Independent Auditors' Report

To the Members of Sunrise Biscuit Company Private Limited

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2017 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

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

(a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;

(e) on the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

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

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

i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the Ind AS financial statements;

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

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

iv. the Company has provided requisite disclosures in its Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 41 to the Ind AS financial statements.

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

SD/-

Seema Mohnot
Partner
Membership No.: 060715

Place: Kolkata
Date: 24 May 2017

Annexure A to the Independent Auditors' Report
(Referred to in our report of even date)

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended 31 March 2017, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.

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

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

(iii) According to the information and explanation given to us and based on our examination of the records of the company, the Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraphs 3(iii) of the Order is not applicable to the Company.

(iv) According to the information and explanation given to us and based on our examination of the records of the company, there are no loans, investments, guarantees and security which requires compliance with provisions of section 185 and 186 of the Act. Accordingly, paragraphs 3(iv) of the Order is not applicable to the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year as per the directives issued by the Reserve Bank of India under the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraphs 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 for any of the products manufactured by the Company.

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

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

(b) According to the information and explanations given to us, there are no dues of income tax, sales tax, service tax, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the Statute	Nature of Dues	Amount in (Rs. thousand)	Period to which amount relates (Financial year)	Forum where the dispute is pending
Assam Entry Tax Act, 2008	Entry tax	23,582*	2008-17	The Hon'ble Supreme Court of India and Deputy Commissioner of Taxes (Appeals), Guwahati
Assam Value Added Tax Act, 2003	VAT	233**	2009-10	Deputy Commissioner of Taxes (Appeals), Guwahati
Central Excise Act, 1944	Excise Duty	418	2006-07	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	367***	2008-09	Customs, Excise & Service Tax Appellate Tribunal, Kolkata

* net of Rs. 1331 thousand paid under protest

** net of Rs. 78 thousand paid under protest

*** net of Rs. 19 thousand paid under protest

(viii) The Company does not have any loans or borrowing from any financial institution or bank or government or debenture holders during the year. Accordingly, paragraphs 3(viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraphs 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

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

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraphs 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraphs 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraphs 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

SD/-

Seema Mohnot
Partner
Membership No.: 060715
Place: Kolkata
Date: 24 May 2017

Annexure - B to the Independent Auditors' Report of even date on the Ind AS financial statements of Sunrise Biscuit Company Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sunrise Biscuit Company Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the IND AS financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

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

SD/-

Seema Mohnot
Partner
Membership No.: 060715

Place: Kolkata
Date: 24 May 2017

Sunrise Biscuit Company Private Limited
Balance Sheet
Amount in Rupees thousands

		Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I	**ASSETS**				
(1)	**Non-current assets**				
	(a) Property, plant and equipment	4 (a)	**103,759**	181,842	218,047
	(b) Capital work-in-progress	4 (b)	-	2,153	585
	(d) Financial assets				
	(i) Loans	6	**5,606**	4,539	4,539
	(e) Deferred tax assets (net)	5	**16,432**	14,530	9,049
	(f) Other non-current assets	7	**720**	1,854	416
	(g) Income tax assets	5	-	-	1,408
			126,517	204,918	234,044
(2)	**Current assets**				
	(a) Inventories	8	**51,299**	72,151	82,120
	(b) Financial assets				
	(i) Cash and cash equivalents	9	**21,663**	47,684	41,441
	(ii) Bank balances other than (i) above	9	**834**	773	725
	(iii) Loans	6	**3,026**	3,840	3,243
	(iv) Other financial assets	10	**162,952**	109	-
	(c) Other current assets	11	**16,108**	72,854	60,149
			255,882	197,411	187,678
	Total assets		**382,399**	402,329	421,722
II	**EQUITY AND LIABILITIES**				
	Equity				
	(a) Share capital	12	**141,995**	141,995	141,995
	(b) Other equity		**26,019**	19,591	17,365
	Total equity		**168,014**	161,586	159,360
(1)	**Non-Current liabilities**				
	(a) Provisions	13	**27,528**	19,509	16,610
			27,528	19,509	16,610
(2)	**Current liabilities**				
	(a) Financial liabilities				
	(i) Book overdraft	9	-	7,548	-
	(ii) Trade payables	14	**125,175**	143,298	181,317
	(iii) Other financial liabilities	15	**16,022**	15,861	18,693
	(b) Other current liabilities	16	**15,661**	21,506	19,060
	(d) Provisions	13	**24,689**	28,761	26,682
	(e) Income tax liabilities	5	**5,310**	4,260	-
			186,857	221,234	245,752
	Total equity and liabilities		**382,399**	402,329	421,722
	Significant accounting policies	1 - 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

SD/-

Seema Mohnot
Partner
Membership number: 060715

Place : Kolkata
Date: 24 May 2017

for **and on behalf of the Board of Directors of**
Sunrise Biscuit Company Private Limited
CIN No. U15412AS1985PTC002361

SD/-

Venkataraman Natarajan
Director
DIN : 05220857

SD/-

Vinay Singh Kushwaha
Director
DIN : 03480249

SD/-

Lalit Singh Manglia
Chief Financial Officer

SD/-

Chirag Karia
Company Secretary

Place : Mumbai
Date: 24 May 2017

Sunrise Biscuit Company Private Limited
Statement of Profit and Loss
Amount in Rupees thousands

		Note	For the year ended 31 March 2017	For the year ended 31 March 2016
	Income			
I	Revenue from operations			
	Sale of goods	17	1,037,105	1,539,312
	Other operating revenues	18	78,672	86,932
			1,115,777	1,626,244
II	Other income	19	1,941	1,703
III	Total income (I+II)		1,117,718	1,627,947
IV	**Expenses:**			
	Cost of materials consumed	20	804,275	1,206,551
	Changes in inventories of finished goods and and work- in-progress	21	9,534	7,777
	Excise duty		60,185	64.257
	Employee benefits expense	22	114,198	123,642
	Depreciation	23	19,526	38,248
	Other expenses	24	103,836	184,382
	Total expenses		1,111,554	1,624,857
V	**Profit before tax (III-IV)**		6,164	3,090
VI	Tax expense:			
	(i) Current tax	5	1,065	6,345
	(ii) Deferred tax charge / (credit)	5	(1,725)	(5,481)
			(660)	864
VII	**Profit for the year (V-VI)**		6,824	2,226
VIII	**Other comprehensive income**			
	Items that will not be subsequently reclassified to profit or loss:			
	Remeasurements of defined benefit liability		(573)	-
	Income tax relating to items not to be reclassified to profit or loss		177	-
IX	**Total Comprehensive income net of tax**		6,428	2,226
	Earnings per share			
	Basic and Diluted [nominal value of Rs.10 each]		0.45	0.16
	Weighted average number of equity shares used in computing earnings per share:			
	- Basic and Diluted		14,199,500	14,199,500
	Significant accounting policies	1 - 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

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Seema Mohnot
Partner
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Lalit Singh Manglia
Chief Financial Officer

SD/-

Chirag Karia
Company Secretary

Place : Mumbai
Date: 24 May 2017

Sunrise Biscuit Company Private Limited
Cash flow statement
Amount in Rupees thousands

	Note	As at 31 March 2017	As at 31 March 2016
Cash flow from operating activities			
Profit before tax		**6,164**	3,090
Adjustments for:			
Depreciation		**19,526**	38,248
Remeasurements of defined benefit liability transferred to OCI		**(573)**	-
Loss/ (gain) on disposal of property, plant and equipment		**(921)**	137
Loss on assets destroyed by fire (refer note 37)		**96,090**	-
Receivable recognised (refer note 37)		**(96,090)**	-
Interest income		**(1,019)**	(1,691)
		23,177	39,784
Changes in :			
Inventories		**(4,777)**	9,969
Receivables and financial assets		**(67,115)**	(597)
Other assets		**57,286**	(13,601)
Liabilities and provision		**(19,860)**	(31,923)
Cash generated from operating activities		**(11,289)**	3,632
Income tax (paid), net		**(15)**	(677)
Net cash from operating activities		**(11,304)**	2,955
Cash flow from investing activities			
Acquisition of property and equipment		**(9,157)**	(6,057)
Proceeds from sale of property and equipment		**921**	270
Bank deposits (having original mautrity of more than 3 months)		**(61)**	(48)
Interest received		**1,128**	1,575
Net cash from investing activities		**(7,169)**	(4,260)
Net cash from financing activities		-	-
Net change in cash and cash equivalents		**(18,473)**	(1,305)
Cash and cash equivalents at beginning of year		**40,136**	41,441
Cash and cash equivalents at end of year		**21,663**	40,136

Note:

Components of cash and cash equivalent			
Cash on hand		-	-
Balances with banks			
- Current accounts		**21,078**	1,966
- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)		**585**	45,718
- Book overdraft		-	(7,548)
		21,663	40,136

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

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Seema Mohnot
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Chief Financial Officer

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Chirag Karia
Company Secretary

Place : Mumbai
Date: 24 May 2017

Sunrise Biscuit Company Private Limited
Statement of Changes in Equity for the year ended 31 March 2017
Amount in Rupees thousands

	Equity share capital	Other equity		Total equity attributable to equity holders of the Company
		Retained earnings	Total	
Balance as of 1 April 2015	141,995	17,365	17,365	159,360
Total comprehensive income for the year				
Profit for the year	-	2,226	2,226	2,226
Other comprehensive income:				
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-
Total comprehensive income for the year	-	2,226	2,226	2,226
Transactions with owners, recognised directly in equity	-	-	-	-
Balance at 31 March 2016	141,995	19,591	19,591	161,586
Balance as of 1 April 2016	**141,995**	**19,591**	**19,591**	**161,586**
Total comprehensive income for the year				
Profit for the year	-	**6,824**	**6,824**	**6,824**
Other comprehensive income:				
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	**(396)**	**(396)**	**(396)**
Total comprehensive income for the year	-	**6,428**	**6,428**	**6,428**
Transactions with owners, recognised directly in equity	-	-	-	-
Balance at 31 March 2017	**141,995**	**26,019**	**26,019**	**168,014**

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

SD/-

Seema Mohnot
Partner
Membership number: 060715

Place : Kolkata
Date: 24 May 2017

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

SD/-

Lalit Singh Manglia
Chief Financial Officer

SD/-

Chirag Karia
Company Secretary

Place : Mumbai
Date: 24 May 2017

1 Company overview

The financial statements are of Sunrise Biscuit Company Private Limited. The Company is a Deemed Public Company domiciled in India and was incorporated on 25th May, 1985 under the provisions of the Companies Act applicable in India. Its shares are not listed in any stock exchanges in India. The registered office of the company is located at Pub - Boragaon, P.O. Gotanagar, Guwahati.

The Company has entered into a Purchase of Finished Goods (POFG) agreement dated 19 August 2008 with Britannia Industries Limited (BIL) whereby the Company exclusively sells biscuits manufactured by it to BIL. The Company is a subsidiary of Britannia Industries Limited.

The financial statements were authorised for issue by the Company's Board of Directors on 24 May 2017.

2 Basis of preparation

(A) Statement of compliance

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

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

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 34.

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

(B) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), 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 the 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 signifiacnt effects on the amounts recognised in the financial statements is included in the following notes:

- Note 26 - leases: whether an arrangement contains a lease; and
- Note 26 - lease classification;

Assumptions and estimation uncertainities

Information about assumptions and estimation uncertainities that have a significant risk of resulting in a material adjustment in the year ending 31 March 2017 is included in the following notes:

- Note 30 - measurement of defined benefit obligations: key acturial assumptions;
- Note 25 - 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;
- Note 6 and Note 9 to 10 - impairment of financial assets;
- Note 5- recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

(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 reviewes 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, 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 entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

3 Significant accounting policies

(a) Property, plant and equipment

Recognition and measurement

With regard to property, plant and equipment, the company has elected to regard the book values as deemed cost at the date of transition, viz., 1 April 2015. Items of property, plant and equipment, are measured at cost less accumulated depreciaition and accumulated impairment losses, if any. Cost 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 dismantiling 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 labor and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantiling, 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 seperate 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 Statement of profit or loss.
Construction in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

Buildings are measured at book value less accumulated depreciation on buildings and impairment losses, if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer Note 36)

(b) Depreciation

Depreciation in respect of all the assets is provided on straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the Management. Depreciation for assets purchased / sold during the period is proportionately charged.

Tangible assets	Useful life
Buildings	30 years
Plant and equipment*	7.5 years
Furniture and fixtures	10 years
Motor Vehicles	8 years
Office equipments	3 - 10 years

Freehold land is not depreciated.
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.
* 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.

(c) 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

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(d) 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.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

As a lessee

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

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

As a lessor

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

(e) Inventories

Inventories are valued at the lower of cost (including prime cost, excise duty 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.

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.

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

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

(f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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. Regular way purchase and sale of financial assets are accounted for at trade date

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.

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 cashflows 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 the 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 liabilites

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 asets 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.

(g) Revenue recognition

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

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 approriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(h) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

(i) Income tax

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

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 uncertainity, 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 intial 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 recoginsed 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 Alternative Tax ('MAT')

Minimum Alternative 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 recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. MAT credit entitlement at year end is grouped with Deferred Tax Asset (net) in the Balance Sheet of an entity.

(j) Borrowing costs

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are accounted as an expense in the statement of profit and loss.

(k) 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.

(l) Gratuity and other post-employment benefits

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.

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.

Other long term 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.

Voluntary retirement scheme benefits

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

(m) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprises cash at bank and on hand and short term investments with an original maturity of three months or less.

(n) 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.

(o) 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. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

Amount in Rupees thousands

4(a) Property, plant and equipment
See accounting policies in note 3(a)

Tangible assets

Particulars	**Freehold land**	**Buildings**	**Plant and equipment**	**Furniture and fixtures**	**Motor vehicles**	**Office equipment**	**Total**
Cost or deemed cost (Gross carrying amount)							
Balance as at 1 April 2015	9,686	130,213	207,861	2,940	432	19,150	370,282
Additions	-	517	802	-	855	276	2,450
Deletions / other adjustments	-	-	744	-	432	-	1,176
Balance as at 31 March 2016	9,686	130,730	207,919	2,940	855	19,426	371,556
Balance as at 1 April 2016	**9,686**	**130,730**	**207,919**	**2,940**	**855**	**19,426**	**371,556**
Additions	-	**4,441**	**7,144**	-	-	**319**	**11,904**
Other - refer note 37		**(68,767)**	**(34,368)**	**(723)**		**(7,290)**	**(111,148)**
Deletions	-	-	**(6,560)**	-	-	-	**(6,560)**
Balance as at 31 March 2017	**9,686**	**66,404**	**174,135**	**2,217**	**855**	**12,455**	**265,752**
Accumulated depreciation							
Balance as at 1 April 2015	-	29,547	113,691	1,622	299	7,076	152,235
Charge for the year	-	4,404	31,757	268	106	1,713	38,248
Disposals	-	-	467	-	302	-	769
Balance as at 31 March 2016	-	33,951	144,981	1,890	103	8,789	189,714
Balance as at 1 April 2016	-	**33,951**	**144,981**	**1,890**	**103**	**8,789**	**189,714**
Charge for the year	-	**2,432**	**15,639**	**220**	**107**	**1,128**	**19,526**
Other - refer note 37		**(11,741)**	**(25,512)**	**(445)**	-	**(2,989)**	**(40,687)**
Deletions	-	-	**(6,560)**	-	-	-	**(6,560)**
Balance as at 31 March 2017	-	**24,642**	**128,548**	**1,665**	**210**	**6,928**	**161,993**
Carring amount (net)							
As at 31 March 2017	**9,686**	**41,762**	**45,587**	**552**	**645**	**5,527**	**103,759**
As at 31 March 2016	9,686	96,779	62,938	1,050	752	10,637	181,842
As at 1 April 2015	9,686	100,666	94,170	1,318	133	12,074	218,047

4(b) Capital work-in-progress

Balance as at 1 April 2015	585
Additions during the year	4,018
Assets capitalised during the year	2,450
Balance as at 31 March 2016	2,153
Carrying amounts of:	
Balance as at 1 April 2016	**2,153**
Additions during the year	**9,751**
Assets capitalised during the year	**11,904**
Balance as at 31 March 2017	**-**

Amount in Rupees thousands

5 Income tax

See accounting policy in note 3 (i)

(a) Amounts recognised in Statement of Profit and Loss

Fot the year ended	31 March 2017	31 March 2016
Current tax	1,065	6,345
Deferred tax		
Attributable to origination and reversal of temporary differences	(1,725)	(5,481)
Tax expense for the year	(660)	864

(b) Amounts recognised in other comprehensive income

Fot the year ended	31 March 2017			31 March 2016		
	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	(573)	177	(396)	-	-	-
	(573)	177	(396)	-	-	-

(c) Reconciliation of effective tax rate

Fot the year ended	31 March 2017		31 March 2016	
Profit before tax		6,164		3,090
Tax using the Company's domestic tax rate (31 March 2017: 30.90% and 31 March 2016: 33.06%)	30.90%	1,905	33.06%	1,022
Tax effect of:				
Impact of tax rate change from 33.06% to 30.90%	-15.40%	(949)	0.00%	-
Differential tax as income is chargebale under MAT	-12.39%	(764)	0.00%	-
Others	-13.82%	(852)	-5.11%	(158)
	-10.71%	(660)	27.95%	864

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31 March 2017	31 March 2016	1 April 2015
Deferred tax assets / (liabilities)			
Provision for gratuity	6,081	5,910	5,330
Provision for leave	2,629	3,002	1,968
Provision for entry tax	7,425	7,047	6,747
Provision for bonus	3,398	3,281	2,695
Carry forward losses as per IT	-	-	1,583
Property, plant and equipment	17,606	(4,710)	(10,454)
Receivables	(21,772)	-	-
MAT credit availled	1,065	-	1,180
Deferred tax assets (net)	16,432	14,530	9,049

(e) Movement in temporary differences

	Balance as at 1 April 2015	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2016
Provision for Gratuity	5,330	580	-	-	-	5,910
Provision for leave	1,968	1,034	-	-	-	3,002
Provision for entry tax	6,747	300	-	-	-	7,047
Provision for bonus	2,695	586	-	-	-	3,281
Carry forward losses as per IT	1,583	(1,583)	-	-	-	-
Property, plant and equipment	(10,454)	5,744	-	-	-	(4,710)
Mat credit availled/ (utilised)	1,180	(1,180)				-
	9,049	5,481	-	-	-	14,530

	Balance as at 1 April 2016	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2017
Provision for gratuity	5,910	(6)	177	-	-	6,081
Provision for leave	3,002	(373)	-	-	-	2,629
Provision for entry tax	7,047	378	-	-	-	7,425
Provision for bonus	3,281	117	-	-	-	3,398
Property, plant and equipment	(4,710)	22,316	-	-	-	17,606
Claims receivable	-	(21,772)	-	-	-	(21,772)
Mat credit availled/ (utilised)	-	1,065				1,065
	14,530	1,725	177	-	-	16,432

The following table provides the details of income tax assets and income tax liabilities:

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance tax	3,072	3,057	2,588
Provision for tax	(8,382)	(7,317)	(1,180)
Net position	(5,310)	(4,260)	1,408

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2017 and 31 March 2016 is as follows.

For the year ended	31 March 2017	31 March 2016
Net current income tax (liability)/ asset at the beginning	(4,260)	1,408
Income tax paid (net)	15	677
Current income tax expense (including earlier years)	(1,065)	(6,345)
Net current income tax (liability) at the end	(5,310)	(4,260)

Amount in Rupees thousands

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
6 Loans			
(Unsecured, considered good)			
Non current			
Security deposits	**5,606**	4,539	4,539
	5,606	4,539	4,539
Current			
Advances to employees	**3,026**	3,840	3,243
	3,026	3,840	3,243
7 Other non-current assets			
Unsecured, considered good			
Capital advances	**357**	951	416
Statutory advance	**363**	903	-
	720	1,854	416
8 Inventories*			
Raw materials	**28,172**	36,964	33,138
Packing materials	**10,609**	14,103	20,137
Work- in- progress	-	-	685
Finished goods	-	9,811	17,133
Stores and spare parts	**12,518**	11,273	11,027
	51,299	72,151	82,120

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

The write down of inventories to net realisable value during the year amounted to **Rs.3,148** (31 March 2016: Rs.1,250, 1 April 2015: Nil). The write down are included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

During the current year **Rs.25,629** worth of inventory has been destroyed by fire (refer note 37).

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
9 Cash and bank balances			
Cash and cash equivalents:			
-Cash on hand	-	-	-
-Cheques on hand	-	-	-
- Current accounts	**21,078**	1,966	3,514
- On deposit accounts with original maturity of 3 months or less	**585**	45,718	37,927
	21,663	47,684	41,441
Other bank balances:			
-Deposit accounts	-	-	-
	22,497	48,457	42,166
Book overdraft used for cash management purposes	-	(7,548)	-
Cash and cash equivalents in the statement of cash flows	**21,663**	40,136	41,441
Details of bank deposits:			
(i) Deposits with original maturity of 3 months or less is included under 'Cash and	**585**	45,718	37,927
(ii) Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	**834**	773	725
(ii) Bank deposits due to mature after 12 months of the reporting date included under 'Other non - current financial assets''			

Amount in Rupees thousands

10 Other financial assets
(Unsecured, considered good)

Unbilled revenue	**66,862**	-	-
Receivable (refer note 37)	**96,090**	-	-
Interest accrued but not due	**-**	109	-
	162,952	109	-

11 Other current assets
(Unsecured, considered good)
Unsecured

Prepaid expenses	**3,196**	2,411	1,528
Balance with excise authorities	**7,910**	16,958	7,243
Balance with service tax authorities	**819**	-	-
Balance with value added tax authorities (refer note 36)	-	47,339	47,339
- Advance to suppliers	**2,114**	4,077	1,970
- Other loans and advances			
Recoverable in cash or in kind or for value to be received - others	-		

* Forms a part of outstanding balances as disclosed under note 29.

Amount in Rupees thousands

12 Share capital

	31 March 2017	31 March 2016	1 April 2015
Authorised			
14,950,000 (31 March 2016: 14,950,000, 1 April 2015: 14,950,000) equity shares of Rs 10 each	**149,500**	149,500	149,500
5,000 (31 March 2016: 5,000 and 1 April 2015: 5,000) 11% Redeemable non-cumulative preference shares of Rs 100 each	**500**	500	500
Issued, subscribed and paid up			
14,199,500 (31 March 2016: 14,199,500 and 1 April 2015: 14,199,500) equity shares of Rs.10 each	**141,995**	141,995	141,995
	141,995	141,995	141,995

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Equity shares:						
At the commencement and at end of the year	**14,199,500**	**141,995**	14,199,500	141,995	14,199,500	141,995

(b) Terms / rights attached

The Company has single 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 equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to the preference shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

On winding up of the Company, the holders of equity shares will be entitled to receive residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of shares	Amount	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	**14,049,650**	**140,497**	14,049,650	140,497	14,049,650	140,497

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

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	Number of equity shares	% of total equity shares	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, the holding company	14,049,650	98.94%	14,049,650	98.94%	14,049,650	98.94%

13 Provisions

	Long term			Short term		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Provision for employee benefits:						
Provision for leave encashment	**7,850**	6,231	4,498	**659**	2,848	1,568
Provision for gratuity (refer note 30)	**19,678**	13,278	12,112	-	4,598	4,318
	27,528	19,509	16,610	**659**	7,446	5,886
Other provisions						
Provision for entry tax				**24,030**	21,315	20,796
	-	-	-	**24,030**	21,315	20,796
Total provisions	**27,528**	19,509	16,610	**24,689**	28,761	26,682

In accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Act, certain classes of liabilities have been identified as provisions which have been disclosed as under:

	1 April 2016	Additions *	Utilisation *	Reversals / adjustments *	31 March 2017
Provision for entry tax	**21,315**	**2,715**	-	-	**24,030**

	1 April 2015	Additions *	Utilisation *	Reversals / adjustments *	31 March 2016
Provision for entry tax	20,796	519	-	-	21,315

* Included under various heads in the Statement of Profit and Loss.

Amount in Rupees thousands

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
14 Trade payables			
Total outstanding dues of micro and small enterprises [refer note below]	-	-	-
Total outstanding dues of other than micro and small enterprises*	**125,175**	143,298	181,317
	125,175	143,298	181,317

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 2017. 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.

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:			
- Principal	-	-	-
- Interest	-	-	-
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	-	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-	-
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	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
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 29)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 31

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
15 Other financial liabilities			
Creditors for capital goods	-	-	1,504
Employee benefits payable	**16,022**	15,861	17,189
	16,022	15,861	18,693
16 Other current liabilities			
Statutory related liabilities			
Value added taxes payable	**13,144**	19,032	15,884
Central sales tax payable	**105**	223	233
Tax deducted and collected at source payable	**257**	103	154
Provident fund, employee state insurance and professional tax payable	**1,444**	1,307	1,875
Entry tax payable	**711**	564	407
Excise duty payable	**-**	277	507
	15,661	21,506	19,060

Amount in Rupees thousands

	For the year ended 31 March 2017	For the year ended 31 March 2016
17 Revenue from operations		
Sale of biscuits	**1,037,105**	1,539,312
Other operating revenues	**78,672**	86,932
	1,115,777	1,626,244
18 Other operating revenues		
Scrap sales	**3,422**	3,786
Excise duty refund (refer note 35)	**20,775**	23,331
Power subsidy and high tension rebate	**3,740**	-
Commitment charges	**27,637**	19,474
Rental income	**23,098**	40,341
	78,672	86,932
19 Other income		
Interest income	**922**	1,684
Interest on income tax refund	**97**	7
Profit on sale of fixed assets	**921**	-
Other receipts	**1**	12
	1,941	1,703
20 Cost of materials consumed		
Inventory of materials at the beginning of the year (refer note 8)	**51,067**	53,275
Add: Purchases	**791,989**	1,204,343
Less: Inventory of materials at the end of the year (refer note 8)	**38,781**	51,067
	804,275	1,206,551
21 Changes in inventories of finished goods and work-in-progress		
Opening stock: (refer note 8)		
- Finished goods	**9,811**	17,133
- Work-in-progress	-	685
Closing stock: (refer note 8)		
- Finished goods	-	9,811
- Work-in-progress	-	-
(Increase) / decrease in inventory	**9,811**	8,007
Less: Excise duty on opening stock of finished goods	**277**	507
Add: Excise duty on closing stock of finished goods	-	277
	(277)	(230)
	9,534	7,777

Amount in Rupees thousands

	For the year ended 31 March 2017	For the year ended 31 March 2016
22 Employee benefits expense		
Salaries, wages and bonus	101,645	108,474
Contribution to provident and other funds [refer note 30]	7,278	9,139
Staff welfare expenses	5,275	6,029
	114,198	123,642
23 Depreciation		
Depreciation of tangible assets	19,526	38,248
	19,526	38,248
24 Other expenses		
Consumption of stores and spares	5,058	9,264
Power and fuel	43,943	106,877
Repairs and maintenance:		
- Plant and equipment	5,002	8,161
- Buildings	-	141
- Others	2,582	3,556
Insurance	1,296	1,090
Rates and taxes, net	1,408	1,290
Auditors' remuneration (a):		
- Audit fees	340	340
- Expenses reimbursed	110	110
Loss on assets destroyed by fire (refer note 37)	96,090	-
Less: Receivable recognised (refer note 37)	(96,090)	-
Legal and professional expenses	3,764	1,956
Loss on sale of fixed assets	-	137
Contract labour charges	30,163	39,472
Miscellaneous	10,170	11,988
	103,836	184,382

(a) Excludes service tax

	31 March 2017	31 March 2016
25 Contingent liabilities and commitments		
(to the extent not provided for)		
Contingent liabilities		
Claims against the company not acknowledged as debts:		
Entry tax matters (under dispute/appeal)	**883**	1,133
VAT / sales tax matters (under dispute/appeal)	**233**	233
Excise and service tax matters (under dispute/appeal)	**785**	785
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**27**	556

26 Operating leases

i. The Company has certain cancellable arrangement with its holding company (which conveys a right to use Company's asset by its holding Company in return for a payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental income of Rs. **23,098** (31 March 2016: Rs. 40,341) in respect of such lease have been recognised in the Statement of Profit and Loss.

27 Earnings per share (EPS)

		31 March 2017	31 March 2016
a	Net profit attributable to the equity shareholders (in rupees thousands)	**6,428**	2,226
b	Number of equity shares at the beginning of the year	**14,199,500**	14,199,500
c	Number of equity shares at the end of the year	**14,199,500**	14,199,500
d	Weighted average number of equity shares outstanding during the year	**14,199,500**	14,199,500
e	Nominal value of equity shares (Rs.)	**10**	10
f	Basic profit / (loss) per share (Rs.)	**0.45**	0.16

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

28 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 thousands

29 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	Manna Foods Private Limited

(b) Outstanding balances as at year end

Nature of transaction	31 March 2017	31 March 2016
1) Trade payables (net)		
- Britannia Industries Limited	**8,851**	37,203
2) Other financial assets	**66,862**	-
- Britannia Industries Limited		
3) Other current assets		
-Manna Foods Private Limited	**2,069**	2,069

(c) Related party transactions

Nature of transaction	Holding company	
	Year ended 31 March 2017	Year ended 31 March 2016
1) Sale of goods (net of taxes)	976,920	1,475,055
2) Sale of raw materials	42,140	8,878
3) Purchase of materials	16,355	12,076
4) Reimbursement of expenses (Dr.)	245	23,137
5) Recovery of expenses (Cr.)	58,829	-
6) Miscellaneous expenses (Dr.)	6,646	100
7) Rental income	23,098	40,341

Amount in Rupees thousands

30 Employee benefits: Post-employment benefit plans

Defined contribution plans

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The company has no obligation other than to make the specified contributions. The contributions are charged to Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund & Employee State Insurance for the year aggregated to Rs.**7,278** (previous year Rs.9,391) and is included in "Employee benefits expense" in note 22.

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:

	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
(i)	**Expense recognised in the Statement of Profit and Loss**		
	Current service cost	1,692	1,657
	Interest cost on benefit obligation	2,335	2,258
	Interest income on plan assets	(1,068)	(945)
	Net gratuity cost	2,959	2,970
(ii)	**Remeasurements recognised in statement of Other comprehensive income**		
	Actuarial loss due to financial assumptions	4,007	(136)
	Actuarial (gain) / loss due to experience adjustments	(3,628)	256
	Return on plan assets excluding interest income	194	(120)
		573	-
(iii)	**Net liability recognised in Balance Sheet as at the year end**		
	Projected benefit obligation at the end of the year	34,361	31,336
	Funded status of the plans	(14,683)	(13,460)
	Net liability recognized in the Balance Sheet	19,678	17,876
	Classified as:		
	Short-term provisions	-	4,598
	Long-term provisions	19,678	13,278
		19,678	17,876
(iv)	**Changes in the present value of defined benefit obligation**		
	Present Value of defined benefit obligation at the beginning of year	31,335	28,261
	Current service cost	1,692	1,657
	Interest cost	2,335	2,258
	Benefits paid	(1,380)	(960)
	Actuarial loss due to financial assumptions	4,007	(136)
	Actuarial (gain) / loss due to experience adjustments	(3,628)	256
	Present value of defined benefit obligation at the end of the year	34,361	31,336
(v)	**Change in fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	13,460	11,831
	Expected return on plan assets	1,068	945
	Contributions	1,729	1,524
	Benefits paid	(1,380)	(960)
	Actuarial gain on plan asset	(194)	120
	Fair value of plan assets at the end of the year	14,683	13,460
(vi)	**Actual return on plan assets**		
	Expected return on plan assets	1,068	945
	Actuarial gain/(loss) on plan assets	(194)	120
	Actual return on plan assets	874	1,065

As at 31 March 2017 and 2016, 100% of the plan assets were invested in the insurer managed funds.

Amount in Rupees thousands

(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	32,780	32,902
Assumptions	6.20%	8.54%
Discount rate +50 basis points	36,055	29,769
Assumptions	7.20%	8.54%
B. Salary increase rate		
Salary rate -50 basis points	32,836	32,902
Assumptions	4.50%	4.50%
Salary rate +50 basis points	35,989	29,769
Assumptions	5.50%	5.50%
C. Withdrawal rate		
Withdrawal rate -50 basis points	33,867	32,902
Withdrawal rate +50 basis points	34,804	29,769

(viii) Acturial assumptions	**Year ended 31 March 2017**	Year ended 31 March 2016	Year ended 1 April 2015
Discount rate	**6.70%**	8.04%	7.99%
Expected rate of return on plan assets	**6.70%**	8.04%	7.99%
Future salary increase	**5.00%**	5.00%	5.00%
Attrition rate:	**2.00%**	2.00%	2.00%
Retirement age (in years)	**58**	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 thousands

31 Financial risk management

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

a. Credit risk

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

Trade and other receivables

The Company's entire revenue is derived from Britannia Industries Limited (BIL), holding Company in the form of conversion income from BIL. As such, at the financial statement level, Company does not have any credit risk.

b. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The financial assets of the Company is given below:

Particulars	**31 March 2017**	**31 March 2016**	**1 April 2015**
(i) Cash and cash equivalents	**21,663**	47,684	41,441
(ii) Bank balances other than (i) above	**834**	773	725
(iii) Loans	**8,632**	8,379	7,782
(iv) Other financial assets	**162,952**	109	-
	194,081	56,945	49,948

The table below provides details regarding the contractual maturities of significant financial liabilities as at year end:

	As at 31 March 2017		
	Less than 1 year	1-2 years	2 years and above
Book overdraft	-	-	-
Trade payables	**125,175**	-	-
Other financial liabilities	**16,022**	-	-
	141,197	-	-

	As at 31 March 2016		
	Less than 1 year	1-2 years	2 years and above
Book overdraft	7,548	-	-
Trade payables	143,298	-	-
Other financial liabilities	15,861	-	-
	166,707	-	-

	As at 1 April 2015		
	Less than 1 year	1-2 years	2 years and above
Book overdraft	-	-	-
Trade payables	181,317	-	-
Other financial liabilities	18,693	-	-
	200,010	-	-

c. 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 risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments.

The Company is not exposed to such risk as Company does not have any borrowings, foreign currency transactions and does not have any derivative trasactions.

32 Capital management

The Company doesnot have any borrowings/ debt. Hence, Capital management/ monitoring of gearing ratio is not applicable to the Company.

Amount in Rupees thousands

33 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 2017:

Particulars	Carrying amount				
	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) Cash and cash equivalents	-	-	21,663	-	21,663
(ii) Bank balances other than (i) above			834	-	834
(iii) Loans	-	-	8,632	-	8,632
(iv) Other financial assets	-	-	162,952	-	162,952
	-	-	194,081	-	194,081
Financial liabilities not measured at fair value #					
(i) Book overdraft	-	-	-	-	
(ii) Trade payables	-	-	-	125,175	125,175
(iii) Other financial liabilities	-	-	-	16,022	16,022
	-	-	-	141,197	141,197

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2016:

Particulars	Carrying amount				
	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) Cash and cash equivalents	-	-	47,684	-	47,684
(ii) Bank balances other than (i) above			773		773
(iii) Loans	-	-	8,379	-	8,379
(iv) Other financial assets	-	-	109	-	109
	-	-	56,945	-	56,945
Financial liabilities not measured at fair value #					
(i) Book overdraft	-	-	-	7,548	7,548
(ii) Trade payables	-	-	-	143,298	143,298
(iii) Other financial liabilities	-	-	-	15,861	15,861
	-	-	-	166,707	166,707

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April 2015:

Particulars	Carrying amount				
	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) Cash and cash equivalents	-	-	41,441	-	41,441
(ii) Bank balances other than (i) above			725		725
(iii) Loans	-	-	7,782	-	7,782
(iv) Other financial assets	-	-	-	-	-
	-	-	49,948	-	49,948
Financial liabilities not measured at fair value #					
(i) Book overdraft				-	
(ii) Trade payables	-	-	-	181,317	181,317
(iii) Other financial liabilities	-	-	-	18,693	18,693
	-	-	-	200,010	200,010

* 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..

34 Explanation of transition to Ind AS

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

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

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property, plant and equipment

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

(iii) use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment.

2. Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement exisiting at the date of transition contains a lease by considering the facts and circumstances exisiting at the date of transition (rather than at the inception of the arrangement).

The Company has elected to avail of the above exemption.

B. Mandatory exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements , as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transtition (for preparing Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL/ FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability for decommissioning cost.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if restrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Amount in Rupees thousands

34 Explanation of transition to Ind AS (continued)

Reconciliation of Equity

		Note	As at date of transition 1 April 2015			As at 31 March 2016		
			Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I	**Assets**							
(1)	**Non-current assets**							
	(a) Property, plant and equipment		218,047	-	218,047	181,842	-	181,842
	(b) Capital work-in-progress		585	-	585	2,153	-	2,153
	(d) Financial assets							
	(i) Loans		7,543	(3,004)	4,539	7,757	(3,218)	4,539
	(e) Deferred tax assets (net)	c	1,491	7,558	9,049	8,040	6,490	14,530
	(f) Other non-current assets		-	416	416	-	1,854	1,854
	(g) Income tax assets		-	1,408	1,408	-	-	-
	Total non-current assets		227,666	6,378	234,044	199,792	5,126	204,918
(2)	**Current assets**							
	(a) Inventories		82,120	-	82,120	72,151	-	72,151
	(b) Financial assets			-				
	(i) Cash and cash equivalents		42,166	(725)	41,441	48,457	(773)	47,684
	(ii) Bank balances other than (i) above		-	725	725	-	773	773
	(iii) Loans		61,218	(57,975)	3,243	74,520	(70,680)	3,840
	(iv) Other financial assets		-	-	-	-	109	109
	(c) Other current assets		2,174	57,975	60,149	2,283	70,571	72,854
	Total current assets		187,678	-	187,678	197,411	-	197,411
	Total assets		415,344	6,378	421,722	397,203	5,126	402,329
II	**Equity and liabilities**							
	Equity							
	(a) Share capital		141,995	-	141,995	141,995	-	141,995
	(b) Other equity	e	10,987	6,378	17,365	13,101	6,490	19,591
	Total equity		152,982	6,378	159,360	155,096	6,490	161,586
(1)	**Non-current liabilities**							
	(a) Provisions		16,610	-	16,610	19,509	-	19,509
	Total non-current liabilities		16,610	-	16,610	19,509	-	19,509
(2)	**Current liabilities**							
	(a) Financial liabilities							
	(i) Book overdraft		-	-	-	-	7,548	7,548
	(ii) Trade payables		181,317	-	181,317	143,298	-	143,298
	(iii) Other financial liabilities		-	18,693	18,693	-	15,861	15,861
	(b) Other current liabilities		37,753	(18,693)	19,060	44,915	(23,409)	21,506
	(c) Provisions		26,682	-	26,682	34,385	(5,624)	28,761
	(d) Current tax liabilities		-	-	-	-	4,260	4,260
	Total current liabilities		245,752	-	245,752	222,598	(1,364)	221,234
	Total equity and liabilities		415,344	6,378	421,722	397,203	5,126	402,329

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

Amount in Rupees thousands

34 Explanation of transition to Ind AS (continued)

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

		Note	Year ended 31 March 2016		
			Previous GAAP*	**Adjustment on transition to Ind AS**	**Ind AS**
I	Revenue from operations				
	Sale of goods		1,539,312	-	1,539,312
	Less: excise duty	a	64,257	(64,257)	-
	Net sale of goods		1,475,055	64,257	1,539,312
	Other operating revenues	b	54,943	31,989	86,932
			1,529,998	96,246	1,626,244
II	Other income		1,703	-	1,703
III	**Total Income (I+II)**		1,531,701	96,246	1,627,947
IV	**Expenses:**				
	Cost of materials consumed	b	1,174,332	32,219	1,206,551
	Changes in inventories of finished goods and work- in-progress	b	8,007	(230)	7,777
	Excise duty	a		64,257	64,257
	Employee benefit expenses		123,642	-	123,642
	Depreciation and amortisation expense		38,248	-	38,248
	Other expenses		184,382	-	184,382
	Total expenses		1,528,611	96,246	1,624,857
V	**Profit/(loss) before and tax (III-IV)**		3,090	-	3,090
VI	Tax Expense:				
	(i) Current tax		6,345	-	6,345
	(iii) Deferred tax charge / (credit)	c	(6,549)	(1,068)	(5,481)
			(204)	(1,068)	864
VII	**Profit/(loss) for the year (V-VI)**		3,294	(1,068)	2,226
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
	Defined benefit actuarial gains and losses	d	-	-	-
	Other comprehensive income, net of tax		-	-	-
	Total Comprehensive Income net of tax		3,294	1,068	2,226

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

a Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.This change has resulted in an increase in the revenue from operation and expenses for the year ended 31 March 2016. There is no impact on the total equity and profit.

b Lease arrangement

Under the previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements. Under Ind AS, any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Lease.

The Company has certain arrangements with its Britannia Industries Limited, holding company which have been identified to be in the nature of lease and have been classified as operating lease arrangements.

c Deferred tax assets (net)

The (decreased) / increased in the deferred tax assets are on account of adjustments made on transition to Ind AS. Deferred tax assets has been recognised on the incremental tax base of freehold land arrived by multiplying the cost of freehold land with the Income tax cost inflation index for the year of purchase.

d Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

e Reconciliation of total equity as at 31 March 2016 and 1 April 2015

	Note	1 April 2015	31 March 2016
Total equity (shareholder's funds) as per previous GAAP		10,987	13,101
Deferred tax assets on land indexation	c	6,378	6,490
Total		17,365	19,591

(Amount in Rupees thousands)

35 During the year ended 31 March 2017, the Company has recognised a claim for refund of excise duties aggregating to **Rs.20,775** (previous year Rs.23,331) for the year ended 31 March 2016 arising from amount deposited through PLA to Central Excise Authorities based on the Central excise exemption notification 20/2007 dated 25/04/2007 as amended by Notification 38/08-CE dated 10/06/2008. The Company is eligible for claiming the refund as per the notification and has also received refund for certain months. In view of the management, there is reasonably certainty of its ultimate collection and hence excise refund has been recognised as income in the books of account.

36 During the period ended 31 March 2013, the company had filed an application before "Assam Industrial Development Corporation Limited" for claiming VAT exemption under Assam Industrial (Tax Exemption) Scheme, 2009, Notification number FTX.66/2009/2 dated 3 November 2009. The application was filed in view of additional investments made for substantial expansion which completed on 24 May 2012 .
During the year ended 31 March 2014, the Company has recognised a benefit of Value Added Taxes aggregating to Rs.87,885 based on the eligibility certificate issued by the Assam Industrial Development Corporation dated 26 August 2013.
Out of total eligible VAT receivable of Rs 47,339 as at 31 March 2016, during the current year, the Company has received an amount of Rs.45,816 and balance receivable aggregating Rs 1,523 has been charged off to Consumption.

37 On 19th June 2016, there was a fire at factory premises in the Storing & Forwarding area. On 14 July 2016, the Company filed the insurance claim with Oriental Insurance Company for Rs. 182,191. On 7 March 2017, there was a surveyor visit at the factory and regional office team and their observation and reviews were documented. Subsequently, the claim value was revised to Rs. 152,624 for the Company assets.
Fixed assets and stocks which were damaged are covered under standard fire and special perils insurance policy by the Company. All information required for the surveyor has been provided. The Surveyor has completed physical verification and is yet to submit the final report. The claim is under progress. The management feels that the realisation of claim amount from Insurance Company is virtually certain as the policy was valid on the date of fire. It has also received a letter of comfort from its holding company (BIL) for the loss, if the same is not recovered from the insurance company after exhausting all available legal remedies. Accordingly, an amount of **Rs. 96,090** to the extent of loss incurred has been accounted for as receivable and has been disclosed under note 4 and note 8 in the financial statement for the year ended 31 March 2017.

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

Particulars	**SBNs**	**Other denomination notes**	**Total**
Closing cash in hand as on 8 November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-

39 Subsequent events
Subsequent to 31 March 2017, with effect from 1 April 2017, Company has changed its business model from Purchase of Finished Goods (POFG) to Contract Packer (CP).

As per our report of even date attached

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

SD/-

Seema Mohnot
Partner
Membership number: 060715

Place: Kolkata
Date: 24 May 2017

For and on behalf of the Board of Directors of
Sunrise Biscuit Company Private Limited
CIN No. U15412AS1985PTC002361

SD/-

Venkataraman Natarajan
Director
DIN: 05220857

SD/-

Vinay Singh Kushwaha
Director
DIN:03480249

SD/-

Lalit Singh Manglia
Chief Financial Officer

SD/-

Chirag Karia
Company Secretary

Place : Mumbai
Date: 24 May 2017