Independent Auditors' Report
To the Members of International Bakery Products Limited
Report on the Ind AS financial statements

We have audited the accompanying Ind AS financial statements of **International Bakery Products Limited** ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flow and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's responsibility for the 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act with relevant rules issued thereunder.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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 Ind AS financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the financial position of the Company as at March 31, 2017, and its financial performance including other comprehensive income, its profit, its cash flows and the changes in equity for the year ended on that date.

Report on other legal and regulatory requirements

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

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
   (c) The balance sheet, the statement of profit and loss, the statement of cash flow and the statement of changes in equity dealt with by this report are in agreement with the books of account.
   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
   (e) On the basis of written representations received from the directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

i The Company has disclosed the impact of pending litigations on its financial position in these Ind AS financial statements - Refer Note 28 to the Ind AS financial statements;

ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv The Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer note 35 to the Ind AS financial statements.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

SD/-
Amar Sunder
Partner
Membership No. 078305
Place: Chennai
Date: 23 May 2017

Annexure A to the Independent Auditors' Report to the members of International Bakery Products Limited for the year ended 31 March 2017

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. However, none of the fixed assets have been physically verified by the management during the current year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between physical stock and book records were not material.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required to be maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) The Company does not have any loan, investment, guarantee and security which requires compliance under Sections 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3(iv) of the Order is not applicable.

(v) The Company has not accepted deposits from the public.

(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 records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of excise, value added tax, cess and any other material statutory dues have generally been regularly deposited during the period by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of customs.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, value added tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of duty of excise as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of the Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty	4,092,296	2007-08 to 2011-12	Additional Commissioner of Central Excise
Central Excise Act, 1944	Excise duty	356,610	2013-14	Assistant Commissioner
Income-tax Act, 1962	Income tax	1,428,677	AY 1998-99 to 2005- 06	High Court of Judicature, Madras

(viii) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding loans or borrowings to any financial institution, banks, government or dues to debenture holders during the year.

(ix) 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 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) The Company has not paid or provided for any managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.

Annexure A to the Independent Auditors' Report to the members of International Bakery Products Limited for the year ended 31 March 2017 (continued)

(xii) In our opinion and according to the information and explanations given to us, 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 Ind AS 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 under review.

(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 them. 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 **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

SD/-
Amar Sunder
Partner
Membership No. 078305
Place: Chennai
Date: 23 May 2017

Annexure B to the Independent Auditor's Report to the members of International Bakery Products Limited for the year ended 31 March 2017

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 **International Bakery Products Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Ind AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 2017, 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 **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/W-100022

SD/-
Amar Sunder
Partner
Membership No: 078305
Place: Chennai
Date: 23 May 2017

International Bakery Product Limited

Balance Sheet as at 31 March 2017

(All amounts are in Indian Rupees, except share data or as stated)

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Assets				
Non-current assets				
Property, plant and equipment	5	337,616,811	247,607,760	245,419,298
Capital work-in-progress	5	4,800,444	67,751,936	7,128,392
Deferred tax assets (net)	6	2,963,922	-	-
Other tax assets	7	13,135,205	21,109,928	19,998,384
Other non-current assets	8	5,623,719	4,045,789	4,438,747
Total non-current assets		**364,140,101**	**340,515,413**	**276,984,821**
Current assets				
Inventories	9	8,782,789	8,038,012	8,576,848
Financial assets				
Trade receivables	10	3,220,297	3,419,155	3,129,148
Cash and cash equivalents	11	17,087,785	18,515,154	16,416,935
Loans	12	2,556,842	2,623,156	2,583,941
Other current assets	13	78,168,501	41,788,479	22,495,724
Total current assets		**109,816,214**	**74,383,956**	**53,202,596**
Total assets		**473,956,315**	**414,899,369**	**330,187,417**
Equity and liabilities				
Equity				
Equity share capital	15	14,500,000	14,500,000	5,000,000
Other equity	16			
582 0% Fully Convertible Debentures of Rs. 100,000 each	4	58,200,000	58,200,000	67,700,000
Retained earnings	4	16,211,611	(958,233)	(6,398,104)
Others (including items of other comprehensive income)	4	973,530	2,204,269	-
Total equity		**89,885,141**	**73,946,036**	**66,301,896**
Non-current liabilities				
Financial liabilities				
Borrowings	17	242,357,065	224,347,314	188,767,262
Provisions	18	11,772,192	8,966,517	6,471,726
Total non-current liabilities		**254,129,257**	**233,313,831**	**195,238,988**
Current liabilities				
Financial liabilities				
Trade payables	19	25,671,977	12,792,260	20,468,427
Other financial liabilities	20	35,730,453	24,124,501	19,955,261
Provisions	18	147,100	4,124,228	3,434,437
Other current liabilities	21	68,392,387	66,598,513	24,788,408
Total current liabilities		**129,941,917**	**107,639,502**	**68,646,533**
Total equity and liabilities		**473,956,315**	**414,899,369**	**330,187,417**

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/ W-100022

SD/-
Amar Sunder
Partner
Membership No: 078305

Place: Chennai
Date: 23 May 2017

for and on behalf of the Board of Directors of
International Bakery Product Limited

SD/-
Vinay Singh Kushwaha
Director

Place: Bangalore
Date: 23 May 2017

SD/-
Venkatraman Natarajan
Director

Place: Bangalore
Date: 23 May 2017

International Bakery Product Limited

Statement of profit and loss for the year ended 31 March 2017

(All amounts are in Indian Rupees, except share data or as stated)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	22	358,866,846	340,426,756
Other income	23	2,678,053	1,609,766
Total income		**361,544,899**	**342,036,522**
Expenses:			
Employee benefits expenses	24	80,950,048	91,704,169
Finance costs	25	23,473,034	19,506,955
Depreciation and amortisation expense	5	21,891,312	18,179,400
Other expenses	26	216,942,099	205,925,545
Total expenses		**343,256,493**	**335,316,069**
Profit before tax		**18,288,406**	**6,720,453**
Tax expense:			
Current tax: MAT for the year		4,082,484	1,280,582
Deferred tax charge / (credit)		(2,963,922)	-
		1,118,561	1,280,582
Profit for the year		**17,169,844**	**5,439,871**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Defined benefit actuarial gains and losses		(1,584,427)	2,723,169
Income tax relating to items that will not be reclassified to profit or loss		353,688	(518,900)
Total comprehensive income net of tax		**15,939,105**	**7,644,140**
Earnings per share (for continuing operations)			
Basic earning per share		11.84	6.07
Diluted earning per share		2.36	0.81
Weighted average number of equity shares used in computing earnings per share:			
- Basic		1,450,000	895,833
- Diluted		7,270,000	6,715,833
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/ W-100022

for and on behalf of the Board of Directors of
International Bakery Product Limited

SD/-
Amar Sunder
Partner
Membership No: 078305

Place: Chennai
Date: 23 May 2017

SD/-
Vinay Singh Kushwaha
Director

Place: Bangalore
Date: 23 May 2017

SD/-
Venkatraman Natarajan
Director

Place: Bangalore
Date: 23 May 2017

International Bakery Product Limited

Statement of changes in equity for the year ended 31 March 2017
(All amounts are in Indian Rupees, except share data or as stated)

a. Equity share capital

		No of shares	Amount
Balance as at 1 April 2015		500,000	5,000,000
Changes in equity share capital during 2015 - 2016	15	950,000	9,500,000
Balance as at 31 March 2016		**1,450,000**	**14,500,000**
Changes in equity share capital during 2016 - 2017	15	-	-
Balance as at 31 March 2017		**1,450,000**	**14,500,000**

b. Other equity

	582 0% Fully Convertible Debentures of Rs. 100,000 each	Retained earnings	Other comprehensive income: Other items of other comprehensive income	Total other equity
Balance as at 1 April 2015	67,700,000	(6,398,104)	-	61,301,896
Profit for the year	-	5,439,871	-	5,439,871
Debentures converted during the year	(9,500,000)			(9,500,000)
Other comprehensive income for the year, net of tax impact	-	-	2,204,269	2,204,269
Balance as at 31 March 2016	**58,200,000**	**(958,233)**	**2,204,269**	**59,446,036**
Profit or loss	-	17,169,844	-	17,169,844
Other comprehensive income for the year, net of tax impact	-	-	(1,230,739)	(1,230,739)
Balance as at 31 March 2017	**58,200,000**	**16,211,611**	**973,530**	**75,385,141**

Significant accounting policies 2

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/ W-100022

for and on behalf of the Board of Directors of
International Bakery Product Limited

SD/-
Amar Sunder
Partner
Membership No: 078305

Place: Chennai
Date: 23 May 2017

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Director

Place: Bangalore
Date: 23 May 2017

SD/-
Venkatraman Natarajan
Director

Place: Bangalore
Date: 23 May 2017

International Bakery Product Limited

Cash flow statement for the year ended 31 March 2017

(All amounts are in Indian Rupees, except share data or as stated)

	Note	As at 31 March 2017	As at 31 March 2016
Cash flow from operating activities			
Profit before tax from continuing operations		18,288,406	6,720,453
Adjustments for :			
Depreciation of property, plant & equipment		21,891,312	18,179,400
Remeasurement of post employment benefit obligations		(1,584,427)	2,723,169
Interest income		(893,451)	(787,611)
Finance costs		23,473,034	19,506,955
		61,174,874	**45,823,466**
Change in operating assets and liabilities			
Decrease/(increase) in inventories		(744,777)	538,836
Increase in trade receivables		198,858	(290,007)
Increase in loans and other current assets		(38,003,934)	(19,734,930)
Increase/ (decrease) in trade payable		12,879,717	(7,676,167)
Increase in provisions		(1,171,453)	3,184,582
Increase in other current liabilities		1,712,216	36,363,252
Cash generated from operating activities		**36,045,501**	**58,209,033**
Income tax paid, net of refund		4,245,927	(2,392,126)
Net cash from operating activities		**40,291,428**	**55,816,907**
Cash flow from investing activities			
Acquisition of property, plant and equipment		(45,303,863)	(72,129,458)
Interest received		781,027	787,611
Net cash from investing activities		**(44,522,836)**	**(71,341,847)**
Cash flow from financing activities			
Interest paid		(18,673,715)	(19,895,196)
Repayment of borrowing		(19,122,246)	(19,481,642)
Availment of unsecured loans, net		40,600,000	56,999,997
Net cash from financing activities		**2,804,039**	**17,623,159**
Net change in cash and cash equivalents		**(1,427,369)**	**2,098,219**
Cash and cash equivalents at beginning of year		18,515,154	16,416,935
Cash and cash equivalents at end of year		**17,087,785**	**18,515,154**
Cash and cash equivalents comprise of:			
Cash on hand		13,895	17,878
Balances with banks		17,073,890	18,497,276
Cash and cash equivalents as per cash flow statement		**17,087,785**	**18,515,154**
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No: 101248W/ W-100022
SD/-
Amar Sunder
Partner
Membership No: 078305

Place: Chennai
Date: 23 May 2017

for and on behalf of the Board of Directors of
International Bakery Product Limited

SD/-
Vinay Singh Kushwaha
Director

Place: Bangalore
Date: 23 May 2017

SD/-
Venkatraman Natarajan
Director

Place: Bangalore
Date: 23 May 2017

1 Background

International Bakery Products Limited ('IBPL' / 'Company') was incorporated on April 2, 1997. The Company is a subsidiary of Britannia Industries Limited, a public company incorporated in India. The Company is primarily engaged in manufacturing of various biscuits for Britannia Industries Limited ('BIL') and caters to domestic markets.

2 Basis of preparation

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 4.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are in Indian Rupees, except share data or as stated.

2.3 Use of estimates

In preparing these financial statements, management has made judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Critical estimates and judgments
The areas involving critical estimates and judgements:
Note 32 – measurement of defined benefit obligations: key actuarial assumptions
Note 14 - impairment of financial assets
Note 18 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow resources.
Note 22 - Detemination of contract contains a lease
Note 3.2 – Estimated useful life of tangible and intangible assets

2.4 Measurement of fair values

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair values of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

3 Significant accounting policies

3.1 Financial instruments

i. Recognition and initial measurement
Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement
Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

3.1 Financial instruments (continued..)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.2 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

(All amounts are in Indian Rupees, except share data or as stated)

3.2 Property, plant and equipment (continued..)

iii. Subsequent expenditure

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

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Useful life
Leasehold land	Lease period
Buildings	3-60 years
Plant and machinery	7.5-15 years
Furniture and office equipments	10 years
Vehicles	8 years
Office equipments	5 years
Computers	3 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets. Estimates in respect of certain items of plant and equipment were revised in 2016.

3.3 Inventories

Stores and spares are valued at the lower of cost and net realisable value. Cost of inventories comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost includes all taxes and duties, but excludes duties and taxes that are subsequently recoverable from tax authorities. The costs of inventories is determined using weighted average method of valuation.

3.4 Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:
- financial assets measured at amortised cost; and
- financial assets measured at FVOCI - debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

3.4 Impairment (continued..)

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. 12 month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

3.5 Employee benefits

(i) Short-term employee benefits

Short-term employee benefit are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme and contributions equal to specified percentage of the covered employees salary to a fund managed by LIC as Super annuation. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then

3.6 Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.7 Revenue recognition

Rendering of services:
Conversion charges are accrued based on the production of manufactured goods from the factory premises.

3.8 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

3.8 Leases (continued..)

ii. Assets held under leases

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

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

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

3.9 Recognition of dividend income, interest income or expense

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.10 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

3.10 Income tax (continued..)

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.11 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowings of funds. Borrowing costs directly attributable to acquisitions or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that assets. Other borrowing costs are recognised as an expenses in the period in which they are incurred.

3.12 Cash and cash equivalents

Cash and cash equivalent comprise of cash on hand and at banks including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as other bank balances.

4 Explanation of transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2015 (the Company's date of transition).

In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provision of the Act (previous GAAP or Indian GAAP). An explanation for how the transition from previous GAAP to IND AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Optional exemptions availed and mandatory exceptions
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A Optional exemptions availed

a. Property plant and equipment and intangible assets

Ind AS 101 permits a first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.
Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value

b. Determining whether an arrangement contains a lease
Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts.

B. Mandatory exceptions

a. Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Fair valuation of financial instruments carried at FVOCI
- Impairment of financial assets based on the expected credit loss model

b. Derecognition of financial assets and liabilities
Ind AS 101 requires a first time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the de-recognition requirement in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition principles of Ind AS 109 prospectively from the date of transition to Ind AS.

c. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition.

(All amounts are in Indian Rupees, except share data or as stated)

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (April 1, 2015)

	As at date of transition 1 April 2015			As at 31 March 2016		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets						
Non-current assets						
Property, plant and equipments	245,419,298	-	245,419,298	247,607,760	-	247,607,760
Capital work-in-progress	7,128,392	-	7,128,392	67,751,936	-	67,751,936
Deferred tax assets (net)	-	-	-	-	-	-
Other tax assets	19,998,384	-	19,998,384	21,109,928	-	21,109,928
Other non-current assets	4,438,747	-	4,438,747	4,045,789	-	4.045,789
Total non-current assets	**276,984,821**	**-**	**276,984,821**	**340,515,413**	**-**	**340,515,413**
Current assets						
Inventories	8,576,848	-	8,576,848	8,038,012	-	8,038,012
Financial assets						
Trade receivables	3,129,148	-	3,129,148	3,419,155	-	3,419,155
Cash and cash equivalents	16,416,935	-	16,416,935	18,515,154	-	18,515,154
Loans	2,583,941	-	2,583,941	2,623,156	-	2,623,156
Other current assets	22,495,724	-	22,495,724	41,788,479	-	41,788,479
Total current assets	**53,202,596**		**53,202,596**	**74,383,956**		**74,383,956**
Total assets	**330,187,417**		**330,187,417**	**414,899,369**		**414,899,369**

	As at date of transition 1 April 2015			As at 31 March 2016		
	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Equity and liabilities						
Equity						
Equity share capital	5,000,000	-	5,000,000	14,500,000	-	14,500,000
Other equity						
582 0% Fully Convertible Debentures of Rs. 100,000 each	-	67,700,000	67,700,000	-	58,200,000	58,200,000
Retained earnings	(6,398,104)	-	(6,398,104)	1,764,936	(2,723,169)	(958,233)
Others (including items of other comprehensive income)	-	-	-	-	2,204,269	2,204,269
Total equity	**(1,398,104)**	**67,700,000**	**66,301,896**	**16,264,936**	**57,681,100**	**73,946,036**
Non-current liabilities						
Financial liabilities						
Borrowings	256,467,262	(67,700,000)	188,767,262	282,547,314	(58,200,000)	224,347,314
Provisions	6,471,726	-	6,471,726	8,966,517	-	8,966,517
Total non-current liabilities	**262,938,988**	**(67,700,000)**	**195,238,988**	**291,513,831**	**(58,200,000)**	**233,313,831**
Current liabilities						
Financial liabilities						
Trade payables	20,468,427	-	20,468,427	12,792,260	-	12,792,260
Other financial liabilities	19,955,261	-	19,955,261	24,124,501	-	24,124,501
Provisions	3,434,437	-	3,434,437	4,124,228	-	4,124,228
Other current liabilities	24,788,408	-	24.788,408	66,598,513	-	66,598,513
Total current liabilities	**68,646,533**		**68,646,533**	**107,639,502**		**107,639,502**
Total liabilities	**331,585,521**		**263,885,521**	**399,153,333**		**340,953,333**
Total equity and liabilities	**330,187,417**		**330,187,417**	**415,418,269**		**414,899,369**

(All amounts are in Indian Rupees, except share data or as stated)

D Reconciliation of total comprehensive income for the year ended 31 March 2016

	As at date of transition 1 April 2016		
	Previous GAAP*	**Adjustment on transition to Ind AS**	**Ind AS**
Revenue from operations	340,426,756	-	340,426,756
Other income	1,609,766	-	1,609,766
Total income	**342,036,522**		**342,036,522**
Expenses			
Employee benefit expense	88,981,000	2,723,169	91,704,169
Finance costs	19,506,955	-	19,506,955
Depreciation and amortisation expense	18,179,400	-	18,179,400
Other expenses	205,925,545	-	205,925,545
Total expenses	**332,592,900**		**335,316,069**
Profit before tax	9,443,622		6,720,453
Current tax	1,799,482	-	1,799,482
Deferred tax	-	-	-
Income tax expense	**1,799,482**		**1,799,482**
Profit for the year	**7,644,140**		**4,920,971**

Reconciliation of comprehensive income for the year ended 31 March 2016

Other comprehensive income	
Items that will not be reclassified subsequently to profit or loss	
Remeasurement of defined benefit liability(asset)	2,204,269
Net other comprehensive income not to be classified to profit or loss	**2,204,269**
Other comprehensive income for the period, net of income tax	**2,204,269**
Total comprehensive income for the period	**2,204,269**

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

a. Actuarial gain or loss

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP, the Company recognised actuarial gains and losses in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2015 or as on 31 March 2016.

b. Fair valuation of investments

In accordance with Ind AS, financial assets representing investment in mutual funds have been fair valued. The Company has designated these investments as fair value through profit or loss as permitted by Ind AS 109. Under the previous GAAP, the application of the relevant accounting standard resulted in all these investments being carried at cost.

c. Retained earnings

The above changes (decreased) increased total equity as follows:

	1 April 2015	31 March 2016
Defined benefit actuarial gains and losses	-	(2,723,169)
Increase in total equity	**-**	**(2,723,169)**

(All amounts are in Indian Rupees, except share data or as stated)

5 Property, Plant and Equipment

Particulars	Land - freehold	Land - leasehold	Buildings	Plant and machinery	Furniture, fittings and office equipments	Computers and computers accessories	Motor vehicles	Total
Cost or deemed cost (Gross carrying amount)								
As at 1 April 2015	**12,114,754**	**16,184,338**	**158,601,580**	**137,294,528**	**9,062,922**	**1,194,383**	**-**	**334,452,505**
Additions during the year	-	243,000	11,972,813	3,602,411	4,156,708	58,261	334,670	20,367,863
Disposals during the year	-	-	-	-	-	-	-	-
As at 31 March 2016	**12,114,754**	**16,427,338**	**170,574,393**	**140,896,939**	**13,219,630**	**1,252,644**	**334,670**	**354,820,368**
Additions during the year	-	-	90,230,814	2,491,917	19,164,939	12,692	-	111,900,363
Disposals during the year	-	-	-	-	-	-	-	-
As at 31 March 2017	**12,114,754**	**16,427,338**	**260,805,207**	**143,388,856**	**32,384,569**	**1,265,336**	**334,670**	**466,720,731**
Depreciation								
As at 1 April 2015	-	**94,465**	**17,048,822**	**63,343,779**	**7,681,985**	**864,157**	**-**	**89,033,208**
Additions during the year	-	177,237	5,547,553	10,811,622	1,509,157	130,515	3,316	18,179,400
Disposals during the year	-							-
As at 31 March 2016	-	**271,702**	**22,596,375**	**74,155,401**	**9,191,142**	**994,672**	**3,316**	**107,212,608**
Additions during the year	-	178,558	7,569,370	11,204,098	2,769,100	128,353	41,834	21,891,312
Disposals during the year	-	-	-	-	-	-	-	-
As at 31 March 2017	-	**450,260**	**30,165,745**	**85,359,499**	**11,960,242**	**1,123,025**	**45,150**	**129,103,920**
Carring amount (Net)								
As at 1 April 2015	**12,114,754**	**15,977,078**	**230,639,462**	**58,029,357**	**20,424,327**	**142,311**	**289,520**	**337,616,811**
As at 31 March 2016	**12,114,754**	**16,155,636**	**147,978,018**	**66,741,538**	**4,028,488**	**257,972**	**331,354**	**247,607,760**
As at 31 March 2017	**12,114,754**	**16,089,873**	**141,552,758**	**73,950,749**	**1,380,937**	**330,226**	-	**245,419,298**
Capital work-in-progress								
Carrying amounts of:								
As at 1 April 2015								7,128,392
Additions during the year								67,751,936
Assets capitalised during the year								7,128,392
As at 31 March 2016								67,751,936
Additions during the year								4,800,444
Assets capitalised during the year								67,751,936
As at 31 March 2017								4,800,444

Notes

1 Borrowing costs amounting to Rs. 3,338,630 (31 March 2016 : INR 2,619,178 have been capitalised during the year.

(All amounts are in Indian Rupees, except share data or as stated)

6 Deferred tax asset, net

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax liabilities			
Excess of depreciation/ amortistion of fixed assets under Income-tax law over depreciation amortisation provided in the books	13,017,589	10,606,621	8,068,653
	13,017,589	**10,606,621**	**8,068,653**
Deferred tax assets			
Provision for employee benefits	7,936,990	8,295,821	1,591,083
Unabosrbed depreciation and carry forward losses	2,516,244	2,310,801	6,477,570
MAT credit entitlement	5,528,278	-	-
	15,981,511	**10,606,621**	**8,068,653**
Deferred tax charge / (credit)	**(2,963,922)**	**-**	**-**

Deferred tax assets and deferred tax liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax assets have not been recognised because it is probable that future taxable profit will be available against which the Company can use the benefits therefrom.

The gross movement in the deferred income tax account for the year ended 31 March 2017 and 31 March 2016, are as follows:

	Year ended 31 March 2017	Year ended 31 March 2016
Net deferred income tax liability (asset) at the beginning	-	-
Credits / (charge) relating to temporary differences	(2,963,922)	-
Net deferred income tax liability (asset) at the end	(2,963,922)	-

(All amounts are in Indian Rupees, except share data or as stated)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
7 Other tax assets			
(Unsecured, considered good unless otherwise stated)			
Other Loans and Advances			
- Advance income tax and tax deducted at source	13,135,205	21,109,928	19,998,384
	13,135,205	**21,109,928**	**19,998,384**
8 Other non-current assets			
(Unsecured, considered good unless otherwise stated)			
Capital Advances	-	224,720	1,020,638
Deposits	5,623,719	3,821,069	3,418,109
	5,623,719	**4,045,789**	**4,438,747**
9 Inventories			
Stores and spare parts	8,782,789	8,038,012	8,576,848
	8,782,789	**8,038,012**	**8,576,848**
10 Trade receivables			
(Unsecured, considered good unless otherwise stated)			
Receivables from related parties	3,220,297	3,419,155	3,129,148
	3,220,297	**3,419,155**	**3,129,148**
11 Cash and bank balances			
Cash in hand	13,895	17,878	81,326
Balances with banks			
- On current accounts	1,316,182	2,829,774	2,670,534
- Deposits with original maturity for more than 3 months but less than 12 months	15,757,708	15,667,502	13,665,075
	17,087,785	**18,515,154**	**16,416,935**
12 Loans			
(Unsecured, considered good unless otherwise stated)			
Advance to employees	2,556,842	2,623,156	2,572,421
Others	-	-	11,520
	2,556,842	**2,623,156**	**2,583,941**
13 Other current assets			
(Unsecured, considered good unless otherwise stated)			
Advance to supplier	600,525	684,341	1,646,199
Prepayments	2,205,458	1,191,090	811,698
Balances with government authorities	30,448,242	25,576,727	2,815,089
Interest accrued and due on deposit	112,424	-	-
Unbilled revenue	44,801,852	14,336,321	17,222,738
	78,168,501	**41,788,479**	**22,495,724**

(All amounts are in Indian Rupees, except share data or as stated)

14 Financial instruments

a. Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	17,087,785	-	-	-	-	17,087,785	17,087,785
Trade receivables	3,220,297	-	-	-	-	3,220,297	3,220,297
Other financial assets	2,556,842	-	-	-	-	2,556,842	2,556,842
Total	**22,864,924**	-	-	-	-	**22,864,924**	**22,864,924**
Liabilities:							
Trade payables	25,671,977	-	-	-	-	25,671,977	25,671,977
Borrowings	242,357,065	-	-	-	-	242,357,065	242,357,065
Other financial liabilities	35,730,453	-	-	-	-	35,730,453	35,730,453
Total	**303,759,495**	-	-	-	-	**303,759,495**	**303,759,495**

The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	18,515,154	-	-	-	-	18,515,154	18.515,154
Trade receivables	3,419,155	-	-	-	-	3,419,155	3,419,155
Other financial assets	2,623,156	-	-	-	-	2,623,156	2,623,156
Total	**24,557,465**	-	-	-	-	**24,557,465**	**24,557,465**
Liabilities:							
Trade payables	12,792,260	-	-	-	-	12,792,260	12,792,260
Borrowings	224,347,314	-	-	-	-	224,347,314	224,347,314
Other financial liabilities	24,124,501	-	-	-	-	24,124,501	24,124,501
Total	**261,264,075**	-	-	-	-	**261,264,075**	**261,264,075**

a. Financial instruments by category (continued

The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows:

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	16,416.935	-	-	-	-	16,416,935	16,416,935
Trade receivables	3,129,148	-	-	-	-	3,129,148	3,129,148
Other financial assets	2,583,941	-	-	-	-	2,583,941	2,583,941
Total	**22,130,024**	**-**	**-**	**-**	**-**	**22,130,024**	**22,130,024**
Liabilities:							
Trade payables	20,468,427	-	-	-	-	20,468,427	20,468,427
Borrowings	188,767,262	-	-	-	-	188.767,262	188,767,262
Other financial liabilities	19,955,261	-	-	-	-	19,955,261	19,955,261
Total	**229,190,950**	**-**	**-**	**-**	**-**	**229,190,950**	**229,190,950**

b. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Market risk
- Credit risk and
- Liquidity risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

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

Financial risk factors

(i) Market risk

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

(ii) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, certain loans and advances and other financial assets. Trade receivables and unbilled revenue, if any are typically unsecured and are derived from revenue earned from customers. The carrying amount of financial assets represents the maximum credit exposure.

The Company's exposure to credit risk is as follows:

INR Lakhs	31 March 2017	31 March 2016	1 April 2015
Third party customers	-	-	-
Related parties	3,220,297	3,419,155	3,129,148
Total	**3,220,297**	**3,419,155**	**3,129,148**
Cash and cash equivalents	17,087,785	18,515,154	16,416,935
Deposits and other receivables	8,180,561	6,668,945	7,022,688
	28,488,643	**28,603,254**	**26,568,771**

(All amounts are in Indian Rupees, except share data or as stated)

b. Financial risk management (continued..)

Trade and other receivables

This balance is primarily constituted by receivabels to Britannia Industries Limited, Holding Company. The Company does not expect any losses from non-performance by these counter-parties.

Cash and bank balances

The Company held cash and cash equivalents with credit worthy banks and financial institutions as at the reporting dates which has been measured on the 12-month expected loss basis. The credit worthiness of such banks and financial institutions are evaluated by the management on an ongoing basis and is considered to be good with low credit risk.

Deposits and other receivables

This balance is primarily constituted by deposits given to Tamil Nadu Electricity Board, advance to vendors and others. The Company does not expect any losses from non-performance by these counter-parties.

(iii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2017:

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Trade payables	25,671,977	22,027,492	3,644,485	-	-
Other financial liabilities	35,730,453	-	-	-	-
	61,402,430	22,027,492	3,644,485	-	-

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2016:

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Trade payables	12,792,260	12,367,159	425,101	-	-
Other financial liabilities	24,124,501	-	-	-	-
	36,916,761	12,367,159	425,101	-	-

The table below provides details regarding the contractual maturities of financial liabilities as of 1 April 2015:

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Trade payables	20,468,427	-	-	-	-
Other financial liabilities	19,955,261	-	-	-	-
	40,423,688	-	-	-	-

(All amounts are in Indian Rupees, except share data or as stated)

15 Share capital

	As at 31 March 2017	As at 31 March 2016
Authorised		
Equity shares	**15,000,000**	**15,000,000**
1,500,000 (31 March 2016: 1,500,000) equity shares of Rs.10 each		
Issued, subscribed and paid up		
Equity shares fully paid	14,500,000	14,500,000
1,450,000 (31 March 2016:: 1,450,000) equity shares of Rs.10 each fully paid up		
	14,500,000	**14,500,000**

(a) Reconciliation of shares outstanding at the beginning and at the end of the year is as under:

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity shares:				
At the commencement of the year	1,450,000	14,500,000	500,000	5,000,000
Add: Shares issued during the year (refer note 12e)	-	-	950,000	9,500,000
At the end of the year	**1,450,000**	**14,500,000**	**1,450,000**	**14,500,000**

(b) Terms / rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Shares held by holding company and / or their subsidiaries / associates

	As at 31 March 2017		As at 31 March 2016	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity shares of Rs. 10 each fully paid up held by:				
Britannia Industries Limited., holding company	1,320,009	13,200,090	1,320,009	13,200,090
Manna Foods Private Limited., fellow subsidiary	129,990	1,299,900	129,990	1,299,900
Britannia Dairy Private Limited., fellow subsidiary	1	10	1	10

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

	As at 31 March 2017		As at 31 March 2016	
	Number of equity shares	**% of total equity shares**	**Number of equity shares**	**% of total equity shares**
Equity shares of Rs. 10 each fully paid held by:				
Britannia Industries Limited., holding company	1,320,009	91.04%	1.320,009	91.04%
Manna Foods Private Limited., fellow subsidiary	129,990	8.96%	129,990	8.96%

(e) Aggregate number of equity shares issued for consideration other than cash

NIL (31 March 2016: 950,000) equity shares of Rs. 10 each have been allotted as fully paid up pursuant to the conversion of 0% Optionally fully convertible debentures to equity share without payment being received in cash.

(All amounts are in Indian Rupees, except share data or as stated)

16 Other equity

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Retained earnings	16,211,611	(958,233)	(6,398,104)
582 (31 March 2017:582) 0% Fully Convertible Debentures of Rs. 100,000 each (refer note below)	58,200,000	58,200,000	67,700,000
Others (including items of other comprehensive income)	973,530	2,204,269	-
	75,385,141	**59,446,036**	**61,301,896**

582 0% Fully Convertible Debentures of Rs. 100,000 each, will be converted into Equity Shares (5,820,000 equity shares) of the face value of Rs.10 each at the end of the 20 year period.

45 debentures allotted on December 21, 2011 and 50 debentures allotted on October 21, 2011 aggregating to Rs. 9,500,000 have been converted into 950,000 equity shares of Rs. 10 each during the year ended 31 March 2016.

Analysis of accumulated OCI, net of tax

Other items of OCI			
Remeasurements of defined benefit liability (asset)	973,530	2,204,269	-
Closing balance	**973,530**	**2,204,269**	**-**

	As at 31 March 2017	As at 31 March 2016
(i) Remeasurements of defined benefit liability (asset)		
Opening balance	2,204,269	-
Remeasurements of defined benefit liability (asset)	(1,230,739)	2,204,269
Closing balance	**973,530**	**2,204,269**

Capital management

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

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
17 Borrowings			
Non-current borrowings			
From related party			
Loan from Britannia Industries limited, Holding Company	242,357,065	224,347,314	188,767,262
	242,357,065	**224,347,314**	**188,767,262**

Terms and repayment schedule	Currency	Nominal interest rate	Year of maturity	Carrying amount at 31 March 2017	Carrying amount at 31 March 2016	Carrying amount at 1 April 2015
Unsecured loan from related party	INR	10%	2022-23	12,812,887	14,298,346	15,643,000
Unsecured loan from related party	INR	10%	2021-22	150,861,154	168,497,942	186,634,932
Unsecured loan from related party	INR	10%	2026-27	102,600,000	62,000,000	5,000,000

18 Provisions

Particulars	Non current portion			Current portion		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
-Gratuity (refer note 32)	11,772,192	8,966,517	6,471,726	-	3,971,644	3,313,001
-Leave encashment	-	-	-	147,100	152,584	121,436
	11,772,192	**8,966,517**	**6,471,726**	**147,100**	**4,124,228**	**3,434,437**

(All amounts are in Indian Rupees, except share data or as stated)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
19 Trade payables			
Current			
total outstanding dues to micro enterprises and small enterprises *	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	25,671,977	12,792,260	20,468,427
	25,671,977	**12,792,260**	**20,468,427**

*Refer note 34.

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note 14.

20 Other financial liabilities			
Current			
Current maturities of long term debt (refer note 17)	23,916,976	20,448,973	18,510,670
Interest accrued and due	11,813,477	3,675,528	1,444,591
	35,730,453	**24,124,501**	**19,955,261**

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note 14.

21 Other current liabilities			
Advance from customers	43,751,342	39,047,682	17,236,556
Payable towards purchase of fixed assets			
Payable to micro and small enterprises (refer note 34)	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	6,127,278	6,045,620	598,767
Statutory liabilities	3,290,466	4,106,861	4,512,163
Employee benefit payable	15,223,301	17,398,349	2,440,922
	68,392,387	**66,598,513**	**24,788,408**

(All amounts are in Indian Rupees, except share data or as stated)

	For the year ended 31 March 2017	For the year ended 31 March 2016
22 Revenue from operations		
Sale of services		
- Conversion Income	327,543,815	310,274,956
Lease income	31,323,031	30,151,800
	358,866,846	**340,426,756**
23 Other income		
Interest income	893,451	787,611
Miscellaneous income	1,784,602	822,155
	2,678,053	**1,609,766**
24 Employee benefit expenses		
Salaries, wages and bonus	61,608,574	67,647,181
Contribution to provident and other funds	8,452,222	12,507,516
Staff welfare expenses	10,889,252	8,826,303
	80,950,048	**88,981,000**
25 Finance cost		
Interest expense	26,811,664	22,126,133
Less: borrowing cost capitalised (refer note 5)	3,338,630	2,619,178
	23,473,034	**19,506,955**
26 Other expenses		
Consumption of stores and spares	15,196,059	17,842,703
Rates and taxes	1,219,287	1,151,679
Power and fuel	63,315,358	65,513,451
Laboratory charges	777,433	404,829
Repairs and maintenance:		
- Plant and equipment	9,260,612	10,232,265
- Buildings	2,725,600	6,443,816
- Others	3,300,327	2,883,478
Site maintenance expenses	1,369,138	1,240,086
Contract labour	101,896,410	85,822,006
Security charges	4,412,202	3,480,137
Factory expenses	3,280,061	2,102,306
Insurance	2,324,214	1,391,530
Bank charges	5,627	10,903
Printing and stationery	1,042,815	965,794
Travelling and conveyance	2,760,112	2,656,383
Communication expenses	392,890	458,317
Legal and professional fees (refer note 30)	1,716,530	1,264,561
Gifts and compliments	776,830	963,281
Miscellaneous expenses	1,170,594	1,098,020
	216,942,099	**205,925,545**

(All amounts are in Indian Rupees, except share data or as stated)

27 Earnings Per Share (EPS)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Earnings:		
Profit after tax as reported	17,169,844	5,439,871
Shares:		
Weighted average number of equity shares outstanding during the period for calculation of basic EPS	1,450,000	895,833
Effect of dilutive potential equity shares:		
582 0% Fully Convertible Debentures of Rs. 100,000 each	5,820,000	5,820,000
Weighted average number of equity shares for calculation of dilutred EPS	7,270,000	6,715,833
Earnings per share (nominal value of share Rs. 10)		
Basic	11.84	6.07
Diluted	2.36	0.81

28 Contingent liabilities and commitments

Contingent liabilities:		
ii) Disputed excise duty matters	4,448,906	4,448,906
ii) Disputed income tax matters	3,309,873	1,428,677
Commitments:		
i) Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	51,440	28,492,515

29 Payment to auditors, excluding service tax (included in professional charges under note 26)

Statutory audit	180,000	180,000
Tax audit and other services	70,000	50,000
Out of pocket expenses	31,400	12,800
	281,400	**242,800**

30 Consumption of imported and indigenous stores and spares

	Year ended 31 March 2017		Year ended 31 March 2016	
	Amount	**Percentage**	**Amount**	**Percentage**
Indigenous	15,196,059	100%	17,842,703	100%
Imported	-	0%	-	0%
	15,196,059	**100%**	**17,842,703**	**100%**

31 Segment reporting

The Company is engaged into only one business namely manufacture of biscuits and rusk and the operations primarily cater to the needs of the domestic market. Accordingly there are no separate reportable segments according to Ind AS 108 'Operating Segment' issued under the Companies (Indian Accounting Standards) Rules, 2015.

(All amounts are in Indian Rupees, except share data or as stated)

32 Retirement benefits

a. Gratuity plan

The following table sets out the status of the gratuity plan as required under Ind AS 19

Change in projected benefit obligation	**For the year ended 31 March 2017**	**For the year ended 31 March 2016**
Projected benefit obligations at the beginning of the year	32,431,275	27,808,124
Service cost	1,551,853	1,358,022
Interest cost	2,368,364	2,202,403
Benefits settled	(1,226,987)	(1,741,216)
Actuarial (gain) / loss	(1,918,622)	2,803,942
Projected benefit obligations at the end of the year	**33,205,883**	**32,431,275**
Change in plan assets		
Fair value of plan assets at the beginning of the year	19,493,114	18,023,397
Expected return on plan assets	1,501,779	1,427,453
Employer contributions	2,000,000	1,702,707
Benefits settled	(1,226,987)	(1,741,216)
Actuarial gain / (loss)	(334,215)	80,773
Fair value of plan assets at the end of the year	**21,433,691**	**19,493,114**
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefits at the end of the year	33,205.883	32,431,275
Funded status of the plan	21,433,691	19,493,114
Funded status amount of liability / (asset) recognised in the balance sheet	**11,772,192**	**12,938,161**
(i) Expense recognised in Profit and loss account		
Service cost	1,551,183	1,358,022
Interest cost	866,605	774,950
Expected returns on plan assets	-	-
	2,417,788	**2,132,972**
(ii) Remeasurements recognised in Other comprehensive income		
Actuarial loss	(1,584,427)	2,723,169
Net gratuity cost	**833,361**	**4,856,141**
Financial assumptions at Balance sheet date:		
Discount rate	6.90%	7.86%
Estimated rate of return on plan assets	6.90%	7.86%
Salary escalation	5.00%	5.00%
Attrition rate	2.00%	2.00%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Note:

(i) Plan assets comprise of contribution to Group Gratuity Scheme of Life Insurance Corporation of India.

(ii) The gratuity expenses have been recognised in 'Contribution to provident and other funds' under Note 24 to the notes.

b. The Company had valued its liability towards compensated absences as at 31 December 2016 by an independent actuary. The Company has not recorded additional provision for the period 1 January 2017 to 31 March 2017. The management believes that the liability, if any, that would have arisen, had the said liability been valued actuarially as at 31 March 2017, is not expected to be material.

(All amounts are in Indian Rupees, except share data or as stated)

33 Related party transactions

a) Names of related parties and nature of relationship are as follows:

Nature of relationship	Name of the related party
Ultimate holding company	The Bombay Burmah Trading Corporation Limited
Holding company	Britannia Industries Limited ('BIL')

b) Details of related party transactions for the year ended March 31, 2017

Nature of transactions	For the year ended 31 March 2017	For the year ended 31 March 2016
	Holding Company	Holding Company
Conversion charges income	358,866,846	340,426,756
Loan taken	40,600,000	57,000,000
Repayment of loan	17,636,788	19,481,642
Conversion of debentures into share capital	-	9,500,000
Advance received	5,000,000	15,500,000
Interest paid	26,811,664	22,126,133

Balances at year end	As at 31 March 2017	As at 31 March 2016
	Holding Company	Holding Company
Advance received from customer	19,680,740	19,742,645
Amount receivable	3,220,297	3,419,155
Excise reimbursement payable	24,070,602	19,305,037
Unbilled revenue	44,801,852	14,336,321
Loan payable (including interest accrued and due)	278,087,518	248,471,815

34 Due to micro and small suppliers

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 has been made in the financials statements based on information received and available with the Company, to the extent identified by the management. The balances due as at 31 March 2017 to micro and small enterprises are as follows.

Particulars	As at 31 March 2017	As at 31 March 2016
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
Principal	-	-
Interest	-	-
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting period	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
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.	-	-

(All amounts are in Indian Rupees, except share data or as stated)

35 Disclosure of specified bank notes

During the year, the Company has specified bank notes or other denomination note as defined in the MCA Notification G.S.R 308(E) dated 31 March 2017 on the details of specified bank notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. The denomination wise SBN and other notes as per the notification are given below:

Particulars	SBNs	Other denimonation Notes	Total
Closing cash in hand as on Nov 8, 2016	33,500	4,417	37,917
Add: Permitted receipts		3,835	3,835
Less: Permitted payments		4,709	4,709
Less: Amount deposited in banks (net of withdrawal)	33,500		33,500
Closing cash in hand as on December 30, 2016	-	**3,543**	**3,543**

For the purpose of this clause, the term specified bank note shall have the same meaning provided in the notification of the Government of India, the Ministry of Finance - Department of Economic Affairs No. S.O.3407 (E), dated November 8, 2016.

36 Transfer pricing

The Company has domestic transactions with related parties. For the financial year ended 31 March 2016, the Company has obtained the Accountant's report from a Chartered Accountant as required by the relevant provisions of the Income-tax Act, 1961 and has filed the same with the tax authorities. For the current year, the management confirms that it maintains documents as prescribed by the Income - tax Act to prove that these International transactions are at arm's length and the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

for **B S R & Co. LLP**
Chartered Accountants
Firm Registration No: 101248W/ W-100022

SD/-
Amar Sunder
Partner
Membership No: 078305

Place: Chennai
Date: 23 May 2017

for and on behalf of the Board of Directors of
International Bakery Product Limited

SD/-
Vinay Singh Kushwaha
Director

Place: Bangalore
Date: 23 May 2017

SD/-
Venkatraman Natarajan
Director

Place: Bangalore
Date: 23 May 2017