

Daily Bread Gourmet Foods (India) Private Limited
Balance Sheet

Amount in rupees in thousands

As at	Note	31 March 2018	31 March 2017
I	Assets		
(1)	Non-current assets		
	(a) Intangible assets	66	106
	(b) Other non-current assets	10	-
	Total non-current assets	76	106
(2)	Current assets		
	(a) Financial asset		
	(i) Trade receivables	1,879	2,308
	(ii) Cash and cash equivalents	3,415	820
	(iii) Other financial assets	33,976	33,976
	(b) Other current assets	11	-
	Total current assets	39,281	37,104
	Total assets	39,357	37,210
II	Equity and liabilities		
(1)	Equity		
	(a) Equity share capital	316,726	316,726
	(b) Other equity	(278,735)	(279,596)
	Total equity	37,991	37,130
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Trade payables	1,107	-
	(ii) Other financial liabilities	241	80
	(b) Other current liabilities	18	-
	Total current liabilities	1,366	80
	Total equity and liabilities	39,357	37,210
	Significant accounting policies	3	

See accompanying notes to financial statements

As per our report of even date attached

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

for and on behalf of the Board of Directors
Daily Bread Gourmet Foods (India) Private Limited
CIN : U01549KA2003PTC031859

Sd/-
Nasim Ahamed Delvi

Director
DIN : 07052856

Sd/-
Anshu
Director and Chief Financial
Officer
DIN : 07052842

Sd/-
Vikash Gupta
Partner
Membership number: 064597

Place: Bangalore
Date: 11 May 2018

Sd/-
Suhas M V
Company Secretary

Place: Mumbai
Date: 11 May 2018

Place: Mumbai
Date: 11 May 2018

Daily Bread Gourmet Foods (India) Private Limited
Statement of profit and loss

Amount in rupees in thousands

For the year ended	Note	31 March 2018	31 March 2017
I Revenue from operations			
Sale of goods	15	14,308	16,784
Other operating income	16	1,540	783
Total Income		15,848	17,567
II Expenses:			
Cost of materials consumed		13,496	9,215
Employee benefit expenses	17	290	4,345
Amortisation expense	4	40	39
Other expenses	18	1,161	7,979
Total expenses		14,987	21,578
III Profit/(Loss) before tax (I-II)		861	(4,011)
IV Tax expense:			
(i) Current tax		-	-
(ii) Deferred tax charge / (credit)		-	-
		-	-
V Profit/(loss) for the year (III-IV)		861	(4,011)
VII Total comprehensive income for the year(V-VI)		861	(4,011)
Earnings per share			
Basic [in Rs]	23	0.01	(0.05)
Diluted [in Rs]	23	0.01	(0.05)
Weighted average number of equity shares used in computing earnings per share:			
- Basic and diluted		79,181,418	79,181,418
Significant accounting policies	3		

See accompanying notes to financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

Daily Bread Gourmet Foods (India) Private Limited

CIN : U01549KA2003PTC031859

Sd/-
Nasim Ahamed Delvi

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Membership number: 064597

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Suhas M V
Company Secretary

Place: Mumbai
Date: 11 May 2018

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Daily Bread Gourmet Foods (India) Private Limited
Statement of changes in equity

Amount in rupees in thousands

Particulars	Equity share capital	Other equity			Total equity attributable to equity holders of the Company
		Reserves and surplus		Other comprehensive income	
		Securities premium	Retained earnings	Other items of OCI	
Balance as at 1 April 2016	316,726	4,532	(280,117)	-	41,141
Profit for the year	-	-	(4,011)	-	(4,011)
Balance as at 31 March 2017	316,726	4,532	(284,128)	-	37,130

Particulars	Equity share capital	Other equity			Total equity attributable to equity holders of the Company
		Reserves and surplus		Other comprehensive income	
		Securities premium	Retained earnings	Other items of OCI	
Balance as at 1 April 2017	316,726	4,532	(284,128)	-	37,130
Profit for the year	-	-	861	-	861
Balance as at 31 March 2018	316,726	4,532	(283,267)	-	37,991

See accompanying notes to financial statements

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Sd/-

Vikash Gupta

Partner

Membership number: 064597

Place: Bangalore

Date: 11 May 2018

for and on behalf of the Board of Directors

Daily Bread Gourmet Foods (India) Private Limited

CIN : U01549KA2003PTC031859

Sd/-

Nasim Ahamed Delvi

Director

DIN : 07052856

Sd/-

Suhas M V

Company Secretary

Place: Mumbai

Date: 11 May 2018

Sd/-

Anshu

Director and

Chief Financial Officer

DIN : 07052842

Place: Mumbai

Date: 11 May 2018

Daily Bread Gourmet Foods (India) Private Limited
Statement of Cash flow

Amount in rupees in thousands

For the year ended	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit/ (loss) before tax	861	(4,011)
Adjustments for :		
Amortisation of intangible assets	40	39
Provision for bad debts	469	362
	1,370	(3,610)
Changes in		
Trade receivables	(40)	1,817
Other current and non-current assets and other financial assets	(21)	-
Trade payable, liabilities and provisions	1,286	(55)
Cash generated from/ (used in) operating activities	2,595	(1,848)
Net cash from/ (used in) operating activities	2,595	(1,848)
Cash flow from investing activities	-	-
Cash flow from financing activities	-	-
Net change in cash and cash equivalents	2,595	(1,848)
Cash and cash equivalents at beginning of year	820	2,668
Cash and cash equivalents at end of year	3,415	820
Note:		
Cash and cash equivalent at the end of the year (refer note 7)	3,415	820
	3,415	820

See accompanying notes to financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

Daily Bread Gourmet Foods (India) Private Limited

CIN : U01549KA2003PTC031859

Sd/-

Nasim Ahamed Delvi

Director

DIN : 07052856

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Anshu

Director and

Chief Financial Officer

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Vikash Gupta

Partner

Membership number: 064597

Place: Bangalore

Date: 11 May 2018

Sd/-

Suhas M V

Company Secretary

Place: Mumbai

Date: 11 May 2018

Place: Mumbai

Date: 11 May 2018

Daily Bread Gourmet Foods (India) Private Limited

Notes to financial statements

1 Reporting entity

Daily Bread Gourmet Foods (India) Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at 16th Floor, Tower C, Prestige Shanthinikethan, Whitefield Main Road, Mahadevapura, Bangalore, Karnataka - 560048. The Company has been incorporated under the provisions of the Companies Act applicable in India. The Company is a 100% subsidiary of Britannia Industries Limited. The Company is involved in the sale of food products.

2 Basis of preparation

- A. 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 as amended notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 11 May 2018.

Details of the Company's accounting policies are included in Note 3.

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest thousands, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis.

D. Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 21 - leases: whether an arrangement contains a lease and ;
- Note 21 - lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 20 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment
- Notes 6 to 8 and Note 23 - impairment of financial assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company 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 valuation team regularly reviews significant unobservable inputs and valuation adjustments.

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 value 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 a 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.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 23 - financial instruments.

Daily Bread Gourmet Foods (India) Private Limited
Notes to financial statements (continued)

3. Significant accounting policies

(a) Intangible assets

Intangible assets are initially measured at cost and subsequently measured at cost less accumulated amortisation any accumulated impairment loss.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight- line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	6 years

These intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for these intangible assets are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on the intangible assets with finite lives is recognised in the statement of profit and loss.

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

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(b) Impairment

(i) Financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in profit or loss.

(ii) Non -financial assets

Intangible assets

Intangibles are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognized for the asset in prior years.

(c) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases, where the Company is a lessor, is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflation.

Daily Bread Gourmet Foods (India) Private Limited

Notes to financial statements (continued)

3. Significant accounting policies (continued)

(d) Inventories

Inventories are valued at the lower of cost (including prime cost, non-refundable taxes and other overheads incurred in bringing the inventories to their present location and condition) computed on a first-in-first-out basis, and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

(e) Financial instruments

i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order 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.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it 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.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries, joint venture and associates

Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.

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 right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company 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 a new financial liability with modified terms is recognised in the Statement of Profit and 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 realise the asset and settle the liability simultaneously.

(f) Revenue recognition

Revenue from sale of goods and sale of scrap is recognised, when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from the sale of goods and sale of scrap is measured at the fair value of the consideration received or receivable, exclusive of tax and net of sales return, trade discounts and volume rebates.

Daily Bread Gourmet Foods (India) Private Limited
Notes to financial statements (continued)

3. Significant accounting policies (continued)

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

(g) 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.

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 transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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.

Deferred tax assets recognised or unrecognised 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.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

(h) Provisions and contingent liabilities

i. General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Onerous contracts

Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(i) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Daily Bread Gourmet Foods (India) Private Limited

Notes to financial statements (continued)

3. Significant accounting policies (continued)

(j) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(k) Short term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expense in the period in which the employee renders the related service.

(l) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

(m) Recent accounting pronouncements

Standards issued but not effective:

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Sales of goods

For the sale of goods, revenue is currently recognised when related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

ii. Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings and NCI. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Daily Bread Gourmet Foods (India) Private Limited
Notes to financial statements (continued)

Note 4 - Intangible Assets

Reconciliation of carrying amount

Amount in rupees in thousands

Description	Gross carrying amount				Amortisation				Carrying amounts (net)
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	Charge for the year	On deletions during the year	As at 31 March 2018	As at 31 March 2018
<i>Own assets</i>									
Computer software	184	-	-	184	78	40	-	118	66
Total	184	-	-	184	78	40	-	118	66

Description	Gross carrying amount				Amortisation				Carrying amounts (net)
	As at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	Charge for the year	On deletions during the year	As at 31 March 2017	As at 31 March 2017
<i>Own assets</i>									
Computer software	184	-	-	184	39	39	-	78	106
Total	184	-	-	184	39	39	-	78	106

Daily Bread Gourmet Foods (India) Private Limited
Notes to the financial statements (continued)

As at	Amount in rupees in thousands	
	31 March 2018	31 March 2017
Note 5 - Other non-current assets		
<i>Unsecured, considered good</i>		
Prepaid expenses	10	-
	10	-
Note 6 - Trade receivables		
Unsecured		
Considered good	1,879	2,308
Considered doubtful	469	-
Less: Provision for doubtful debts	(469)	-
	1,879	2,308
	1,879	2,308
The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 22.		
Note 7 - Cash and cash equivalents		
Cash and cash equivalents:		
- Current accounts	3,415	820
	3,415	820
Note 8 - Other financial assets		
Receivable from related party (Refer note 26)	33,976	33,976
	33,976	33,976
Note 9 - Other current assets		
<i>Unsecured, considered good</i>		
Prepaid expenses	11	-
	11	-

Daily Bread Gourmet Foods (India) Private Limited
Notes to financial statements (continued)

Amount in rupees in thousands

As at	31 March 2018	31 March 2017
Note 10 - Share capital		
Authorised		
Equity shares	320,000	320,000
[80,000,000 equity shares of Rs 4 each 31 March 2017: 80,000,000 of Rs 4 each]		
Issued, subscribed and paid-up		
Equity shares fully paid-up	316,726	316,726
[79,181,418 equity shares of Rs 4 each 31 March 2017: 79,181,418 equity shares of Rs 4 each]*		
	316,726	316,726

Equity shares:

* Of the above 79,181,418 equity shares of Rs. 4 each (31 March 2017: 79,181,418 equity shares of Rs. 4 each) are held by Britannia Industries Limited (BIL), the holding company, and 1 equity share of Rs. 4 each (previous year: 1 equity share of Rs. 4 each) is held by the nominee of Britannia Industries Limited. The Bombay Burmah Trading Corporation Limited is the ultimate holding company.

Rights attached to the equity shares:

- The Company has only one class of shares referred to as equity shares having a par value of Rs. 4 /-. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes:

a) Shares in respect of equity in the company held by its holding or ultimate holding company, including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Holding company				
Britannia Industries Limited*	79,181,418	316,726	79,181,418	316,726

*excludes shares held by the nominee of Britannia Industries Limited

b) Details of shareholders holding more than 5% of total number of equity shares:

	31 March 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Britannia Industries Limited*	79,181,418	99.99%	79,181,418	99.99%

*excludes shares held by the nominee of Britannia Industries Limited

c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	79,181,418	316,726	79,181,418	316,726
Movement during the reporting year	-	-	-	-
Closing balance at the end of the reporting year	79,181,418	316,726	79,181,418	316,726

Note 11 - Other Equity

Balance as at 1 April 2016

Net profit after tax transferred from the statement of

Balance as at 31 March 2017

Balance as at 1 April 2017

Net profit after tax transferred from the statement of

	Securities Premium	Retained Earnings	Total
Balance as at 1 April 2016	4,532	(280,117)	(275,585)
Net profit after tax transferred from the statement of	-	(4,011)	(4,011)
Balance as at 31 March 2017	4,532	(284,128)	(279,596)
Balance as at 1 April 2017	4,532	(284,128)	(279,596)
Net profit after tax transferred from the statement of	-	861	861

Balance as at 31 March 2018

<u>4,532</u>	<u>(283,267)</u>	<u>(278,735)</u>
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Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Daily Bread Gourmet Foods (India) Private Limited**Notes to the financial statements (continued)****Note 12 - Trade Payables**

Amount in rupees in thousands

As at	31 March 2018	31 March 2017
Total outstanding dues of micro and small enterprises [refer note below]	-	-
Total outstanding dues of other than micro and small enterprises*	1,107	-
	1,107	-

Note:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2018. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:

- Principal	-	-
- Interest	-	-

(b) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year

-	-
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(c) The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year

-	-
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(d) 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 year) but without adding the interest specified under MSMED Act, 2006

-	-
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(e) The amount of interest accrued and remaining unpaid at the end of each accounting year

-	-
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(f) 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 purposes of disallowance as a deductible expenditure under the MSMED Act, 2006

-	-
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*Includes dues to related party (refer note 27)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 23

Note 13 - Other financial liabilities

As at	31 March 2018	31 March 2017
Other payables	-	80
Payable to employees	41	-
Accrued expenses	200	-
	241	80

Note 14 - Other current liabilities

As at	31 March 2018	31 March 2017
Statutory liabilities	18	-
	18	-

Daily Bread Gourmet Foods (India) Private Limited
Notes to the financial statements (continued)

Amount in rupees in thousands

For the year ended	31 March 2018	31 March 2017
Note 15 - Sale of goods		
Sale of goods	14,308	16,784
	14,308	16,784
Note 16 - Other operating revenues		
Other operating revenues	1,381	783
Royalty income	159	-
	1,540	783
Note 17 - Employee benefit expenses		
Salaries, wages and bonus	290	3,670
Contribution to provident and other funds	-	277
Staff welfare expenses	-	398
	290	4,345
Note 18 - Other expenses		
	31 March 2018	31 March 2017
Rent (refer note 20)	336	791
Power and fuel	-	1,183
Carriage, freight and distribution	-	1,110
Other overheads	-	1,457
Advertising and sales promotion	-	48
Security and house keeping	-	397
Repairs and maintenance		
- Plant and machinery	-	858
Provision for bad debts	469	362
Legal and professional	103	893
Travel and conveyance	4	250
Rates and taxes	16	139
Communication	-	103
Insurance	-	17
Printing and stationery	25	118
Bank charges	10	100
Audit fees (a):		
- Audit fees	69	65
- Expenses reimbursed	6	15
Miscellaneous	123	73
	1,161	7,979

(a) Excluding applicable taxes

Daily Bread Gourmet Foods (India) Private Limited**Notes to the financial statements (continued)**

Amount in rupees in thousands

Note 19 - Contingent liabilities and commitments

- a) Estimated amount of contract remaining to be executed on capital account, other commitments and not provided for Rs Nil (31 March 2017: Rs Nil)
- b) Contingent liability : Rs Nil (31 March 2017: Rs Nil)

Note 20- Operating lease

The Company has certain cancellable operating lease for office facilities and residential premises. Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expense of Rs 336 (previous period: Rs 791) in respect of obligation under operating lease have been recognised in the Statement of profit and loss.

Note 21 - Capital Management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

Note 22 - Financial instruments- Fair values and risk management

The following table shows the financial assets and liabilities not measured at fair value along with their carrying value as at 31 March 2018

	Note	<u>Total carrying value</u>
Financial assets not measured at fair value		
Trade receivables	6	1,879
Cash and cash equivalent	7	3,415
Other financial assets	8	33,976
		<u>39,270</u>
Financial liabilities not measured at fair value		
Trade payable	12	1,107
Other financial liabilities	13	241
		<u>1,348</u>

The following table shows the financial assets and liabilities not measured at fair value along with their carrying value as at 31 March 2017

	Note	<u>Total carrying value</u>
Financial assets not measured at fair value		
Trade receivables	6	2,308
Cash and cash equivalent	7	820
Other financial assets	8	33,976
		<u>37,104</u>
Financial liabilities not measured at fair value		
Other financial liabilities	13	80
		<u>80</u>

The fair value of trade receivables, cash and cash equivalents and other financial assets approximate their carrying amount largely due to the short-term nature of these instruments.

Daily Bread Gourmet Foods (India) Private Limited
Notes to financial statements (continued)

Note 22 - Financial instruments- Fair values and risk management (Continued)

Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Managing Board. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from credit exposure of outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other financial assets

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customer respectively. In monitoring customer credit risk, customers are grouped according to their geographic location, industry, trading history with the Company and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always has sufficient liquidity to meet its liabilities when due. Processes and policies related to such risks are overseen by senior management.

The Company monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities on a continuous basis.

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Since the Company presently does not have any receivables/payables in foreign currency and does not have any borrowings, the Company is not exposed to such risk.

Daily Bread Gourmet Foods (India) Private Limited
Notes to the financial statements (continued)

Amount in rupees in thousands

Note 23 - Earnings per share

For the year ended	31 March 2018	31 March 2017
Net profit/(Net loss) attributable to the equity shareholders (Rs in '000)	861	(4,011)
Weighted average number of equity shares outstanding during the year	79,181,418	79,181,418
Nominal value of equity shares (Rs.)	4	4
Basic / diluted earnings per share (Rs.)	0.01	(0.05)

Note 24 Deferred tax asset arising on account of timing difference of depreciation, unabsorbed depreciation and carry forward business losses have not been recognised as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset will be realised.

Note 25 - Segmental information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment of the Company is identified to be "Foods" as the CODM reviews business performance at an overall Company level as one segment.

Note 26- Related Parties

Relationships

1. Ultimate Holding Company	The Bombay Burmah Trading Corporation Limited
2. Holding Company of Britannia Industries Limited	Associated Biscuits International Limited, UK
3. Holding Company	Britannia Industries Limited
4. Fellow Subsidiary Company	Britannia Dairy Private Limited (BDPL) International Bakery Products Limited
5. Key Management Personnel (KMP)	
Chief Financial Officer (CFO)	Anshu
Directors	Manjari Singhal Nasim Ahmed Delvi* Ramakrishanan Vaidyanathan Sharma Raja Sharma
Company Secretary	Suhas MV

Related party transaction during the year:

Relationship	31 March 2018	31 March 2017
Britannia Industries Limited (BIL)		
(i) Rent paid	336	312
(ii) Purchase of goods	14,572	-

Key management personnel compensation

Short term employee benefits	Key Management Personnel	-	1,028
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Relationship	31 March 2018	31 March 2017
Related party closing balances as on balance sheet date (Britannia Industries Limited)		

Other financial assets

Britannia Industries Limited	Holding Company	33,976	33,976
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Trade Payables

Britannia Industries Limited	Holding Company	1,107	-
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Daily Bread Gourmet Foods (India) Private Limited
Notes to financial statements (continued)

Note 27 The Company has not create any provision for gratuity or compensated absences, as there was only one employee on the payroll as at 31 March 2018

Note 28 The Company has not given any loans, made investment or given guarantee or provided security to any person or body corporate under Section 186.

Note 29 Previous year's figures have been regrouped/reclassified as per current year's presentation for the purpose of comparability.

Note 30 During the year ended 31 March 2018 the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

As per our report of even date attached

for **B S R & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

Daily Bread Gourmet Foods (India) Private Limited

CIN : U01549KA2003PTC031859

Sd/-

Nasim Ahamed Delvi

Director

DIN : 07052856

Sd/-

Anshu

Director and Chief Financial Officer

DIN : 07052842

Sd/-

Vikash Gupta

Partner

Membership number: 064597

Sd/-

Suhas M V

Company Secretary

Place: Bangalore

Date: 11 May 2018

Place: Mumbai

Date: 11 May 2018

Place: Mumbai

Date: 11 May 2018