**Nil**
v) The 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 the Micro Small and Medium Enterprise Development Act, 2006.		**Nil**

27 Material Consumed

Particulars	2018-19	
	Amount (Rs.)	%
Imported	-	-
Indigenous	6,168,819	100
Total	**6,168,819**	**100**

* Includes innumerable items in respect of which disclosure of quantitative detail is not practical.

28 Segment Reporting

The Company has only one business segment and its operations are also confined to one geographical segment i.e. India. As such, no further disclosure under Accounting reportable segments under Accounting Standard -17.

29 Capital and Other Commitments

Estimated amount of Fixed Assets to be acquired from its holding Company, Sastasundar Healthbuddy Limited amounting to be Rs.1,89,80,000.

30 Share Warrants

Company had issued five share warrants at a subscription price of Rs 1,00,00,000/- each to Benett, Coleman and Company Limited. The Face Value of the warant is Rs. 10,00,00,000/- The terms and conditions of share warrants in accordance with the Share Purchase cum Warrant Subscription Agreement" Warrant Agreement" are as follows:

On Excercise of warrant, it entitles holder to subscribe to and alloted the Share at a minimum price of or at a higher price determined in terms of Article 2.3 of the Warrant Agreement. In case of occurance of any liquidity event in terms of Article 2.4 of warrant agreement prior to excercise of warrant at revised price calculated in terms of Article 2.3 of the warrants agreement.

Company has also entered into Advertisement agreement with Benett Coleman and Company Limited for long term credit facility for release of advertisement to the tune of Rs. 50,00,00,000/-. The warrant exercise amount shall first be utilised for the payment of line of credit in terms of Article 4 of the Advertisement Agreemnet.

HAPPYMATE FOODS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants

Notes to the financial statements as at and for the year ended 31st March, 2019

31 The Company was incorporated in 6th June, 2018, accordingly there are no previous year figures for this Financial Statements.

As per our Report of even date

For Singhi & Co.
Firm Registration No: 302049E
Chartered Accountants

Anurag Singhi
Partner
Membership No.: 066274

For and on behalf of Board of Directors

Banwari Lal Mittal
Director
DIN : 00365809

Ravi Kant Sharma
Director
DIN : 00364066

Place: Kolkata
Date : 18th May, 2019

HAPPYMATE FOODS LIMITED KOLKATA

SINGHI & CO. Chartered Accountants