Manna Foods Private Limited
Balance Sheet

Amount in rupees thousands

As at		**Note**	**31 March 2018**	**31 March 2017**
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, plant and equipment	4	567,372	630,772
	(b) Capital work-in-progress	4	125	627
	(c) Intangible assets	4	247	201
	(d) Financial assets			
	(i) Investments	5	6,123	5,258
	(ii) Loans	6	5,015	6,217
	(e) Deferred tax assets (net)	7	11,601	-
	(f) Income tax assets (net)	7	13,552	27,739
	Total non-current assets		**604,035**	**670,814**
(2)	**Current assets**			
	(a) Inventories	8	8,787	9,032
	(b) Financial assets			
	(i) Trade Receivables	9	17,208	40,498
	(ii) Cash and cash equivalents	10	1,221	1,690
	(iii) Bank balances other than (ii) above	10	9,302	3,491
	(iv) Loans	11	61	64
	(v) Other financial assets	12	13,933	47,530
	(c) Other current assets	13	10,802	2,874
	Total current assets		**61,314**	**105,179**
	Total assets		**665,349**	**775,993**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Share capital	14	48,750	48,750
	(b) Other equity	15	33,702	(18,107)
	Total equity		**82,452**	**30,643**
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	16	429,043	523,557
	(b) Provisions	17	2,358	1,955
	Total non-current liabilities		**431,401**	**525,512**
(2)	**Current liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	18	35,611	31,777
	(ii) Other financial liabilities	19	101,971	151,389
	(b) Provisions	17	96	84
	(c) Other current liabilities	20	13,818	36,588
	Total current liabilities		**151,496**	**219,838**
	Total equity and liabilities		**665,349**	**775,993**
	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**
Manna Foods Private Limited
CIN: U15400KA1994PTC015687

Sd/-
Vikash Gupta
Partner
Membership No: 064597

Place: Bangalore
Date: 11 May 2018

Sd/-
Vinay Singh Kushwaha
Director
DIN:

Place: Mumbai
Date: 11 May 2018

Sd/-
Venkatraman Natarajan
Director
DIN:

Place: Mumbai
Date: 11 May 2018

Manna Foods Private Limited
Statement of Profit and Loss

Amount in rupees thousands

For the year ended	Note	31 March 2018	31 March 2017
I. Income			
Revenue from operations	21	444,276	401,044
Other income	22	4,201	2,378
Total income		**448,477**	**403,422**
II. Expenses			
Employee benefits expenses	23	47,678	44,985
Finance costs	24	46,302	58,592
Depreciation and amortisation expense	4	64,537	66,528
Other expenses	25	241,266	249,440
Total expenses		**399,783**	**419,545**
III. Profit/(Loss) before tax (I-II)		**48,694**	**(16,123)**
IV. Tax expense:			
(i)Current tax		9,928	-
(ii)Deferred tax		(11,758)	-
		(1,830)	-
V. Profit/(Loss) for the year (III-IV)		**50,524**	**(16,123)**
VI. Other comprehensive income :			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurement of net defined benefit liability/asset		610	(387)
Remeasurement of fair value equity instruments through other comprehensive income		832	714
Income tax relating to items not to be reclassified to statement of profit and loss		(157)	-
VII. Total Comprehensive income net of tax subsequently (V+VI)		**51,809**	**(15,796)**
Earnings per share (for continuing operations)			
Basic earning per share		10.36	(3.31)
Diluted earning per share		10.36	(3.31)
Weighted average number of equity shares used in computing earnings per share:			
- Basic and Diluted		4,875,002	4,875,002
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**
Manna Foods Private Limited
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Sd/-
Vikash Gupta
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Place: Bangalore
Date: 11 May 2018

Sd/-
Vinay Singh Kushwaha
Director

Place: Mumbai
Date: 11 May 2018

Sd/-
Venkatraman Natarajan
Director

Place: Mumbai
Date: 11 May 2018

Manna Foods Private Limited
Statement of Changes in Equity

Amount in rupees thousands

	Equity share capital	Other equity			Total equity attributable to equity holders of the Company
		Retained earnings	Other Comprehensive Income	Total	
Balance as of 1 April 2016	48,750	(5,496)	3,185	(2,311)	46,439
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	(387)	(387)	(387)
Remeasurement of fair value equity instruments through other comprehensive income	-	-	714	714	714
Profit for the year	-	(16,123)	-	(16,123)	(16,123)
Balance at 31 March 2017	**48,750**	**(21,619)**	**3,512**	**(18,107)**	**30,643**
Balance as of 1 April 2017	48,750	(21,619)	3,512	(18,107)	30,643
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	453	453	453
Remeasurement of fair value equity instruments through other comprehensive income	-	-	832	832	832
Profit for the year	-	50,524	-	50,524	50,524
Balance at 31 March 2018	**48,750**	**28,905**	**4,797**	**33,702**	**82,452**

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**
Manna Foods Private Limited
CIN: U15400KA1994PTC015687

Sd/-
Vikash Gupta
Partner
Membership No: 064597

Place: Bangalore
Date: 11 May 2018

Sd/-
Vinay Singh Kushwaha
Director

Place: Mumbai
Date: 11 May 2018

Sd/-
Venkatraman Natarajan
Director

Place: Mumbai
Date: 11 May 2018

Manna Foods Private Limited
Cash flow statement

		Amount in rupees thousands
For the year ended	**31 March 2018**	**31 March 2017**
Cash flow from operating activities		
Profit/ (Loss) before tax	48,694	(16,123)
Adjustments for:		
Depreciation and amortisation expense	64,537	66,528
Gain on disposal of property, plant and equipment	-	(107)
Interest income	(2,854)	(647)
Finance costs	46,302	58,592
	156,679	**108,243**
Changes in:		
Inventories	245	1,491
Trade receivables	23,290	(37,823)
Loans, other financial assets and other current assets	26,875	820
Trade payables	3,834	(3,885)
Provisions	415	1,307
Other current liabilities and other financial liabilities	(22,773)	(180)
Cash generated from operating activities	**188,565**	**69,973**
Income tax paid, net	4,259	(9,912)
Net cash from operating activities	**192,824**	**60,061**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(6,120)	(78,423)
Proceeds from sale of property, plant and equipment	-	225
Acquisition of investments	(33)	-
Interest received	2,854	784
Fixed deposits placed	(5,811)	(3,491)
Net cash from investing activities	**(9,110)**	**(80,905)**
Cash flow from financing activities		
Interest paid	(85,481)	(33,322)
Repayment of borrowing	(623,088)	(33,183)
Availment of unsecured loans	524,386	66,486
Net cash from financing activities	**(184,183)**	**(19)**
Net change in cash and cash equivalents	**(469)**	**(20,863)**
Cash and cash equivalents at beginning of year	1,690	22,553
Cash and cash equivalents at end of year	**1,221**	**1,690**
Cash and cash equivalents at the end of the year [Refer Note 11]		
Cash on hand	17	6
Balances with banks	1,204	1,684
Cash and cash equivalents as per cash flow statement	**1,221**	**1,690**

for **B S R & Co. LLP**	*for* **and on behalf of the Board of Directors of**	
Chartered Accountants	**Manna Foods Private Limited**	
ICAI Firm Registration No: 101248W/ W-100022	CIN: U15400KA1994PTC015687	
Sd/-	Sd/-	Sd/-
Vikash Gupta	**Vinay Singh Kushwaha**	**Venkatraman Natarajan**
Partner	*Director*	*Director*
Place: Bangalore	Place: Mumbai	Place: Mumbai
Date: 11 May 2018	Date: 11 May 2018	Date: 11 May 2018

Manna Foods Private Limited
Notes to financial statements

1 Reporting entity

Manna Foods Private Limited ('Company') was incorporated on May 27, 1994 under the provision of Indian Companies Act. The Company is a subsidiary of Britannia Industries Limited, a public company incorporated in India. The Company has setup its manufacturing facility in Madurai, located in Tamil Nadu. It is primarily engaged in manufacturing of various biscuits and rusk for Britannia Industries Limited. The Company is a subsidiary of Britannia Industries Limited.

2 Basis of preparation

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

The financial statements were authorised for issue by the Company's Board of Directors on 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 standalone 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 standalone 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 29 - leases: whether an arrangement contains a lease and ;
- Note 29 - 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 7 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 30 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 27 - 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 & 6, Notes 9 to 12 and Note 32- 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 32 - 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
Office equipment	3 - 5 years
Buildings	30 - 60 years
Leasehold land	Lease period
Computers	3 years
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.

(e) Financial instruments

i. Recognition and initial measurement

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

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries, joint venture and associates

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

3. Significant accounting policies (continued)

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 the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and 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 the normal tax liability. MAT credit recognosed 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.

3. Significant accounting policies (continued)

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.

Manna Foods Private Limited
Notes to financial statements (continued)

3. Significant accounting policies (continued)

(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.

(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.

3. Significant accounting policies (continued)

(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

Manna Foods Private Limited
Notes to financial statements (continued)

4 Property, plant and equipment
Tangible assets

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Motor vehicles	Office equipment	Computers	Total
Gross carrying amount								
As at 1 April 2016	**108,283**	**267,909**	**339,853**	**7,355**	**5,300**	**376**	**1,388**	**730,462**
Additions	33,103	149,276	598	65	-	35	-	183,077
Disposals	-	-	-	-	(263)	-	-	(263)
As at 31 March 2017	**141,386**	**417,185**	**340,451**	**7,419**	**5,036**	**411**	**1,388**	**913,276**
Additions	-	-	1,040	-	-	-	-	1,040
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	**141,386**	**417,185**	**341,490**	**7,419**	**5,036**	**411**	**1,388**	**914,316**
Depreciation								
As at 1 April 2016	**-**	**51,469**	**158,411**	**2,229**	**2,413**	**263**	**1,374**	**216,159**
Depreciation for the year	-	17,820	47,103	720	762	99	-	66,504
Disposals	-	-	-	-	159	-	-	159
As at 31 March 2017	**-**	**69,289**	**205,514**	**2,948**	**3,017**	**363**	**1,374**	**282,504**
Depreciation for the year	-	15,787	47,416	774	419	31	12	64,439
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2018	**-**	**85,076**	**252,930**	**3,722**	**3,436**	**394**	**1,386**	**346,944**
Carrying amount (net)								
As at 31 March 2018	**141,386**	**332,109**	**88,560**	**3,697**	**1,600**	**17**	**2**	**567,372**
As at 31 March 2017	**141,386**	**347,896**	**134,937**	**4,471**	**2,020**	**48**	**13**	**630,772**
Capital work-in-progress								
Carrying amounts of:								
As at 1 April 2016								**116,693**
Additions during the year								67,011
Assets capitalised								(183,077)
As at 31 March 2017								**627**
Additions during the year								538
Assets capitalised								(1,040)
As at 31 March 2018								**125**

Notes:
1. Borrowing costs amounting to Rs Nil (31 March 2017- Rs. 4,201,241) have been included in additions to capital work-in-progress.

4 Intangible assets

Particulars	Computer software	Total
Gross carrying amount		
As at 1 April 2016	**225**	**225**
Additions	-	-
Disposals	-	-
As at 31 March 2017	**225**	**225**
Additions	144	144
Disposals	-	-
As at 31 March 2018	**369**	**369**
As at 1 April 2016	24	24
Amortisation	-	-
Disposals	-	-
As at 31 March 2017	**24**	**24**
Amortisation	98	98
Disposals	-	-
As at 31 March 2018	**122**	**122**
Carrying amount (net)		
As at 31 March 2018	**247**	**247**
As at 31 March 2017	**201**	**201**

Amount in rupees thousands

	As at	31 March 2018	31 March 2017
5	**Investments**		
	Non current investment		
	<u>At Fair Value through Other Comprehensive Income</u>		
	Quoted equity shares		
	Investments in equity instruments at FVOCI	33	33
	Unquoted equity shares		
	Investments in equity instruments (fully paid) at FVOCI		
	129,999 (31 March 2017: 129,999) International Bakery Products Limited	5,928	5,096
	14,700 (31 March 2017: 11,800) OPG Power Generation Private Limited	163	130
	4,799 (31 March 2017: 4,799) Vasana Agrex & Herbs Private Limited	48	48
	Less: Provision for impairment in value of investments	(48)	(48)
		6,091	5,226
	Total long-term investments	**6,123**	**5,258**
	Aggregate book value of quoted non-current investments	33	33
	Aggregate market value of quoted non-current investments	33	33
	Aggregate book value of unquoted non-current investments	6,091	5,226
	Aggregate amount of impairment in value of investment	48	48
6	**Loans**		
	(Unsecured, considered good)		
	Security deposits	5,015	6,217
		5,015	**6,217**

7 Income tax assets

(a) Amounts recognised in Statement of Profit and Loss

Amount in rupees thousands

For the year ended	**31 March 2018**	**31 March 2017**
Current tax	9,928	-
Deferred tax	(11,758)	-
Tax expense for the year	**(1,830)**	**-**

(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	610	(157)	453	(387)	-	(387)
Remeasurement of fair value equity instruments	832	-	832	714	-	714
	1,442	**(157)**	**1,285**	**327**	**-**	**327**

(c) Reconciliation of effective tax rate

Fot the year ended	**31 March 2018**		**31 March 2017**	
Profit / (Loss) before tax		48,694		(16,123)
Tax using the Company's domestic tax rate:	27.55%	13,416	0.00%	-
Tax effect of:				
Unrecognised deferred tax assets on previous year losses	-27.55%	(13,416)	0.00%	-
Others	-3.76%	(1,830)	0.00%	-
	-3.76%	**(1,830)**	**0.00%**	**-**

(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	5,342	6,389
Provision for doubtful advances	357	428
Deferred tax on indexation of freehold land	8,480	-
Minimum alternative tax	9,928	-
Unabosrbed depreciation and carry forward losses	2,341	14,026
Property, plant and equipment	(14,847)	(20,843)
Deferred tax assets (net)	**11,601**	**-**

7 Income tax assets(continued)

Amount in rupees thousands

(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	5,426	963	-	-	-	6,389
Provision for doubtful advances	428	-	-	-	-	428
Unabosrbed depreciation and carry forward losses*	21,281	(7,255)	-	-	-	14,026
Property, plant and equipment	(27,136)	6,292	-	-	-	(20,843)
	-	-	-	-	-	-

	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	6,389	(890)	(157)	-	-	5,342
Provision for doubtful advances	428	(71)	-	-	-	357
Minimum alternative tax	-	9,928	-	-	-	9,928
Deferred tax on indexation of freehold land	-	8,480	-	-	-	8,480
Unabosrbed depreciation and carry forward losses	14,026	(11,685)	-	-	-	2,341
Property, plant and equipment	(20,843)	5,996	-	-	-	(14,847)
	-	**11,758**	**(157)**	**-**	**-**	**11,601**

*Deferred tax assets had been recognised only to the extent of deferred tax liabilities as it was not probable that future taxable profit will be available against which the Company can use the benefits therefrom.

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)	13,552	27,739
Income tax laibilities (net)	-	-
Net current income tax asset/ (laibility) at the end	**13,552**	**27,739**

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	27,739	17,827
Income tax (refund)/ paid (net)	(4,259)	9,912
Current income tax expense (including earlier years)	(9,928)	-
Net current income tax asset/ (liability) at the end	**13,552**	**27,739**

	As at	31 March 2018	31 March 2017
8	**Inventories***		
	Stores and spare parts	8,787	9,032
		8,787	**9,032**

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

The write down of inventories to net realisable value during the year amounted to Rs.431 (31 March 2017 :711).

9	**Trade receivables**		
	(Unsecured, considered good unless otherwise stated)		
	Receivables from related parties (Refer note 31)	17,208	40,498
		17,208	**40,498**

The Company's exposure to credit and currency risks, loss allowances related to trade receivables are disclosed in note 14.

10	**Cash and bank balances**		
	Cash and cash equivalents:		
	Cash on hand	17	6
	Bank balance		
	On current accounts	1,204	1,684
		1,221	**1,690**
	Other bank balances		
	Deposits with original maturity for more than 3 months but less than 12 months	9,302	3,491
		10,523	**5,180**
11	**Loans**		
	(Unsecured, considered good)		
	Advance to employees	61	64
		61	**64**
12	**Other financial assets**		
	(Unsecured, considered good)		
	Unbilled revenue	13,933	47,530
		13,933	**47,530**
13	**Other current assets**		
	(Unsecured, considered good)		
	Advance to suppliers	1,726	872
	Prepayments	961	1,321
	Balances with government authorities	8,115	681
	(Unsecured and considered doubtful)		
	Advance to supplier	1,386	1,386
	Less: Provision for doubtful advances	(1,386)	(1,386)
		10,802	**2,874**

As at	31 March 2018	31 March 2017
14 Share capital		
Authorised		
Equity shares		
5,000,000 equity shares of Rs.10 each (31 March 2017: 5,000,000 equity shares of Rs.10 each)	**50,000**	**50,000**
Issued, subscribed and paid up		
Equity shares fully paid		
4,875,002 equity shares of Rs.10 each (31 March 2017: 4,875,002 equity shares of Rs.10 each)	48,750	48,750
	48,750	**48,750**

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

	As at 31 March 2018		As at 31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
At the commencement and end of the year	4,875,002	48,750	4,875,002	48,750
At the end of the year	**4,875,002**	**48,750**	**4,875,002**	**48,750**

(b) Terms / rights attached

The Company has one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining 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. During the year ended 31 March 2018, the Company has not declared any dividend.

(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, the holding company along with its nominee share holder	4,875,002	48,750	4,875,002	48,750

(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	% of total equity	Number of equity	% of total equity
Equity shares of Rs. 10 each fully paid held by:				
Britannia Industries Limited, the holding company along with its nominee share holder	4,875,002	100%	4,875,002	100%

As at	**31 March 2018**	**31 March 2017**

15 Other equity

	Retained earnings	Other comprehensive income	Total
Balance as at 1 April 2016	(5,496)	3,185	(2,311)
Remeasurements of defined benefit liability (asset)	-	(387)	(387)
Equity instruments through other comprehensive income	-	714	714
Profit/ (loss) for the year	(16,123)	-	(16,123)
Balance as at 31 March 2017	**(21,619)**	**3,512**	**(18,107)**
Remeasurements of defined benefit liability (asset)	-	453	453
Equity instruments through other comprehensive income	-	832	832
Profit/ (loss) for the year	50,524	-	50,524
Balance as at 31 March 2018	**28,905**	**4,797**	**33,702**

16 Borrowings

Non-current	**31 March 2018**	**31 March 2017**
From Bank	429,043	-
From related party		
Loan from Britannia Industries limited, Holding Company	-	523,557
	429,043	**523,557**

Terms and repayment schedule	**Currency**	**Nominal interest rate**	**Year of maturity**	**Carrying amount at 31 March 2018**	**Carrying amount at 31 March 2017**
Unsecured loan from related party	INR	10%	2014-2025	-	623,088
Secured loan from Standard Chartered Bank	INR	6%	2017-2023	524,386	-

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

	Non current portion		**Current portion**	
Particulars	**31 March 2018**	**31 March 2017**	**31 March 2018**	**31 March 2017**
Gratuity (refer note 30)	1,350	1,040	-	-
Compensated absences (refer note 30)	1,008	915	96	84
	2,358	**1,954**	**96**	**84**

As at	31 March 2018	31 March 2017
18 Trade payables		
Current		
total outstanding dues to micro enterprises and small enterprises (Refer below)	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	35,611	31,777
	35,611	**31,777**

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

Particulars	31 March 2018	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 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.	-	-
(c)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	-	-
(d)The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
(e)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.	-	-
(f)The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-

	31 March 2018	31 March 2017
19 Other financial liabilities		
Current		
Current maturities of long term debt (also refer note 16)	95,343	99,531
Interest accrued but not due	-	39,179
Creditors for capital goods	-	5,438
Payroll related liabilities	6,628	7,241
	101,971	**151,389**

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

	31 March 2018	31 March 2017
20 Other current liabilities		
Statutory liabilities	2,805	1,592
Advance from customers (refer note 31)	11,013	34,995
Others	-	1
	13,818	**36,588**

Amount in rupees thousands

	For the year ended	31 March 2018	31 March 2017
21	**Revenue from operations**		
	Conversion Income	330,263	323,428
	Lease income	114,013	77,616
		444,276	**401,044**
22	**Other income**		
	Interest income	2,854	647
	Profit on sale of fixed assets	-	107
	Miscellaneous income	1,347	1,624
		4,201	**2,378**
23	**Employee benefit expenses**		
	Salaries, wages and bonus	41,327	39,325
	Contribution to provident and other funds	5,525	4,876
	Staff welfare expenses	826	784
		47,678	**44,985**
24	**Finance cost**		
	Interest expense	46,302	62,793
	Less: borrowing cost capitalised (refer note 4)	-	4,201
		46,302	**58,592**
25	**Other expenses**		
	Consumption of stores and spares	10,596	10,162
	Power and fuel	46,757	47,066
	Rent (refer note 29)	180	180
	Contract labour	113,417	119,243
	Repairs and maintenance:		
	- Plant and equipment	17,573	15,234
	- Buildings	5,164	2,285
	- Others	11,341	23,287
	Rates and taxes	1,808	418
	Insurance	571	484
	Carriage, freight and distribution	463	412
	Legal and professional fees	1,370	1,095
	Auditor's remuneration (refer Note (i) below)	150	130
	Security charges	5,920	6,187
	Van hire charges	14,189	13,568
	Provision for inventories	431	711
	Miscellaneous expenses	11,336	8,981
		241,266	**249,440**

Note (i) Auditor's remuneration excludes taxes and out of pocket expenses

Amount in rupees thousands

	For the year ended	31 March 2018	31 March 2017
26	**Earnings Per Share (EPS)**		
	A. Basic earnings per share		
	i. Profits attributable to the equity holders of the Company	50,524	(16,123)
	ii. Weighted average number of equity shares	4,875,002	4,875,002
	iii. Basic earnings per share	10.36	(3.31)
	B. Diluted earnings per share		
	i. Profits attributable to the equity holders of the Company	50,524	(16,123)
	ii. Weighted average number of equity shares	4,875,002	4,875,002
	iii. Basic earnings per share	10.36	(3.31)
27	**Contingent liabilities and commitments**		
	Contingent liabilities:		
	Tax matters - excise duty	8,748	8,756

28 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) 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.

29 Operating leases

The Company has entered into operating lease arrangement in respect of factory warehouse during the current year and earlier years. The lease rent expense recognized during the year ended March 31, 2018 is Rs. 180 (Previous Year: Rs.180).

a. **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. 4,605 (previous year Rs.4,372) and is included in "Employee benefits expense" in note 23.

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:

Amount in rupees thousands

Manna Foods Private Limited
Notes to financial statements (continued)

30 Retirement benefits (continued)

a. Gratuity plan

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

	Change in projected benefit obligation	**31 March 2018**	**31 March 2017**
	Projected benefit obligations at the beginning of the year	1,722	785
	Service cost	847	497
	Interest cost	122	57
	Benefits settled	-	-
	Actuarial (gain) / loss	(663)	383
	Projected benefit obligations at the end of the year	**2,028**	**1,722**
	Change in plan assets		
	Fair value of plan assets at the beginning of the year	683	635
	Expected return on plan assets	49	51
	Employer contributions	-	-
	Benefits settled	-	-
	Actuarial gain / (loss)	(53)	(4)
	Fair value of plan assets at the end of the year	**679**	**683**
	Reconciliation of present value of obligation on the fair value of plan assets		
	Present value of projected benefits at the end of the year	2,028	1,722
	Funded status of the plan	679	683
	Funded status amount of liability / (asset) recognised in the balance sheet	**1,350**	**1,040**
	(i) Expense recognised in Profit and loss account		
	Service cost	847	497
	Interest cost	122	57
	Expected returns on plan assets	(49)	(51)
		920	**503**
	(ii) Remeasurements recognised in Other comprehensive income		
	Actuarial loss	**(610)**	**387**
	Net gratuity costs	**310**	**890**
	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	2,151	1,833
	Assumptions	7.10%	6.70%
	Discount rate +50 basis points	1,917	1,622
	Assumptions	8.10%	7.70%
B	Salary increase rate		
	Salary rate -50 basis points	1,918	1,623
	Assumptions	4.50%	4.50%
	Salary rate +50 basis points	2,148	1,831
	Assumptions	5.50%	5.50%
C.	Withdrawal rate		
	Withdrawal rate -100 basis points	1,980	1,695
	Withdrawal rate +100 basis points	2,066	1,741
	Actuarial assumptions	**Year ended 31 March 2018**	**Year ended 31 March 2017**
	Discount rate	7.60%	8.08%
	Expected rate of return on plan assets	7.60%	8.08%
	Future salary increase	5.00%	5.00%
	Attrition rate:	5.00%	5.00%
	Retirement age (in years)	58 years	58 years

Amount in rupees thousands

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

Note:

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

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

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

31 Related party transactions

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

Nature of relationship	**Name of the related party**
Ultimate holding company	The Bombay Burmah Trading Corporation Limited
Holding company	Britannia Industries Limited
Fellow subsidiaries	Sunrise Biscuits Company Private Limited
Key management personnel(KMP)[Directors]	Mr. Vinay Singh Kushwaha
	Mr. Venkatraman Natarajan

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

Nature of transactions	**31 March 2018**	**31 March 2017**
Britannia Industries Limited		
Conversion charges income (including lease rentals)	444,276	401,044
Loan taken	-	66,486
Repayment of loan	623,088	33,183
License fees reimbursement to	434	307
Reimbursement of expenses from	-	9,299
Interest on loan	29,400	62,754

c) Related party balances as on 31 March 2018

Balances at year end	**31 March 2018**	**31 March 2017**
Advance received		
-Britannia Industries Limited	11,013	34,995
Trade Receivables		
-Britannia Industries Limited (including unbilled income)	31,141	88,029
Amount Payable		
-Sunrise Biscuits Company Private Limited	-	2,069
-Britannia Industries Limited	-	(275)
Loan Payable (including accrued interest)		
-Britannia Industries Limited	-	662,267

Amount in rupees thousands

32 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:							
Cash and cash equivalents	1,221	-	-	-	-	1,221	1,221
Bank balances	9,302	-	-	-	-	9,302	9,302
Investments							
Equity instruments	-	-	-	6,123	-	6,123	6,123
Trade receivables	17,208	-	-	-	-	17,208	17,208
Other financial assets	13,994	-	-	-	-	13,994	13,994
Total	**41,725**	**-**	**-**	**6,123**	**-**	**47,848**	**47,848**
Liabilities:							
Borrowings	524,386	-	-	-	-	524,386	524,386
Trade payables	35,611	-	-	-	-	35,611	35,611
Other financial liabilities	6,628	-	-	-	-	6,628	6,628
Total	**566,625**	**-**	**-**	**-**	**-**	**566,625**	**566,625**

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

Particulars	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Equity instruments designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	1,690	-	-	-	-	1,690	1,690
Bank balances	3,491	-	-	-	-	3,491	3,491
Investments							
Equity instruments	-	-	-	5,258	-	5,258	5,258
Trade receivables	40,498	-	-	-	-	40,498	40,498
Other financial assets	47,594	-	-	-	-	47,594	47,594
Total	**93,273**	**-**	**-**	**5,258**	**-**	**98,531**	**98,531**
Liabilities:							
Borrowings	623,088	-	-	-	-	623,088	623,088
Trade payables	31,777	-	-	-	-	31,777	31,777
Other financial liabilities	51,858	-	-	-	-	51,858	51,858
Total	**706,724**	**-**	**-**	**-**	**-**	**706,724**	**706,724**

Amount in rupees thousands

32 Financial instruments (Continued)

b. Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

Particulars	**As at 31 March 2018**	**Fair value measurement at end of the reporting period/year using**		
		Level 1	**Level 2**	**Level 3**
Assets:				
Investments				
Equity instruments	6,123	-	6,123	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	**As at 31 March 2017**	**Fair value measurement at end of the reporting period/year using**		
		Level 1	**Level 2**	**Level 3**
Assets:				
Investments				
Equity instruments	5,258	-	5,258	-

The Company holds equity instruments, which is classified as FVOCI, the fair value of which was categorised as level 2 because quoted price in the market for such equity instruments is not available. The management has used a valaution technique in which all significant inputs were based on observable market price.

c. 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.

32 Financial instruments (Continued)

c. Financial risk management (Continued)

(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.

INR thousands	**31 March 2018**	**31 March 2017**
Third party customers	-	-
Related parties	17,208	40,498
Total	**17,208**	**40,498**
Cash and bank balances	10,523	5,180
Deposits and other receivables	13,994	47,594
	41,725	**93,272**

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 to employees and unbilled revenue.The Company does not expect any losses from non-performance by these counter-parties.

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(iii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations and bank borrowings. 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	524,386	95,344	95,344	286,032	47,666
Trade payables	35,611	35,611	-	-	-
Other financial liabilities	6,628	6,628	-	-	-
	566,625	**137,583**	**95,344**	**286,032**	**47,666**

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	623,088	99,528	99,528	298,584	125,448
Trade payables	31,777	31,777	-	-	-
Other financial liabilities	51,858	51,858	-	-	-
	706,724	**183,163**	**99,528**	**298,584**	**125,448**

33 The Company does not have any unhedged foreign exchange exposure as on 31 March 2018.

Amount in rupees thousands

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

for **B S R & Co. LLP**	*for* **and on behalf of the Board of Directors of**	
Chartered Accountants	**Manna Foods Private Limited**	
Firm Registration No: 101248W/ W-100022	CIN: U15400KA1994PTC015687	
Sd/-	Sd/-	Sd/-
Vikash Gupta	**Vinay Singh Kushwaha**	**Venkatraman Natarajan**
Partner	*Director*	*Director*
Membership No: 064597		
Place: Bangalore	Place: Mumbai	Place: Mumbai
Date: 11 May 2018	Date: 11 May 2018	Date: 11 May 2018