International Bakery Product Limited
Balance sheet

Amount in rupees in thousands

	As at	Note	31 March 2018	31 March 2017
I	**Assets**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	319,553	337,618
	(b) Capital work-in-progress	4	26	4,800
	(c) Financial assets			
	(i) Loans	7	6,058	5,624
	(d) Deferred tax assets (net)	5	13,364	2,964
	(e) Income tax assets (net)	6	15,152	13,135
	Total non-current assets		**354,153**	**364,141**
(2)	**Current assets**			
	(a) Inventories	8	7,771	8,783
	(b) Financial assets			
	(i) Trade receivables	9	2,697	3,220
	(ii) Cash and cash equivalents	10	22,270	1,330
	(iii) Bank balances other than (ii) above	10	-	15,758
	(iv) Loans	11	2,512	2,557
	(v) Other financial assets	12	58,442	44,914
	(c) Other current assets	13	20,584	33,254
	Total current assets		**114,276**	**109,816**
	Total assets		**468,429**	**473,957**
II	**Equity and liabilities**			
(1)	**Equity**			
	(a) Equity share capital	14	14,500	14,500
	(b) Instrument entirely equity in nature	15	58,200	58,200
	(c) Other equity	15	60,245	17,185
	Total equity		**132,945**	**89,885**
(2)	**Non-current liabilities**			
	(a) Financial liabilities			
	Borrowings	16	188,673	242,358
	(b) Provisions	17	15,199	11,772
	Total non-current liabilities		**203,872**	**254,130**
(3)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	18	42,314	25,672
	(ii) Other financial liabilities	19	57,820	57,081
	(b) Other current liabilities	21	31,358	47,042
	(c) Provisions	20	120	147
	Total current liabilities		**131,612**	**129,942**
	Total equity and liabilities		**468,429**	**473,957**
	Significant accounting policies	3		

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
CIN No.: U15419TN1997PLC037876

Sd/-
Vikash Gupta
Partner
Membership No: 064597

Place: Bangalore
Date: 14 May 2018

Sd/-
Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bangalore
Date: 14 May 2018

Sd/-
Venkatraman Natarajan
Director
DIN : 05220857

Place: Bangalore
Date: 14 May 2018

International Bakery Product Limited
Statement of profit and loss

Amount in rupees in thousands

	For the year ended	Note	31 March 2018	31 March 2017
I	**Income**			
	Revenue from operations	22	417,696	358,867
	Other income	23	1,853	2,678
	Total income		**419,549**	**361,545**
II	**Expenses**			
	Employee benefits expense	24	87,259	80,950
	Finance costs	25	20,350	23,473
	Depreciation and amortisation expense	4	24,657	21,891
	Other expenses	26	242,748	216,942
	Total expenses		**375,014**	**343,257**
III	**Profit before tax (I-II)**		**44,535**	**18,288**
IV	Tax expense:			
	(i) Current tax		9,080	4,082
	(ii) Deferred tax		(9,680)	(2,964)
	Total tax expense		**(600)**	**1,119**
V	**Profit for the year (III-IV)**		**45,135**	**17,170**
VI	**Other comprehensive income**			
	Items that will not be subsequently reclassified to the statement of profit or loss:			
	Remeasurements of net defined benefit liability/ asset		(2,794)	(1,584)
	Income tax relating to items not to be reclassified to the statement of profit or loss		719	354
			(2,075)	(1,231)
VII	**Total comprehensive income net of tax subsequently(V-VI)**		**43,060**	**15,939**
	Earnings per share (for continuing operations)	27		
	Basic earning per share		31.13	11.84
	Diluted earning per share		6.21	2.36
Weighted average number of equity shares used in computing earnings per share:				
	- Basic		1,450,000	1,450,000
	- Diluted		7,270,000	7,270,000
Significant accounting policies		3		

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

As per our report of even date attached

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Date: 14 May 2018

International Bakery Product Limited
Statement of changes in equity

Amount in rupees in thousands

	Equity share capital	Other equity				Total equity attributable to equity holders of the Company
		Instrument entirely equity in nature(fully convertible debentures)	Retained earnings	Other Comprehensive Income	Total	
Balance as at 1 April 2016	14,500	58,200	(958)	2,204	59,446	73,946
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	(1,231)	(1,231)	(1,231)
Profit for the year	-	-	17,170	-	17,170	17,170
Balance as at 31 March 2017	**14,500**	**58,200**	**16,212**	**973**	**75,385**	**89,885**
Balance as at 1 April 2017	14,500	58,200	16,212	973	75,385	89,885
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	(2,075)	(2,075)	(2,075)
Profit for the year	-	-	45,135	-	45,135	45,135
Balance as at 31 March 2018	**14,500**	**58,200**	**61,347**	**(1,102)**	**118,445**	**132,945**

Significant accounting policies 3

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**
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Venkatraman Natarajan
Director
DIN : 05220857

Place: Bangalore
Date: 14 May 2018

International Bakery Product Limited
Cash flow statement

Amount in rupees in thousands

Particulars	**Note**	**31 March 2018**	**31 March 2017**
Cash flow from operating activities			
Profit before tax		44,535	18,288
Adjustments for :			
Depreciation and amortisation		24,657	21,891
Loss on disposal of property, plant and equipment		839	-
Interest income		(1,091)	(893)
Finance costs		20,350	23,473
		89,290	**62,759**
Changes in:			
Inventories		1,012	(745)
Trade receivables		523	199
Loans, other financial assets and other assets		(178)	(38,004)
Trade payables, other financial laibilities, other liabilities and provisions		2,232	11,836
Cash generated from/ (used in) operating activities		**92,879**	**36,046**
Income tax paid, net of refund		(11,097)	4,246
Net cash generated from/ (used in) operating activities		**81,782**	**40,292**
Cash flow from investing activities			
Acquisition of property, plant and equipment		(8,785)	(45,304)
Interest received		1,203	781
Purchase of equity instruments		(1,181)	-
Movement in other bank balance		15,758	(90)
Net cash generated from/ (used in) investing activities		**6,995**	**(44,613)**
Cash flow from financing activities			
Interest paid		(32,163)	(18,674)
Loan repaid during the year		(266,274)	(19,122)
Availment of unsecured loans, net		230,601	40,600
Net cash generated from/ (used in) financing activities		**(67,836)**	**2,804**
Net change in cash and cash equivalents		**20,941**	**(1,517)**
Cash and cash equivalents at beginning of year		1,330	2,847
Cash and cash equivalents at end of year (Refer note 10)		**22,271**	**1,330**
Cash and cash equivalents comprise of:			
Cash on hand		2	14
Balances with banks		22,268	1,316
Cash and cash equivalents as per cash flow statement		**22,270**	**1,330**
Significant accounting policies	3		

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**
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ICAI Firm Registration No: 101248W/ W-100022

for **and on behalf of the Board of Directors of**
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Director
DIN : 05220857

Place: Bangalore
Date: 14 May 2018

International Bakery Product Limited
Notes to financial statements

1 Reporting entity

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

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

The financial statements were authorised for issue by the Company's Board of Directors on 14 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 the nearest thousands, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit

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.

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 31 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 28 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of
- Note 4 - useful life of property, plant and equipment
- Notes 7, 9 to 12 and 33- 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

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 33 - financial instruments.

3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

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

Cost of an item of property, plant and equipment includes its purchase price, duties, 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, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

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. 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.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the management and is recognised in the statement of profit and loss. Assets acquired under finance lease are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation for assets purchased / sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life
Leasehold land	Lease period
Buildings	30 - 60 years
Plant and machinery*	7.5 - 15 years
Furniture,fittings and office Equipments	5-10 years
Computers and Computers accessories	3 years
Motor vehicles	8 years

Freehold land is not depreciated.

* The Company believes the useful lives as given above best represent the useful life of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

iv. Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

(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 and property, plant and equipment

Property, plant and equipment 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.

3. Significant accounting policies (continued)

(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.

(d) Inventories

Inventories are valued at the lower of cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition) 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 net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

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

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

(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

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.

3. Significant accounting policies (continued)

(e) Financial instruments (continued)

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

(i) Conversion income is recognised when finished goods are ready for dispatch, which are manufactured on behalf of Britannia Industries Limited "BIL" based on predetermined rate agreed between the parties. The Company also follows a practice of recognising accrued income on biscuits manufactured on behalf of BIL, physical dispatch of which happen after the date of the balance sheet.

(ii) Lease income is recognised against the depreciation and interest expenses incurred directly attributable to the finished goods manufactured on behalf of BIL.

(iii) 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. Sales are presented gross of indirect taxes.

(iv) 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.

3 Significant accounting policies (continued)

(g) Income tax (continued)

iii. Minimum Alternate Tax (MAT)

Minimum Alternate tax('MAT') under the provisions of Income Tax Act, 1961 is recognised as current tax in the Statement of Profit & Loss. The Credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. MAT credit entitlement at year end is grouped with Deferred Tax Asset(net) in the Balance Sheet of an entity.

(h) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of those property, plant and equipment which necessarily takes a substantial period of time to get ready for their intended use are capitalised. All other borrowing costs are expensed in the period in which they incur in the statement of profit and loss.

(i) 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.

(j) Employee benefits

i. 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 expenses in the period in which the employee renders the related service.

ii. Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee renders the related service. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise acturial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income.

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each balance sheet date. Provision for compensated absences is based on actuarial valuation carried out as at 1st January every year. Remeasurement of gain and losses are recognised in profit and loss in the period in which they arise.

iv. Voluntary retirement scheme benefits

Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

(k) 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.

3. Significant accounting policies (continued)

(l) 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.

(m) 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.

(n) 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.

4 (a) Property, plant and equipment

Amount in rupees in thousands

Particulars	Land - freehold	Land - leasehold	Buildings	Plant and machinery	Furniture, fittings and office equipments	Computers and computers accessories	Motor vehicles	Total
Gross carrying amount								
Balance as at 1 April 2016	12,115	16,427	170,574	140,897	13,220	1,253	335	354,821
Additions	-	-	90,231	2,492	19,165	13	-	111,900
Balance as at 31 March 2017	**12,115**	**16,427**	**260,805**	**143,389**	**32,385**	**1,265**	**335**	**466,721**
Balance as at 1 April 2017	12,115	16,427	260,805	143,389	32,385	1,265	335	466,721
Additions	-	-	2,927	2,702	1,779	24	-	7,432
Disposals	-	-	452	26,157	10,052	814	-	37,475
Balance as at 31 March 2018	**12,115**	**16,427**	**263,280**	**119,934**	**24,112**	**475**	**335**	**436,678**
Accumulated depreciation								
Balance as at 1 April 2016	-	272	22,596	74,155	9,191	995	3	107,212
Depreciation for the year	-	179	7,569	11,204	2,769	128	42	21,891
Balance as at 31 March 2017	**-**	**451**	**30,165**	**85,359**	**11,960**	**1,123**	**45**	**129,103**
Balance as at 1 April 2017	-	451	30,165	85,359	11,960	1,123	45	129,103
Depreciation for the year		179	9,270	11,049	4,037	67	56	24,658
Disposals	-	-	211	25,559	10,052	814	-	36,636
Balance as at 31 March 2018	**-**	**630**	**39,224**	**70,849**	**5,945**	**376**	**101**	**117,125**
Carrying amount (net)								
Balance as at 31 March 2017	**12,115**	**15,976**	**230,640**	**58,030**	**20,425**	**142**	**290**	**337,618**
Balance as at 31 March 2018	**12,115**	**15,797**	**224,056**	**49,085**	**18,167**	**99**	**234**	**319,553**

(b) Capital work-in-progress

Particulars	Total
Gross carrying amount	
Balance as at 1 April 2016	67,752
Additions	4,800
Assets capitalised	(67,752)
Balance as at 31 March 2017	**4,800**
Balance as at 1 April 2017	4,800
Assets capitalised	(4,774)
Balance as at 31 March 2018	**26**

Note: Borrowing cost amounting to Rs. Nil (31 March 2017: Rs 3,338,630) have been capitalised during the year.

Amount in rupees in thousands

5 Income tax

(a) Amounts recognised in Statement of Profit and Loss

For the year ended	31 March 2018	31 March 2017
Current tax	9,080	4,082
Deferred tax	(9,680)	(2,964)
Tax expense for the year	**(600)**	**1,119**

(b) Amounts recognised in other comprehensive income

Fot the year ended	31 March 2018			31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(2,794)	719	(2,075)	(1,584)	354	(1,231)
	(2,794)	**719**	**(2,075)**	**(1,584)**	**354**	**(1,231)**

(c) Reconciliation of effective tax rate

Fot the year ended	31 March 2018		31 March 2017	
Profit before tax		44,535		18,288
Tax using the Company's domestic tax rate:	27.55%	12,270	33.06%	6,047
Tax effect of:				
Recognition of previously unrecognised tax losses	-14.97%	(6,666)	0%	-
Unrecognised deferred tax assets on previous year losses	-14.01%	(6,239)	0%	-
Others	-1.81%	(805)	-26.95%	(4,928)
	-1.35%	**(600)**	**6.12%**	**1,119**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31 March 2018	31 March 2017
Deferred tax assets / (liabilities)		
Provision for employee benefits	8,037	7,937
Deferred tax on indexation of freehold land	6,239	-
Minimum alternative tax	11,240	5,528
Unabsorbed depreciation and carry forward losses	-	2,516
Property, plant and equipment and land	(12,152)	(13,018)
Deferred tax assets (net)	**13,364**	**2,964**

Amount in rupees in thousands

5 Income tax(continued)

(e) Movement in temporary differences

	As at 1 April 2016	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Others**	**As at 31 March 2017**
Provision for employee benefits	8,296	(359)	354	-	-	7,937
Minimum alternative tax	-	5,528	-	-	-	5,528
Carry forward losses	2,311	205	-	-	-	2,516
Property, plant and equipment	(10,607)	(2,411)	-	-	-	(13,018)
	0	**2,964**	**354**	**-**	**-**	**2,964**

	As at 1 April 2017	**Recognised in profit or loss**	**Recognised in OCI**	**Recognised directly in equity**	**Others**	**As at 31 March 2018**
Provision for employee benefits	7,937	(619)	719	-	-	8,037
Deferred tax on indexation of freehold land	-	11,240	-	-	-	11,240
Minimum alternative tax	5,528	710	-	-	-	6,239
Unabosrbed depreciation and carry forward losses	2,516	(2,516)	-	-	-	-
Property, plant and equipment	(13,018)	865	-	-	-	(12,152)
	2,964	**9,680**	**719**	**-**	**-**	**13,364**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2018 and 31 March 2017:

	As at 31 March 2018	**As at 31 March 2017**
Income tax asset (net)	15,152	13,135
Income tax laibilities (net)	-	-
Net current income tax asset/ (laibility) at the end	**15,152**	**13,135**

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2018 and 31 March 2017 is as follows:

For the year ended	**31 March 2018**	**31 March 2017**
Net current income tax (liability)/ asset at the beginning	13,135	21,110
Income tax (refund)/ paid (net)	11,097	(3,892)
Current income tax expense	(9,080)	(4,082)
Net current income tax asset/ (liability) at the end	**15,152**	**13,135**

Amount in rupees in thousands

	As at	31 March 2018	31 March 2017
6	**Income tax assets**		
	Advance income tax (net of provision)	15,152	13,135
		15,152	**13,135**
7	**Loans**		
	(Unsecured and considered good)		
	Deposits	6,058	5,624
		6,058	**5,624**
8	**Inventories***		
	Stores and spare parts	7,771	8,783
		7,771	**8,783**
	* Refer note 3 (d) for mode of valuation for inventories.		
9	**Trade receivables**		
	(Unsecured and considered good)		
	Receivable from related parties (refer note 32)	2,697	3,220
		2,697	**3,220**
10	**Cash and bank balances**		
	Cash and cash equivalents:		
	Cash in hand	2	14
	Balances with banks		
	- On current accounts	22,268	1,316
		22,270	**1,330**
	Other bank balances:		
	- Deposits with original maturity for more than 3 months but less than 12 months	-	15,758
		-	**15,758**
	Details of bank deposits:		
	Deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	-
	Deposits with maturity of more than 3 months and less than 12 months from the reporting date included under 'Other bank balances'	-	15,758
	Deposits with maturity of more than 12 months from the reporting date included under 'Other financial assets'	-	-
		-	**15,758**
11	**Loans**		
	(Unsecured and considered good)		
	Advance to employees	2,512	2,557
		2,512	**2,557**
12	**Other financial assets**		
	(Unsecured and considered good)		
	Advance against purchase of equity instrument	1,181	-
	Interest accrued and due on deposit	-	112
	Unbilled revenue	57,261	44,802
		58,442	**44,914**
13	**Other current assets**		
	(Unsecured and considered good)		
	Advance to supplier	918	601
	Prepayments	1,423	2,205
	Balances with government authorities	18,243	30,448
		20,584	**33,254**

14 Share capital

	Amount in rupees in thousands	
	As at 31 March 2018	**As at 31 March 2017**
Authorised		
Equity shares		
[1,500,000 equity shares of Rs.10 each (31 March 2016: 1,500,000 equity shares of Rs.10 each)]	15,000	15,000
Issued, subscribed and paid up		
Equity shares fully paid	14,500	14,500
[1,450,000 equity shares of Rs.10 each (31 March 2016:: 1,450,000 equity shares of Rs.10 each fully paid up)]		
	14,500	**14,500**

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

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	**Amount**	**Number of shares**	**Amount**
Equity shares:				
At the commencement of the year	1,450,000	14,500	1,450,000	14,500
Add: Shares issued during the year	-	-	-	-
At the end of the year	**1,450,000**	**14,500**	**1,450,000**	**14,500**

(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 2018		As at 31 March 2017	
	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	1,320,009	13,200
Manna Foods Private Limited., fellow subsidiary	129,990	1,300	129,990	1,300
Britannia Dairy Private Limited., fellow subsidiary	1	0	1	0

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

	As at 31 March 2018		As at 31 March 2017	
	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 2017: NIL) equity shares of Rs. 10 each have been allotted as fully paid up pursuant without payment being received in cash.

15 Other equity - others

Amount in rupees in thousands

	Fully Convertible Debentures (Instrument entirely equity in nature)*	**Retained earnings**	**Other Comprehensive Income**	**Total**
Balance as at 1 April 2016	58,200	(958)	2,204	1,246
Remeasurements of defined benefit liability (asset)	-	-	(1,231)	(1,231)
Profit/ (loss) for the year	-	17,170	-	17,170
Balance as at 31 March 2017	**58,200**	**16,212**	**973**	**17,185**
Remeasurements of defined benefit liability (asset)	-	-	(2,075)	(2,075)
Profit/ (loss) for the year	-	45,135	-	45,135
Balance as at 31 March 2018	**58,200**	**61,347**	**(1,102)**	**60,245**

* 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.

Amount in rupees in thousands

As at	31 March 2018	31 March 2017
16 Borrowings		
Non-current		
From Bank	188,673	-
From related party		
Loan from Britannia Industries limited, Holding Company	-	242,357
	188,673	**242,357**

Terms and repayment schedule	Currency	Nominal interest rate	Year of maturity
Unsecured loan from related party	INR	10%	2014-2025
Secured loan from Standard Chartered Bank	INR	6%	2017-2023

During the current year, the existing loan has been repaid.

The loan from Standard Chartered Bank is repayable in 24 equal quarterly installments. The outstanding loan has been secured by an exclusive charge on existing and future fixed assets, letter of comfort from Britannia Industries Limited and negative lien on immoveable fixed assets as securities to Standard Chartered Bank for availing the said facilities.

17 Provisions

	As at 31 March 2018	As at 31 March 2017
-Provision for gratuity (refer note 31)	15,199	11,772
	15,199	**11,772**

18 Trade payables

	As at 31 March 2018	As at 31 March 2017
Current		
- total outstanding dues to micro enterprises and small enterprises (Refer below)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	42,314	25,672
	42,314	**25,672**

18 Trade Payable (continued)

Due to micro enterprises and small enterprises

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 2018 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 2018 to micro and small enterprises are as follows:

Particulars	**As at 31 March 2018**	**As at 31 March 2017**
(a)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	-	-
(b)The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.		
(c)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 the year.	-	-
(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 period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
(e)The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
(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 purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note 33.

19 Other financial liabilities

	As at 31 March 2018	**As at 31 March 2017**
Current		
Current maturities of long term debt (also refer note 16)	41,927	23,917
Payroll related liabilities	15,893	15,223
Interest accrued and due	-	11,813
Creditors for capital goods	-	6,127
	57,820	**57,081**

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note 33.

20 Provisions

As at	**31 March 2018**	**31 March 2017**
Provision for employee benefits		
-Compensated absences	120	147
	120	**147**

21 Other current liabilities

As at	31 March 2018	31 March 2017
Statutory liabilities	4,337	3,290
Advance from customers (refer note 32)	27,021	43,751
	31,358	**47,042**

Amount in rupees in thousands

	For the year ended	31 March 2018	31 March 2017
22	**Revenue from operations**		
	Conversion income	379,088	327,543.82
	Lease rentals	38,608	31,323
		417,696	**358,867**
23	**Other income**		
	Interest income	1,091	893
	Miscellaneous income	762	1,785
		1,853	**2,678**
24	**Employee benefit expenses**		
	Salaries, wages and bonus	66,468	62,240
	Contribution to provident and other funds (refer note 31)	10,952	7,821
	Staff welfare expenses	9,839	10,889
		87,259	**80,950**
25	**Finance cost**		
	Interest expense	20,350	26,812
	Less: borrowing cost capitalised (refer note 4)	-	3,339
		20,350	**23,473**
26	**Other expenses**		
	Consumption of stores and spares	13,954	15,196
	Power and fuel	71,953	63,315
	Contract labour	106,791	101,896
	Repairs and maintenance:		
	- Plant and equipment	16,822	9,261
	- Buildings	4,101	2,726
	- Others	3,989	3,300
	Rates and taxes	1,686	1,219
	Security charges	4,616	4,412
	Laboratory charges	538	777
	Site maintenance expenses	1,031	1,369
	Factory expenses	2,996	3,280
	Insurance	2,480	2,324
	Printing and stationery	1,088	1,043
	Travelling and conveyance	3,139	2,760
	Communication expenses	414	393
	Legal and professional fees (refer note 29)	1,048	1,717
	Bank charges	4	6
	Loss on disposal of property, plant and equipment	839	-
	Miscellaneous expenses	5,259	1,948
		242,748	**216,942**

Amount in rupees in thousands

	For the year ended	31 March 2018	31 March 2017
27	**Earnings per share (EPS)**		
	Earnings:		
	Profit after tax as reported	45,135	17,170
	Shares:		
	Weighted average number of equity shares outstanding during the period for calculation of basic EPS	1,450,000	1,450,000
	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	7,270,000
	Earnings per share (nominal value of share Rs. 10)		
	Basic	31.13	11.84
	Diluted	6.21	2.36
28	**Contingent liabilities and commitments**		
	(i) Contingent liabilities:		
	(a) Disputed excise duty matters	4,092	4,449
	(b) Disputed income tax matters	1,793	3,310
	(ii) Commitments:		
	(a) Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	-	51
29	**Payment to auditors, excluding service tax (included in professional charges under note 26)**		
	Statutory audit	207	180
	Out of pocket expenses	15	31
		222	**211**

30 Segment reporting

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Chief Operating Decision Maker (CODM) eveluates 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.

Amount in rupees in thousands

31 Disclosure in respect of employee benefits

The Company makes contributions, determined as a specified percentage of employee's salary, in respect of qualifying employee towards provident fund and employees' state insurance which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to these funds for the year aggregated to Rs. 8,319 (previous year Rs.5,403) and is included in "Employee benefits expense" in note 24.

Defined benefit plans

The Company has a gratuity plan which is in the nature of defined benefit. Every employee who has completed five years or more of service is entitled to gratuity. The scheme is funded with Life Insurance Corporation of India. The company make annual contribution to the Life Insurance Corporation of India. The following table sets out the status of the Gratuity Plan as required under Ind-AS:

a. Gratuity plan

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

		31 March 2018	31 March 2017
	Change in projected benefit obligation		
	Projected benefit obligations at the beginning of the year	33,206	32,431
	Service cost	1,827	1,552
	Interest cost	2,257	2,368
	Benefits settled	(1,187)	(1,227)
	Actuarial (gain) / loss	3,011	(1,919)
	Projected benefit obligations at the end of the year	**39,114**	**33,206**
	Change in plan assets		
	Fair value of plan assets at the beginning of the year	21,434	19,493
	Expected return on plan assets	1,451	1,502
	Employer contributions	2,000	2,000
	Benefits settled	(1,187)	(1,227)
	Actuarial gain / (loss)	218	(334)
	Fair value of plan assets at the end of the year	**23,915**	**21,434**
	Reconciliation of present value of obligation on the fair value of plan assets		
	Present value of projected benefits at the end of the year	39,114	33,206
	Funded status of the plan	23,915	21,434
	Funded status amount of liability / (asset) recognised in the balance sheet	**15,199**	**11,772**
	(i) Expense recognised in Profit and loss account		
	Service cost	1,827	1,552
	Interest cost	806	867
		2,633	**2,418**
	(ii) Remeasurements recognised in Other comprehensive income		
	Actuarial loss	2,794	(1,584)
	Net gratuity cost	**5,427**	**834**
	Sensitivity analysis		
	The sensitivity analysis of significant actuarial assumption as of end of reporting period is shown below.		
A.	Discount rate		
	Discount rate -50 basis points	40,107	34,254
	Assumptions	6.80%	6.40%
	Discount rate +50 basis points	38,166	32,212
	Assumptions	7.80%	7.40%
B	Salary increase rate		
	Salary rate -50 basis points	38,233	32,274
	Assumptions	4.50%	4.50%
	Salary rate +50 basis points	40,029	34,170
	Assumptions	5.50%	5.50%

Amount in rupees in thousands

		31 March 2018	31 March 2017
C.	Withdrawal rate		
	Withdrawal rate -100 basis points	38,891	32,981
	Withdrawal rate +100 basis points	39,317	32,408
	Financial assumptions at Balance sheet date:		
	Discount rate	7.30%	6.90%
	Estimated rate of return on plan assets	7.30%	6.90%
	Salary escalation	5.00%	5.00%
	Attrition rate	4.00%	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.

31 Disclosure in respect of employee benefits (continued)

b. Compensated absences:

The Company had valued its liability towards compensated absences as at 31 December 2017 by an independent actuary. The Company has not recorded additional provision for the period 1 January 2018 to 31 March 2018. The management believes that the liability, if any, that would have arisen, had the said liability been valued actuarially as at 31 March 2018, is not expected to be material.

32 Related party transactions

a) List of related parties where control exists:

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

b)Key management personnel(KMP):

Nature of relationship	**Name**
Directors	Mr. Vinay Singh Kushwaha
	Mr. Venkataraman Natarajan

c) Details of related party transactions for the year ended March 31, 2018

Nature of transactions	**31 March 2018**	**31 March 2017**
	Holding Company	**Holding Company**
Conversion charges income (including lease rentals)	417,696	358,867
Loan taken	-	40,600
Repayment of loan (including interest accrued and due)	266,274	17,637
Advance received	-	5,000
Interest on loan	12,948	26,812

Balances at year end	**31 March 2018**	**31 March 2017**
	Holding Company	**Holding Company**
Advance received	27,021	19,681
Trade receivable	2,697	3,220
Excise reimbursement payable	-	24,071
Unbilled revenue	57,261	44,802
Loan payable (including interest accrued and due)	-	278,088

Notes to financial statements (continued) Amount in rupees in thousands

33 Financial instruments

a. Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2018 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:							
Deposits	6,058	-	-	-	-	6,058	6,058
Cash and cash equivalents	2	-	-	-	-	2	2
Bank balances	22,268	-	-	-	-	22,268	22,268
Trade receivables	2,697	-	-	-	-	2,697	2,697
Loans	2,512	-	-	-	-	2,512	2,512
Other financial assets	58,442	-	-	-	-	58,442	58,442
Total	**91,979**	**-**	**-**	**-**	**-**	**91,979**	**91,979**
Liabilities:							
Borrowings	230,600	-	-	-	-	230,600	230,600
Trade payables	42,314	-	-	-	-	42,314	42,314
Other financial liabilities	15,893	-	-	-	-	15,893	15,893
Total	**288,807**	**-**	**-**	**-**	**-**	**288,807**	**288,807**

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**		**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:							
Deposits	5,624	-	-	-	-	5,624	5,624
Cash and cash equivalents	14	-	-	-	-	14	14
Bank balances	17,074	-	-	-	-	17,074	17,074
Trade receivables	3,220	-	-	-	-	3,220	3,220
Loans	2,557	-	-	-	-	2,557	2,557
Other financial assets	44,914	-	-	-	-	44,914	44,914
Total	**73,403**	**-**	**-**	**-**	**-**	**73,403**	**73,403**
Liabilities:							
Borrowings	266,274	-	-	-	-	266,274	266,274
Trade payables	25,672	-	-	-	-	25,672	25,672
Other financial liabilities	33,164	-	-	-	-	33,164	33,164
Total	**325,110**	**-**	**-**	**-**	**-**	**325,110**	**325,110**

Notes to financial statements (continued) Amount in rupees in thousands

33 Financial instruments(continued)

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 Thousands	**31 March 2018**	**31 March 2017**
Third party customers	-	-
Related parties	2,697	3,220
Total	**2,697**	**3,220**
Cash and cash equivalents	22,270	1,330
Deposits and other receivables	59,773	47,359
	84,740	**51,909**

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 advances paid to employees and unbilled revenue.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 believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2018:

	Carrying amount	**Less than 1 year**	**1-2 years**	**2-5 years**	**More than 5 years**
Borrowings	230,600	20,964	41,927	125,782	41,927
Trade payables	42,314	42,314	-	-	-
Other financial liabilities	15,893	15,893	-	-	-
	288,807	79,170	41,927	125,782	41,927

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**
Borrowings	266,274	41,436	41,436	124,308	59,094
Trade payables	25,672	25,672	-	-	-
Other financial liabilities	33,164	33,164	-	-	-
	325,110	100,272	41,436	124,308	59,094

34 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. 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 all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes borrowings from bank.

The Company monitors capital on the basis of the following gearing ratio.

As at	31 March 2018	31 March 2017
Total debt	230,600.60	266,274.04
Total equity	132,945.35	89,884.94
Debt to equity %	173.46%	296.24%

35 The Company does not have any unhedged foreign currency exposure as on 31 March 2018.

36 The information of the previous year's have been re-grouped and reclassified wherever necessary so as to make them comparable with those of the current year. The following significant regroupings/ reclassification of the previous years have been made.

Particulars	Previous year classification	Current year classification	Amount (Rs in thousands)
Payroll related liabilities	Other current liabilities	Other financial liabilities	15,223
Creditors for capital goods	Other current liabilities	Other financial liabilities	6,127

37 During the year ended 31 March 2018, no material foreseeable loss was incurred for any long-term contract including derivative contracts.

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

for **and on behalf of the Board of Directors of**
International Bakery Product Limited
CIN No.: U15419TN1997PLC037876

Sd/-
Vikash Gupta
Partner
Membership No: 064597

Place: Bangalore
Date: 14 May 2018

Sd/-
Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bangalore
Date: 14 May 2018

Sd/-
Venkatraman Natarajan
Director
DIN : 05220857

Place: Bangalore
Date: 14 May 2018