J.B. Mangharam Foods 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) Property, plant and equipment	4	152,042	164,701
(b) Capital work-in-progress		21,658	4,575
(c) Financial assets			
(i) Investments	5	26	26
(ii) Loans	7	4,409	3,925
(d) Deferred tax assets (net)	6	22,338	22,701
(e) Income tax assets (net)	6	20,467	20,467
(f) Other non-current assets	8	1,649	74
Total non-current assets		**222,589**	**216,469**
(2) Current assets			
(a) Inventories	9	128,601	16,424
(b) Financial assets			
(i) Trade receivables	10	117,921	64,672
(ii) Cash and cash equivalents	11	2,659	1,734
(iii) Loans	7	1,033	813
(iv) Other financial assets	12	8,222	-
(c) Other current assets	13	21,161	16,519
Total current assets		**279,597**	**100,162**
Total assets		**502,186**	**316,631**
II EQUITY AND LIABILITIES			
Equity			
(a) Share capital	14	4,502	4,502
(b) Other equity	15	51,885	38,640
Total equity		**56,387**	**43,142**
(1) Non-Current liabilities			
(a) Financial liabilities			
-Borrowings	16	126,299	158,107
(b) Provisions	17	26,929	23,003
Total non-current liabilities		**153,228**	**181,110**
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	207,486	39,673
(ii) Other financial liabilities	19	45,055	46,827
(b) Other current liabilities	20	34,500	1,240
(c) Provisions	17	15	217
(d) Income tax liabilities (net)	6	5,515	4,422
Total current liabilities		**292,571**	**92,379**
Total liabilities		**445,799**	**273,489**
Total equity and liabilities		**502,186**	**316,631**
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
Firm registration number: 101248W/W-100022

for **and on behalf of the Board of Directors of**
J.B. Mangharam Foods Private Limited
CIN No. U15100MH1984PTC031983

Sd/-
Vikash Gupta
Partner
Membership number: 064597

Place : Bangalore
Date: 14 May 2018

Sd/-
Venkataraman Natarajan
Director
DIN : 05220857

Place : Bangalore
Date: 14 May 2018

Sd/-
Vinay Singh Kushwaha
Director
DIN : 03480249

Place : Bangalore
Date: 14 May 2018

J.B. Mangharam Foods Private Limited
Statement of Profit and Loss

			Amount in Rupees in thousands	
For the year ended		**Note**	**31 March 2018**	**31 March 2017**
	Income			
I	Revenue from operations			
	Sale of goods/income from operations	21	1,207,646	361,388
	Other operating income	22	5,050	1,386
			1,212,696	**362,774**
II	Other income	23	1,159	1,974
III	Total income (I+II)		**1,213,855**	**364,748**
IV	**Expenses:**			
	Cost of materials consumed	24	827,284	-
	Changes in inventories of finished goods	25	(8,619)	-
	Employee benefits expense	26	84,523	78,959
	Finance costs	27	14,015	21,031
	Depreciation	4	32,012	39,983
	Other expenses	28	239,221	217,235
	Total expenses		**1,188,436**	**357,208**
V	**Profit before tax (III-IV)**		**25,419**	**7,540**
VI	Tax expense:			
	(i) Current tax	6	10,329	7,469
	(ii) Deferred tax	6	776	(6,114)
			11,105	**1,355**
VII	**Profit for the year (V-VI)**		**14,314**	**6,185**
VIII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to statement of profit and loss:			
	Remeasurements of net defined benefit liability/ asset		(1,481)	703
	Income tax relating to items not to be reclassified subsequently to statement of profit and loss		412	(233)
IX	**Total Comprehensive income net of tax, subsequently (VII- VIII)**		**13,245**	**6,654**
	Earnings per share			
	Basic and Diluted [nominal value of Rs.10 each]		**31.80**	**13.74**
	Weighted average number of equity shares used in computing earnings per share:			
	- Basic and Diluted		**450,150**	**450,150**
	Significant accounting policies	3		

See accompanying notes to financial statements
As per our report of even date attached

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Director
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Date: 14 May 2018

J.B. Mangharam Foods Private Limited
Cash flow statement

	Amount in Rupees in thousands	
For the year ended	**31 March 2018**	**31 March 2017**
Cash flow from operating activities		
Profit before tax	25,419	7,540
Adjustments for:		
Depreciation	32,012	39,983
Gain on disposal of property, plant and equipment, net	(488)	(1,542)
Provision no longer required written back	(1,492)	(576)
Interest income	(671)	(432)
Finance costs	14,015	21,031
	68,795	**66,003**
Changes in :		
Inventories	(112,177)	(1,503)
Trade receivables	(53,249)	(20,743)
Loans, other financial assets and other current assets	(13,568)	5,006
Trade payables, other financial libilities, other current libilities and borrowings	204,650	9,882
Cash generated from operating activities	**94,451**	**58,644**
Income tax paid, net of refund	(9,236)	(8,224)
Net cash from operating activities	**85,215**	**50,420**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(39,741)	(21,754)
Proceeds from sale of property, plant and equipment	493	1,545
Interest received	671	432
Net cash used in investing activities	**(38,577)**	**(19,778)**
Cash flow from financing activities		
Interest paid	(14,015)	(21,031)
Repayment of unsecured loans, net	(31,698)	(21,556)
Proceeds from borrowings	-	10,000
Net cash used in financing activities	**(45,713)**	**(32,587)**
Net change in cash and cash equivalents	925	(1,945)
Cash and cash equivalents at beginning of year	1,734	3,679
Cash and cash equivalents at end of year	**2,659**	**1,734**
Note:		
Cash and cash equivalent at the end of the year (refer note 11)	2,659	1,734
	2,659	**1,734**

See accompanying notes to financial statements

As per our report of even date attached

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Firm registration number: 101248W/W-100022

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Sd/-
Vinay Singh Kushwa
Director
DIN : 03480249

Place : Bangalore
Date: 14 May 2018

J.B. Mangharam Foods Private Limited
Statement of Changes in Equity for the year ended 31 March 2018

Amount in Rupees in thousands

	Equity share capital	Other equity					Total equity attributable to equity holders of the Company
		Capital redemption reserve	General reserve	Retained earnings	OCI	Total	
Balance as of 1 April 2016	4,502	6	7,500	27,698	(3,218)	31,985	36,487
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	470	470	470
Profit for the year	-	-	-	6,185	-	6,185	6,185
Balance as at 31 March 2017	**4,502**	**6**	**7,500**	**33,883**	**(2,749)**	**38,640**	**43,142**
Balance as at 1 April 2017	4,502	6	7,500	33,883	(2,749)	38,640	43,142
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	(1,069)	(1,069)	(1,069)
Profit for the year	-	-	-	14,314	-	14,314	14,315
Balance as at 31 March 2018	**4,502**	**6**	**7,500**	**48,197**	**(3,818)**	**51,885**	**56,387**

See accompanying notes to financial statements

As per our report of even date attached

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

for **and on behalf of the Board of Directors of**
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Director
DIN : 03480249

Place : Bangalore
Date: 14 May 2018

1 Reporting entity

The financial statements are of J B Mangharam Foods Private Limited. The Company is a Private Limited Company domiciled in India and was incorporated on 11 June 2001 under the provisions of the Companies Act applicable in India. The registered office of the company is located at D-1/502, Krishna Kaveri Society, Yamuna Nagar, Andheri (West), Mumbai- 400053.

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 notified as amended 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 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 obligations

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 30 - leases: whether an arrangement contains a lease and ;
- Note 30 - 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 34 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 29 - 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 5 to 7, Notes 10 to 12 and Note 37- 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 37 - 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**
Plant and equipment*	7.5 - 15 years
Furniture and fixtures	10 years
Motor vehicles	8 years
Data processing equipment	3 - 5 years
Buildings	30 - 60 years
Leasehold land	Lease period
Moulders, cutters and spare parts*	1 year

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.

(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.

Finished goods are valued at lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition.

(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.

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.

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 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 convicing evidence no longer exists. MAT credit entitlement at year end is grouped with Deferred Tax Assets(Net) in the Balance Sheet of an entity.

3. Significant accounting policies (continued)

(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.

(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.

3. Significant accounting policies (continued)

(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.

The Company has undertaken a review of the main types of commercial arrangements used with customers under this model and has concluded that the application of Ind AS 115 will not have a material impact on the results or financial position.

J B Mangharam Foods Private Limited
Notes to financial statements (continued)

4 Property, plant and equipment

Tangible assets

Amount in Rupees in thousands

Particulars	**Leasehold land**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Motor vehicles**	**Data processing equipment**	**Total**
Gross carrying amount							
Balance as at 1 April 2016	14,008	139,187	233,325	2,100	544	2,853	392,017
Additions *	-	9,753	4,796	20	351	671	15,591
Disposals	-	(87)	(15,380)	(53)	-	(12)	(15,533)
Balance as at 31 March 2017	**14,008**	**148,853**	**222,741**	**2,067**	**894**	**3,512**	**392,075**
Balance as at 1 April 2017	14,008	148,853	222,741	2,067	894	3,512	392,075
Additions *	-	16,171	2,933	176	-	79	19,359
Disposals	-	(959)	(1,442)	-	-	-	(2,401)
Balance as at 31 March 2018	**14,008**	**164,065**	**224,232**	**2,243**	**894**	**3,591**	**409,033**
Accumulated depreciation							
Balance as at 1 April 2016	4,715	55,851	137,276	1,798	540	2,740	202,922
Depreciation for the year	203	8,999	30,306	96	100	281	39,983
Disposals	-	(85)	(15,380)	(53)	-	(12)	(15,531)
Balance as at 31 March 2017	**4,918**	**64,765**	**152,202**	**1,841**	**640**	**3,009**	**227,374**
Balance as at 1 April 2017	4,918	64,765	152,202	1,841	640	3,009	227,374
Depreciation for the year	202	9,145	22,159	105	84	316	32,012
Disposals	-	(953)	(1,442)	-	-	-	(2,395)
Balance as at 31 March 2018	**5,120**	**72,957**	**172,919**	**1,946**	**724**	**3,325**	**256,991**
Carring amount (net)							
As at 31 March 2018	**8,888**	**91,108**	**51,313**	**297**	**170**	**266**	**152,042**
As at 31 March 2017	**9,090**	**84,088**	**70,539**	**226**	**255**	**503**	**164,701**

Capital work-in-progress
Gross carrying amount

Balance as at 1 April 2016	397
Additions	4,575
Assets capitalised	(397)
Balance as at 31 March 2017	**4,575**
Balance as at 1 April 2017	4,575
Additions	21,658
Assets capitalised	(4,575)
Balance as at 31 March 2018	**21,658**

* Total borrowing costs capitalised during the year on building was NIL (31 March 2017 - 356,758).

J B Mangharam Foods Private Limited
Notes to financial statements (continued)

Note 5 - Non current investments					**Amount in Rupees in thousands**
		Units / Nos.		**Amount**	
At cost less provision for other than temporary impairment **Unqouted**	**Face value per share / unit**	**As at 31 March 2018**	**As at 31 March 2017**	**As at 31 March 2018 (FV)**	**As at 31 March 2017 (FV)**
(I) Investment in government securities				**26**	**26**
(II) Investment in equity instruments					
3,200 Equity Shares of Vasana Agrex and Herber Private Limited at Rs. 10 each fully paid up	Rs. 10	3,200	3,200	32	32
Less: Provision for diminution in value of investments				(32)	(32)
Total long-term investments				**26**	**26**
Total quoted non-current investments				**-**	**-**
Total unquoted non-current investments				**26**	**26**
				26	**26**
Aggregate provision for impairment in value of investments				**32**	**32**

6 Income tax

(a) Amounts recognised in Statement of Profit and Loss

Amount in Rupees in thousands

For the year ended	31 March 2018	31 March 2017
Current tax	10,329	7,469
Deferred tax		
Attributable to origination and reversal of temporary differences	776	(6,114)
Tax expense for the year	**11,105**	**1,355**

(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	(1,481)	412	(1,069)	703	(233)	470
	(1,481)	**412**	**(1,069)**	**703**	**(233)**	**470**

(c) Reconciliation of effective tax rate

Fot the year ended	31 March 2018		31 March 2017	
Profit before tax		25,419		7,540
Tax using the Company's domestic tax rate	27.55%	7,003	33.06%	2,493
Tax effect of:				
Impact of change in tax rate	14.16%	3,600	0.00%	-
Others	1.97%	502	-15.09%	(1,138)
	43.69%	**11,105**	**17.97%**	**1,355**

(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 gratuity	2,143	2,097
Provision for compensated absences	1,521	728
Other provisions	4,944	5,419
Provision for bonus	5,550	6,399
Property, plant and equipment	8,179	8,058
Deferred tax assets (net)	**22,338**	**22,701**

(e) Movement in temporary differences

	As at 1 April 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in	Others	As at 31 March 2017
Provision for Gratuity	2,117	(20)	-	-	-	2,097
Provision for compensated absences	541	187	-	-	-	728
Other provisions	3,875	1,544	-	-	-	5,419
Provision for bonus	5,480	919	-	-	-	6,399
Property, plant and equipment	4,575	3,483	-	-	-	8,058
	16,588	**6,114**	**-**	**-**	**-**	**22,701**

	As at 1 April 2017	Recognised in profit or loss	Recognised in OCI	Recognised directly in	Others	As at 31 March 2018
Provision for gratuity	2,097	(366)	412	-	-	2,143
Provision for compensated absences	728	793	-	-	-	1,521
Other provisions	5,419	(475)	-	-	-	4,944
Provision for bonus	6,399	(849)	-	-	-	5,550
Property, plant and equipment	8,058	121	-	-	-	8,179
	22,701	**(776)**	**412**	**-**	**-**	**22,338**

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)	20,467	20,467
Income tax laibilities (net)	(5,515)	(4,422)
Net current income tax asset/ (laibility) at the end	**14,952**	**16,045**

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	16,045	15,522
Income tax paid (net)	9,236	8,224
Current income tax expense	(10,329)	(7,702)
Net current income tax asset/ (liability) at the end	**14,952**	**16,045**

Amount in Rupees in thousands

	As at	31 March 2018	31 March 2017
7	**Loans**		
	(Unsecured, considered good)		
	Non current		
	Security deposits	4,409	3,925
	(Unsecured, considered doubtful)		
	Security deposits	2,015	2,015
	Less: Provision for doubtful security deposits	(2,015)	(2,015)
	Less: Provision for doubtful security deposits	**4,409**	**3,925**
	Current		
	Advances to employees	1,033	813
		1,033	**813**
8	**Other non-current assets**		
	Unsecured, considered good		
	Capital advances	1,649	74
		1,649	**74**
9	**Inventories***		
	Raw materials	61,469	-
	Packing materials	41,689	-
	Finished goods	8,619	-
	Stores and spare parts	16,824	16,424
		128,601	**16,424**

* Refer note 3 (d) of accounting policy for mode of valuation for inventories.

The write down of inventories to net realisable value during the year amounted to Rs. 1,128 (31 March 2017: Rs.16,424). The write down are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

		31 March 2018	31 March 2017
10	**Trade Receivables**		
	(Unsecured, considered good)		
	Receivables from related parties (Refer note 33)	117,921	64,672
		117,921	**64,672**

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 35.

		31 March 2018	31 March 2017
11	**Cash and bank balances**		
	Cash and cash equivalents:		
	- Cash on hand	-	1
	- Current accounts	2,659	1,733
		2,659	**1,734**
12	**Other financial assets**		
	(Unsecured, considered good)		
	Unbilled revenue	8,222	-
		8,222	**-**
13	**Other current assets**		
	(Unsecured, considered good)		
	Advances other than capital advances		
	- Other advances	13	-
	Prepaid expenses	473	1,893
	Balance with government authorities	20,675	14,626
	(Unsecured, considered doubtful)		
	Advances to suppliers	27,000	27,000
	Less : Provisions for doubtful advances	(27,000)	(27,000)
		21,161	**16,519**

Amount in Rupees in thousands

14 Share capital

As at	31 March 2018	31 March 2017
Authorised		
[500,000 equity shares of Rs 10 each (31 March 2017: 500,000 equity shares of Rs 10 each)]	5,000	5,000
Issued, subscribed and paid up		
[450,150 equity shares of Rs 10 each (31 March 2017: 450,150 equity shares of Rs 10 each)]	4,502	4,502
	4,502	**4,502**

(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 and at the end of the year	450,150	4,502	450,150	4,502

(b) Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of Rs 10 each. Each share holder is eligible for one vote per share held. 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 residual assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(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				
Britannia Industries Limited, holding company	354,138	3,541	354,138	3,541
Boribunder Finance and Investments Private Limited, subsidiary of holding company	96,012	960	96,012	960

(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	354,138	79%	354,138	79%
Boribunder Finance and Investments Private Limited, subsidiary of holding company	96,012	21%	96,012	21%

15 Other Equity

Amount in Rupees thousands

	Capital Redemption Reserve	General Reserve	Surplus Profit/ Loss balance	Other comprehensive income	Total
Balance as at 1 April 2016	6	7,500	27,698	(3,218)	**31,985**
Additions					
Remeasurement of defined benefit liability	-	-	-	470	470
Loss for the year	-	-	6,185	-	6,185
Balance as at 31 March 2017	**6**	**7,500**	**33,883**	**(2,749)**	**38,640**
Additions					
Remeasurement of defined benefit liability	-	-	-	(1,069)	(1,069)
Profit for the year	-	-	14,314	-	14,314
Balance as at 31 March 2018	**6**	**7,500**	**48,197**	**(3,818)**	**51,885**

16 Borrowings(Non-current)

	As at 31 March 2018	As at 31 March 2017
Term loan		
Secured bank loan	126,299	158,107
Closing balance	**126,299**	**158,107**

Note:
The loan from HSBC Bank is repayable in 24 equal installments starting from 27 April 2017. The rate of interest is 8.1%. The Outstanding from loan was secured by an exclusive charge on existing and future movable assets, current assets, letter of comfort from Britania Industries Limited and negative lien on immovable fixed assets as securities to HSBC for availing the said facilities.

17 Provisions

	Long term		Short term	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Provision for employee benefits:				
Provision for compensated absences	2,467	1,985	15	217
Provision for workmen compensation	16,756	14,675	-	-
Provision for gratuity (refer note 34)	7,706	6,343	-	-
Total provision	**26,929**	**23,003**	**15**	**217**

		Amount in Rupees in thousands
As at	**31 March 2018**	**31 March 2017**
18 Trade payables		
Total outstanding dues of micro and small enterprises [refer note below]	-	-
Total outstanding dues of other than micro and small enterprises*	207,486	39,673
	207,486	**39,673**

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.

	31 March 2018	31 March 2017
(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	-	-
(c)The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting 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 year) but without adding the interest specified under MSMED Act, 2006	-	-
(e)The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
(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 deductable expenditure under the MSMED Act, 2006	-	-

*Includes dues to related party (refer note 33)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 35

	31 March 2018	31 March 2017
19 Other financial liabilities		
Current maturities of long term debt (also refer note 16)	31,697	31,587
Creditors for capital goods	2,395	4,118
Payroll related liabilities	10,963	11,122
	45,055	**46,827**
20 Other current liabilities		
Statutory liabilities	34,500	1,240
	34,500	**1,240**

J B Mangharam Foods Private Limited
Notes to financial statements (continued)

Amount in Rupees in thousands

	For the year ended	31 March 2018	31 March 2017
21	**Revenue from operations**		
	Sale of goods	1,008,634	-
	Conversion Charges (including commitment charges)	173,122	322,309
	Rental income	25,890	39,079
		1,207,646	**361,388**
22	**Other operating revenues**		
	Scrap sales	325	810
	Sale of raw materials	3,233	-
	Provision no longer required written back	1,492	576
		5,050	**1,386**
23	**Other income**		
	Interest income	671	432
	Profit on sale of property, plant and equipment	488	1,542
		1,159	**1,974**
24	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year (refer note 9)	-	-
	Add: Purchases	930,442	-
	Less: Inventory of materials at the end of the year (refer note 9)	103,158	-
		827,284	**-**
25	**Changes in inventories of finished goods and work-in-progress**		
	Opening stock: (refer note 9)		
	- Finished goods	-	-
	Closing stock: (refer note 9)		
	- Finished goods	8,619	-
	(Increase) / decrease in inventory	**(8,619)**	-
26	**Employee benefits expense**		
	Salaries, wages and bonus	67,032	66,276
	Contribution to provident and other funds [refer note 34]	12,353	8,694
	Staff welfare expenses	5,138	3,989
		84,523	**78,959**
27	**Finance cost**		
	Interest expense	14,015	21,031
		14,015	**21,031**
28	**Other expenses**		
	Consumption of stores and spares	12,386	5,366
	Power and fuel	63,106	36,376
	Rent (refer note 30)	1,425	396
	Contract labour charges	109,407	119,218
	Repairs and maintenance:		
	- Plant and equipment	26,403	25,997
	- Buildings	1,200	4,537
	- Others	332	184
	Insurance	1,546	1,327
	Rates and taxes, net	3,472	3,312
	Auditors' remuneration (a):		
	- Audit fees	178	163
	Travelling and conveyance	1,222	1,328
	Security charges	4,710	4,530
	Legal and professional expenses	1,124	1,466
	Miscellaneous expenses	12,710	13,034
		239,221	**217,235**

(a) Excludes applicable taxes

	As at	31 March 2018	31 March 2017
		Amount in Rupees in thousands	
29	**Contingent liabilities and commitments (to the extent not provided for)**		
	i) Contingent Liabilities		
	Claims / demand against the Company not acknowledged as debts		
	- Tax matters - excise duty	28,714	28,714
	- Tax matters - sales tax	336	336
	- Tax matters - Income tax	6,013	6,013

ii) Commitments:

Estimated amount of contracts remianing to be exeucted on capital account and not provided for Rs. 26,879 (31 March 2017: 2,936)

30 Operating leases

The Company has leased facilities for guest house and cold storage rent under cancellable operating lease. The rental expenses recognized in the Statement of Profit and Loss in respect of obligations under operating lease is Rs. 1,425 for the year ended 31 March 2018 (previous year Rs. 396).

31 Earnings per share (EPS)

		31 March 2018	31 March 2017
a	Net profit attributable to the equity shareholders (in rupees thousands)	14,314	6,185
b	Number of equity shares at the beginning of the year	450,150	450,150
c	Number of equity shares at the end of the year	450,150	450,150
d	Weighted average number of equity shares outstanding during the year	450,150	450,150
e	Nominal value of equity shares (Rs.)	10	10
f	Basic profit / (loss) per share (Rs.)	**31.80**	**13.74**

The Company does not have potential dilutive equity shares outstanding, accordingly the basic and diluted earnings/ (loss) per share is the same.

32 Segment information

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) 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.

Amount in Rupees in thousands

33 Related party transactions

(a) List of related parties

(i) Parties where control exists

Ultimate holding company	The Bombay Burmah Trading Corporation Limited
Holding company	Britannia Industries Limited

(ii) List of fellow subsidiaries with whom transactions have taken place during the year

Fellow subsidiary	Vasana Agrex and Herbs Private Limited

(ii) Key management personnel(KMP):

Directors	: Mr. Venkataraman Natarajan
	: Mr. Vinay Singh Kushwaha

(b) Outstanding balances as at year end

Nature of transaction	31 March 2018	31 March 2017
1) Britannia Industries Limited		
- Trade Receivables	117,921	64,424
2) Vasana Agrex and Herbs Private Limited		
- Advances (fully provided)	27,000	27,000
- Investment in equity instrument (fully provided)	32	32

(c) Related party transactions

Nature of transaction	Holding company	
	Year ended 31 March 2018	Year ended 31 March 2017
1) Sale of goods (net of taxes)	1,008,634	-
2) Conversion income (including commitment charges)	173,122	322,309
3) Rent	25,890	39,079

Amount in Rupees in thousands

34 Employee benefits: Post-employment benefit plans

Defined contribution plans

The Company provides for gratuity, which is defined benefit retirement plan (the gratuity plan) covering all employees. Every employee who has completed one year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service.

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

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(i)	**Expense recognised in the Statement of Profit and Loss**		
	Current service cost	1,458	1,258
	Interest cost on benefit obligation	1,866	1,858
	Interest income on plan assets	(1,442)	(1,420)
	Net gratuity cost	**1,882**	**1,696**
(ii)	**Remeasurements recognised in statement of Other comprehensive income**		
	Actuarial loss due to financial assumptions	1,616	1,494
	Actuarial (gain) / loss due to experience adjustments	189	(2,278)
	Return on plan assets excluding interest income	**(324)**	81
		1,481	**(703)**
(iii)	**Net liability recognised in Balance Sheet as at the year end**		
	Projected benefit obligation at the end of the year	29,890	26,685
	Funded status of the plans	(22,184)	(20,342)
	Net liability recognized in the Balance Sheet	**7,706**	**6,343**
	Classified as:		
	Short-term provisions	-	-
	Long-term provisions	7,706	6,343
		7,706	**6,343**
(iv)	**Changes in the present value of defined benefit obligation**		
	Present Value of defined benefit obligation at the beginning of year	26,685	25,231
	Current service cost	1,458	1,258
	Interest cost	1,866	1,858
	Benefits paid	(1,924)	(878)
	Actuarial loss due to financial assumptions	1,616	1,494
	Actuarial (gain) / loss due to experience adjustments	189	(2,278)
	Present value of defined benefit obligation at the end of the year	**29,890**	**26,685**
(v)	**Change in fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	20,342	18,381
	Expected return on plan assets	1,442	1,420
	Contributions	2,000	1,500
	Benefits paid	(1,924)	(878)
	Actuarial gain on plan asset	324	(81)
	Fair value of plan assets at the end of the year	**22,184**	**20,342**
(vi)	**Actual return on plan assets**		
	Expected return on plan assets	1,442	1,420
	Actuarial gain/(loss) on plan assets	324	(81)
	Actual return on plan assets	**1,766**	**1,339**

As at 31 March 2018 and 2017, 100% of the plan assets were invested in the insurer managed funds.

Amount in Rupees in thousands

34 Employee benefits: Post-employment benefit plans(continued)

(vii) Sensitivity analysis

The sensitivity analysis of significant actuarial assumption as of end of reporting period is

A. Discount rate		
Discount rate -50 basis points	30,910	1,060
Assumptions	7.00%	6.60%
Discount rate +50 basis points	28,923	998
Assumptions	8.00%	7.70%
B. Salary increase rate		
Salary rate -50 basis points	28,973	961
Assumptions	5.50%	4.50%
Salary rate +50 basis points	30,847	1,010
Assumptions	6.50%	5.50%
C. Withdrawal rate		
Withdrawal rate -100 basis points	29,686	-
Withdrawal rate +100 basis points	30,072	-

(viii) Actuarial assumptions

	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	7.50%	7.10%
Expected rate of return on plan assets	7.50%	7.10%
Future salary increase	6.00%	5.00%
Attrition rate:	4.00%	2.00%
Retirement age (in years)	58	58

(i) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

(ii) Discount rate is based on the prevailing market yields of Indian Government securities as at year end for the estimated term of the obligations.

Amount in Rupees in thousands

35 Financial risk management

The principal financial assets of the Company include loans, trade and other receivables, and cash and bank balances that derive directly from its operations. The principal financial liabilities of the Company, include borrowings, trade and other payables and the main purpose of these financial liabilities is to finance the day to day operations of the Company.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks that advises on financial risks and the appropriate financial risk governance framework for the Company.

This note explains the risks which the Company is exposed to and policies and framework adopted by the Company to manage these risks:

a. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, foreign currency risk and investment risk.

(i) Foreign currency risk

The Company's operations does not give rise to any foreign currency risk exposure. Hence no disclosure is made in the financial statements.

(ii) Investment risk

The Company has made investments in Government certificates (National Saving Certificate and Vikas Certificates) which are not exposed to any investment risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

As the Company has no significant interest-bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates, which are included in interest bearing borrowings in these financial statements.

At the reporting date the interest rate profile of the Company's interest bearing financial instrument is at its fair value:

Particulars	**Carrying Amount**	
Variable rate instruments	**31 March 2018**	**31 March 2017**
Long-term borrowings	126,299	158,107
Current maturities of long-term debt	31,697	31,587

Cash flow sensitivity analysis for variable rate instruments

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. A change of 100 basis points in interest rates for variable rate instruments at the reporting date would have increased/(decreased) profit or loss for the below years by the amounts shown below. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	**31 March 2018**	**31 March 2017**
Increase/ (decrease) in 100 basis point	1,580	1,897

b. Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables which are typically unsecured. Credit risk on cash and cash equivalents, other bank balances is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings assigned by credit rating agencies. The Company's credit risk in case of all other financial instruments is negligible.

The Company assesses the creditworthiness of the customers internally to whom goods are sold on credit terms in the normal course of business.

The entire revenue appearing in the financial statements is generated from a single customer. Further, as the Company is dealing with a single customer, the impairment analysis is performed for the debtors that are past due at the end of each reporting date. The Company does not have any receivables that are past due and accordingly no allowance for doubtful debts had been considered.

Amount in Rupees in thousands

35 Financial risk management(continued)

c. Liquidity risk

The financial liabilities of the Company include loans and borrowings, trade and other payables. The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company monitors its risk of shortage of funds to meet the financial liabilities using a liquidity planning tool.

The below is the detail of contractual maturities of the financial liabilities of the Company at the end of each reporting period:

Particulars	**31 March 2018**	**31 March 2017**
Long-term borrowings including current maturity of long-term debts (Carrying amount)	157,996	189,694
0 - 3 months	7,924	9,064
3 - 12 months	23,773	34,411
1 - 2 years	31,698	43,566
2 - 5 years	94,601	115,315
More than 5 years		33,296
Trade payables (carrying amount)		
Contractual cash flows of trade payables	207,486	37,901
Less than 1 year	207,486	37,901
Other financial liabilities (carrying amount)		
Contractual cash flows of other financial liabilities	13,358	15,240
Less than 1 year	13,358	15,240

36 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 efficiency so as to safeguard its ability to continue as a going cocern and to optimise returns to all its shareholders. For the purpose of the Company's capital managment, 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.

Particulars	**31 March 2018**	**31 March 2017**
Total Debt	157,996	189,694
Total equity	56,387	43,142
Debt to equity	280%	440%

Amount in Rupees in thousands

37 Financial instruments - fair values and risk management

Accounting classification and fair values

There have been no transfers among Level 1, Level 2 and Level 3 during the period. The Company does not have any investments, derivative financial assets and liabilities. Hence, Level 1 and Level 2 hierarchy is not applicable.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2018:

	Carrying amount				
Particulars	**Mandatorily - FVTPL and others**	**FVOVI - Debt and equity instruments**	**Other financial assets - amortised cost**	**Other financial liabilities**	**Total carrying amount**
Financial assets not measured at fair value *					
(i) Investments	-	-	26	-	26
(ii) Trade receivables	-	-	117,921	-	117,921
(iii) Cash and cash equivalent	-	-	-	-	-
(iv) Bank Balance	-	-	2,659	-	2,659
(v) Loans	-	-	5,442	-	5,442
(vi) Other financial assets	-	-	8,222	-	8,222
	-	-	**134,270**	-	**134,270**
Financial liabilities not measured at fair value #					
(i) Borrowings	-	-	-	157,996	157,996
(ii) Trade payables	-	-	-	207,486	207,486
(ii) Other financial liabilities	-	-	-	13,358	13,358
	-	-	-	**378,840**	**378,840**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017:

	Carrying amount				
Particulars	**Mandatorily - FVTPL and others**	**FVOVI - Debt and equity instruments**	**Other financial assets - amortised cost**	**Other financial liabilities**	**Total carrying amount**
Financial assets not measured at fair value *					
(i) Investments	-	-	26	-	26
(ii) Trade receivables	-	-	64,672	-	64,672
(iii) Cash and bank balances	-	-	1	-	1
(iv) Bank balance	-	-	1,733	-	1,733
(v) Loans	-	-	4,738	-	4,738
(vi) Other financial assets	-	-	-	-	-
	-	-	**71,170**	-	**71,170**
Financial liabilities not measured at fair value #					
(i) Borrowings	-	-	-	189,694	189,694
(ii) Trade payables	-	-	-	39,673	39,673
(iii) Other financial liabilities	-	-	-	15,240	15,240
	-	-	-	**244,607**	**244,607**

* The Company has not disclosed the fair values for financial instruments such as short-term trade receivables, because their carrying amounts are a reasonable approximation of fair value.

The Company has not disclosed the fair values for financial instruments such as short-term trade payables, because their carrying amounts are a reasonable approximation of fair value.

Amount in Rupees in thousands

38 Previous year's figures have been regrouped/reclassified as per current year's prensentation for the purpose of comparability.

As per our report of even date attached

for **B S R & Co. LLP**	*for* **and on behalf of the Board of Directors of**
Chartered Accountants	**J.B. Mangharam Foods Pvt Ltd**
Firm Registration Number: 101248W/W-100022	CIN No. U15412AS1985PTC002361

Sd/-	Sd/-	Sd/-
Vikash Gupta	**Venkataraman Natarajan**	**Vinay Singh Kushwaha**
Partner	*Director*	*Director*
Membership number:	*DIN: 05220857*	*DIN:03480249*
Place : Bangalore	Place : Bangalore	Place : Bangalore
Date: 14 May 2018	Date: 14 May 2018	Date: 14 May 2018