B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of International Bakery Products Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of International Bakery Products Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

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Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements (continued)

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2020 on its financial position in its financial statements - Refer Note 31 to the 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 disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, the provisions of Section 197 of the Act is not applicable to the Company. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Vikash Gupta

Vikash Gupta
Partner
Membership No: 064597
UDIN: 20064597AAAACH8267

Place: Bengaluru
Date: 01 June 2020

Annexure – A to the Independent Auditor's Report

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the financial statements for the year ended 31 March 2020, 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 fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were observed on such verification.

(c) In our opinion and 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 included in property, plant and equipment are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of Company.

(ii) The inventory have 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 stock and the book records were not material and have been appropriately dealt with in the books of accounts.

(iii) According to the information and explanations given to us, 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 Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of the investments made.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any of the products manufactured by the Company. Thus reporting under clause 3(vi) of the Order is not applicable to 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, Goods and Services tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of customs, Sales-tax, Service-tax, Duty of excise and Value added tax during the year.

Annexure – A to the Independent Auditor's Report (continued)

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee State Insurance, Income-tax, Goods and Services tax, cess and any other material statutory dues were in arrears, as at 31 March 2020, 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 which have not been deposited by the Company on account of disputes, except for the following:

Statute/ Nature of dues	Amount* (Rs in thousands)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act	2,864	2007-12	Additional Commissioner of Central Excise
Income Tax Act, 1961	1,406	1997-05	High Court of Judicature, Madras
	363	2005-06	Commissioner of Income Tax, (Appeals)

*The amounts disclosed are net of payments and include interest and penalties, wherever applicable.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company does not have any outstanding loans or borrowings from government during the year.

(ix) According to the information and explanations given to us and based on examination of the records of the Company, 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.

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

(xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to the Company.

Annexure – A to the Independent Auditor's Report (continued)

(xii) According to the information and explanations given to us, in our opinion the Company is not a Nidhi Company as prescribed under Section 406 of the Act.

(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 Section 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. The provisions of section 177 are not applicable to the Company.

(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 preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(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 non-cash transactions with directors or persons connected with him.

(xvi) According to the information and explanation given to us and in our opinion, 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 Registration No: 101248W/W-100022

Vikash Gupta

Vikash Gupta
Partner
Membership Number: 064597
UDIN : 20064597AAAACH8267

Place: Bengaluru
Date: 01 June 2020

Annexure B to the Independent Auditors' report on the financial statements of International Bakery Products Limited for the period ended 31 March 2020.

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of International Bakery Products Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Annexure B to the Independent Auditors' report on the financial statements of International Bakery Products Limited for the period ended 31 March 2020 (continued)

Auditors' Responsibility (continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the 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 with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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

Vikash Gupta

Vikash Gupta
Partner
Membership No: 064597
UDIN: 20064597AAAACH8267

Place: Bengaluru
Date: 01 June 2020

International Bakery Product Limited
Balance sheet

Amount in thousands

As at	Note	31 March 2020	31 March 2019
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	2,91,204	3,01,899
(b) Capital work-in-progress	4	2,570	5,513
(c) Financial assets			
(i) Investments	6	742	1,181
(ii) Loans receivable	7	10,272	9,383
(d) Deferred tax assets (net)	5	8,235	10,779
(e) Income tax assets (net)	5	18,048	17,927
Total non-current assets		**3,31,071**	**3,46,682**
(2) Current assets			
(a) Inventories	8	1,28,364	11,240
(b) Financial assets			
(i) Trade receivables	9	1,945	24,104
(ii) Cash and cash equivalents	10	78,934	18,206
(iii) Loans receivable	11	2,787	2,912
(iv) Other financial assets	12	88,709	36,341
(c) Other current assets	13	4,721	29,222
Total current assets		**3,05,460**	**1,22,025**
Total assets		**6,36,531**	**4,68,707**
II Equity and liabilities			
(1) Equity			
(a) Equity share capital	14	14,500	14,500
(b) Instrument entirely equity in nature	15	58,200	58,200
(c) Other equity	15	93,480	88,124
Total equity		**1,66,180**	**1,60,824**
(2) Non-current liabilities			
(a) Financial liabilities			
Borrowings	16	1,04,697	1,46,746
(b) Provisions	17	20,355	15,596
Total non-current liabilities		**1,25,052**	**1,62,342**
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,57,272	67,487
(ii) Other financial liabilities	19	65,995	52,473
(b) Other current liabilities	21	21,850	25,488
(c) Provisions	20	182	93
Total current liabilities		**3,45,299**	**1,45,541**
Total liabilities		**4,70,351**	**3,07,883**
Total equity and liabilities		**6,36,531**	**4,68,707**
Significant accounting policies	3		

See accompanying notes to financial statements

As per our report of even date attached

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

Vikash Gupta
Partner
Membership No: 064597

Place: Bengaluru
Date: 01 June 2020

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

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date: 01 June 2020

Venkatraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date: 01 June 2020

International Bakery Product Limited
Statement of profit and loss

Amount in thousands

	For the year ended	Note	31 March 2020	31 March 2019
I	**Income**			
	Revenue from operations	22	15,55,343	4,53,707
	Other operating revenue	23	18,578	678
			15,73,921	**4,54,385**
II	**Other income**	24	1,620	1,135
III	**Total income**		**15,75,541**	**4,55,520**
IV	**Expenses**			
	Cost of materials consumed	25	10,95,756	-
	Changes in inventories of finished goods	26	(22,940)	-
	Employee benefits expense	27	1,02,232	94,362
	Finance costs	28	23,204	13,102
	Depreciation	4	24,241	24,291
	Other expenses	29	3,38,981	2,86,151
	Total expenses		**15,61,474**	**4,17,906**
V	**Profit before tax (III-IV)**		**14,067**	**37,614**
VI	Tax expense:			
	(i) Current tax		4,595	7,746
	(ii) Deferred tax		2,981	2,418
	Total tax expense		**7,576**	**10,164**
VI	**Profit for the year (V-VI)**		**6,491**	**27,450**
VII	**Other comprehensive income**			
	Items that will not be reclassified subsequently to the statement of profit or loss:			
	Remeasurements of net defined benefit (liability) / asset		(1,572)	594
	Income tax relating to items not to be reclassified subsequently to the statement of profit or loss		437	(165)
			(1,135)	429
VIII	**Total comprehensive income, net of tax (VI+VII)**		**5,356**	**27,879**
	Earnings per share (nominal value of Rs. 10 each)	30		
	Basic [in Rs.]		4.48	18.93
	Diluted [in Rs.]		0.89	3.78
	Weighted average number of equity shares used in computing earnings per share:			
	- Basic		14,50,000	14,50,000
	- Diluted		72,70,000	72,70,000
	Significant accounting policies	3		

See accompanying notes to financial statements

As per our report of even date attached

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

Vikash Gupta
Partner
Membership No: 064597

Place: Bengaluru
Date: 01 June 2020

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

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date: 01 June 2020

Venkatraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date: 01 June 2020

International Bakery Product Limited
Statement of changes in equity

Amount in thousands

Particulars	Equity share capital	Other equity				Total equity attributable to equity holders of the Company
		Surplus		Other comprehensive income (OCI)		
		Instrument entirely equity in nature (fully convertible debentures)	Retained earnings	Other items of OCI	Total other equity	
Balance as at 1 April 2018	14,500	58,200	61,347	(1,102)	1,18,445	1,32,945
Change in equity for the year ended 31 March 2019						
Remeasurement of the net defined benefit (liability) / asset, net of tax effect	-	-	-	429	429	429
Profit for the year	-	-	27,450	-	27,450	27,450
Balance as at 31 March 2019	**14,500**	**58,200**	**88,797**	**(673)**	**1,46,324**	**1,60,824**
Balance as at 1 April 2019	14,500	58,200	88,797	(673)	1,46,324	1,60,824
Change in equity for the year ended 31 March 2020						
Remeasurement of the net defined benefit (liability) / asset, net of tax effect	-	-	-	(1,135)	(1,135)	(1,135)
Profit for the year	-	-	6,491	-	6,491	6,491
Balance as at 31 March 2020	**14,500**	**58,200**	**95,288**	**(1,808)**	**1,51,680**	**1,66,180**

See accompanying notes to financial statements

As per our report of even date attached

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

Vikash Gupta

Vikash Gupta
Partner
Membership No: 064597

Place: Bengaluru
Date: 01 June 2020

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

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date: 01 June 2020

Venkatraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date: 01 June 2020

International Bakery Product Limited
Cash flow statement

Amount in thousands

Particulars	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	14,067	37,614
Adjustments for :		
Depreciation	24,241	24,291
Loss on disposal of property, plant and equipment	449	-
Interest income	(1,620)	(1,135)
Finance costs	23,204	13,102
	60,341	**73,872**
Changes in:		
Inventories	(1,17,124)	(3,469)
Trade receivables	22,159	(21,407)
Loans, other financial assets and other assets	(28,631)	8,556
Trade payables, other financial laibilities, other liabilities and provisions	1,92,371	15,016
Cash generated from operating activities	**1,29,115**	**72,568**
Income tax paid, net of refund	(4,716)	(10,521)
Net cash from operating activities	**1,24,399**	**62,047**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(11,134)	(12,124)
Proceeds from sale of property and equipment	82	-
Disposal of investments,net	439	-
Interest received	1,620	1,135
Net cash used in investing activities	**(8,993)**	**(10,989)**
Cash flow from financing activities		
Interest paid	(23,204)	(13,102)
Loan repaid during the year	(31,474)	(42,020)
Net cash used in financing activities	**(54,678)**	**(55,122)**
Net change in cash and cash equivalents	60,728	(4,064)
Cash and cash equivalents at beginning of year	18,206	22,270
Cash and cash equivalents at end of year	**78,934**	**18,206**
Cash and cash equivalents comprise of:		
Cash on hand	1	3
Balances with banks	78,933	18,203
Cash and cash equivalents as per cash flow statement (Refer note 10)	**78,934**	**18,206**
Debt reconciliation statement in accordance with Ind AS 7		
Non current borrowings and current maturities of long term borrowings		
Opening balance	1,88,580	2,30,600
Repayment of borrowings	(31,474)	(42,020)
Closing balance	**1,57,106**	**1,88,580**

Significant accounting policies (refer note 3)

See accompanying notes to financial statements

As per our report of even date attached

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

Vikash Gupta
Partner
Membership No: 064597

Place: Bengaluru
Date: 01 June 2020

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

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date: 01 June 2020

Venkatraman Natarajan
Director
DIN : [illegible]

Place: Bengaluru
Date: 01 June 2020

International Bakery Product Limited
Notes to financial statements

1 Reporting entity

International Bakery Products Limited ('IBPL' / 'Company') was incorporated on 02 April 1997. The Company is a subsidiary of Britannia Industries Limited, a public company incorporated in India. The Company is primarily engaged in manufacturing of various biscuits for Britannia Industries Limited ('BIL') and caters to domestic markets.

2 Basis of preparation

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

The financial statements were authorised for issue by the Company's Board of Directors on 1 June, 2020.

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

B. Functional and presentation currency

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

C. Basis of measurement

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

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

D. Use of estimates and judgements

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:
- Note 5 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 31 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 33 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 4 - useful life of property, plant and equipment
- Notes 6, 7, 9 to 12 and 35- impairment of financial assets.

Basis of preparation

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:
- Note 35 - financial instruments.

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3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

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

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

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

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

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

Freehold land is not depreciated.

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

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

(b) Impairment

(i) Financial assets

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

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3. Significant accounting policies (continued)

(a) Property, plant and equipment (continued)

(ii) Non -financial assets

Property, plant and equipment

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

(c) Leases

Effective from 1 April 2019, the Company has applied Ind AS 116, which replaces the existing lease standard , Ind AS 17-Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Company at the inception of a contract, assesses whether the a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.
The Company has elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.
Lessor accounting remains similar to the accounting under the previous standard i.e. lessor continues to classify leases as finance or operating lease. This policy is applied to contracts entered into, or changed, on or after 1 April 2019. For contracts entered into before 1 April 2019, the determination of. whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee
Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.
Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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

(d) Inventories

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

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

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

(e) Financial instruments

i. Recognition and initial measurement

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

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3. Significant accounting policies (continued)

(e) Financial instruments (continued)

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries, joint venture and associates

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(f) Revenue recognition

The Company recognises revenue to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods . A 5-step approach is used to recognise revenue as below:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

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

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

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

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3 Significant accounting policies (continued)

(g) Income tax

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

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

iii. Minimum Alternate Tax (MAT)

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

(h) Borrowing costs

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

(i) Provisions and contingent liabilities

i. General

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

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

ii. Contingent liabilities

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

iii. Onerous contracts

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

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3. Significant accounting policies (continued)

(j) Employee benefits

i. Short-term employee benefits

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

ii. Post-employment benefits

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

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 1 January every year using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

iv. Voluntary retirement scheme benefits

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

(k) Cash and cash equivalents

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

(l) Earnings per share

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

(m) Cash flow statement

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

(n) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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Amount in thousands

4 (a) Property, plant and equipment

Particulars	Right of use - Leasehold land	Land - freehold	Buildings	Plant and machinery	Furniture, fittings and office equipments	Computers and computer accessories	Motor vehicles	Total
Gross carrying amount								
Balance as at 1 April 2018	16,427	12,115	2,63,280	1,19,934	24,112	475	335	4,36,678
Additions	-	-	2,652	3,598	387	-	-	6,637
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	**16,427**	**12,115**	**2,65,932**	**1,23,532**	**24,499**	**475**	**335**	**4,43,315**
Balance as at 1 April 2019	16,427	12,115	2,65,932	1,23,532	24,499	475	335	4,43,315
Additions	-	-	2,593	10,987	497	-	-	14,077
Disposals	-	-	-	1,577	60	-	-	1,637
Balance as at 31 March 2020	**16,427**	**12,115**	**2,68,525**	**1,32,942**	**24,936**	**475**	**335**	**4,55,755**
Accumulated depreciation								
Balance as at 1 April 2018	630	-	39,224	70,849	5,945	376	101	1,17,125
Depreciation for the year	179	-	9,345	13,854	843	28	42	24,291
Disposals	-	-	-	-	-	-	-	-
Balance as at 31 March 2019	**809**	**-**	**48,569**	**84,703**	**6,788**	**404**	**143**	**1,41,416**
Balance as at 1 April 2019	809	-	48,569	84,703	6,788	404	143	1,41,416
Depreciation for the year	179	-	9,404	14,183	415	18	42	24,241
Disposals	-	-	-	1,084	22	-	-	1,106
Balance as at 31 March 2020	**988**	**-**	**57,973**	**97,802**	**7,181**	**422**	**185**	**1,64,551**
Carrying amount (net)								
Balance as at 31 March 2019	**15,618**	**12,115**	**2,17,363**	**38,829**	**17,711**	**71**	**192**	**3,01,899**
Balance as at 31 March 2020	**15,439**	**12,115**	**2,10,552**	**35,140**	**17,755**	**53**	**150**	**2,91,204**

(b) Capital work-in-progress

Particulars	Total
Gross carrying amount	
Balance as at 1 April 2018	26
Additions	12,124
Asset capitalised	(6,637)
Balance as at 31 March 2019	**5,513**
Balance as at 1 April 2019	5,513
Additions	11,134
Asset capitalised	(14,077)
Balance as at 31 March 20	**2,570**

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Amount in thousands

5 **Income tax**

(a) Amounts recognised in Statement of Profit and Loss

For the year ended	31 March 2020	31 March 2019
Current tax	4,595	7,746
Deferred tax		
Attributable to origination and reversal of temporary differences	2,981	2,418
Tax expense for the year	**7,576**	**10,164**

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2020			31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to statement of profit or loss						
Remeasurements of the defined benefit plans	(1,572)	437	(1,135)	594	(165)	429
	(1,572)	437	**(1,135)**	**594**	**(165)**	**429**

(c) Reconciliation of effective tax rate

For the year ended	31 March 2020		31 March 2019	
Profit before tax		14,067		37,613
Tax using the Company's domestic tax rate:	27.82%	3,913	27.82%	10,464
Tax effect of:				
MAT credit utilised	21.52%	3,027	-	-
Others	4.52%	636	-0.80%	(300)
	53.86%	**7,576**	**27.02%**	**10,164**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Deferred tax asset / (liabilities), net	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits	11,061	9,972	-	-	11,061	9,972
Deferred tax on indexation of freehold land	6,862	6,564	-	-	6,862	6,564
Minimum alternative tax	2,811	8,348	-	-	2,811	8,348
Property, plant and equipment and land	-	-	(12,499)	(14,105)	(12,499)	(14,105)
Deferred tax assets (net)	20,734	**24,884**	(12,499)	**(14,105)**	**8,235**	**10,779**

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Amount in thousands

5 Income tax

(a) Amounts recognised in Statement of Profit and Loss

For the year ended	31 March 2020	31 March 2019
Current tax	4,595	7,746
Deferred tax		
Attributable to origination and reversal of temporary differences	2,981	2,418
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Others	4.52%	636	-0.80%	(300)
	53.86%	**7,576**	**27.02%**	**10,164**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Deferred tax asset / (liabilities), net	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits	11,061	9,972	-	-	11,061	9,972
Deferred tax on indexation of freehold land	6,862	6,564	-	-	6,862	6,564
Minimum alternative tax	2,811	8,348	-	-	2,811	8,348
Property, plant and equipment and land	-	-	(12,499)	(14,105)	(12,499)	(14,105)
Deferred tax assets (net)	**20,734**	**24,884**	**(12,499)**	**(14,105)**	**8,235**	**10,779**

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International Bakery Product Limited
Notes to financial statements (continued)

Amount in thousands

	As at	Face value per share/ unit	Units/ no's as at 31 March 2020	Units/ no's as at 31 March 2019	Amount	
					31 March 2020	31 March 2019
6	**Non current investments**					
	At amortised cost					
	Unquoted					
	Watsun Infrabuild Pvt Ltd	10	74,209	1,18,121	742	1,181
					742	**1,181**

		31 March 2020	31 March 2019
	Total unquoted non-current investments	742	1,181
	Aggregate provision for impairment in value of investments	-	-
	Note: During the current year, the Company purchased 56,088 shares and sold 100,000 shares of Watsun Infrabuild Pvt Ltd.		
7	**Loans receivable**		
	(unsecured, considered good)		
	Deposits	10,272	9,383
		10,272	**9,383**
8	**Inventories***		
	Raw Materials	59,444	-
	Packing Materials	32,719	-
	Finished Goods	22,940	-
	Stores and spare parts	13,261	11,240
		1,28,364	**11,240**
	* Refer note 3 (d) for mode of valuation for inventories.		
	The write down of inventories to net realisable value during the year amounted to Rs. Nil (31 March 2019: Rs.Nil)		
9	**Trade receivables**		
	(unsecured, considered good)		
	Receivables from related parties (refer note 34)	1,945	24,104
		1,945	**24,104**
	The Company's exposure to credit and currency risks, loss allowances related to trade receivables are disclosed in note 34.		
10	**Cash and cash equivalents**		
	Cash in hand	1	3
	Balances with banks		
	- in current accounts	45,438	18,203
	- in deposit accounts (with original maturity of 3 months or less)	33,495	-
		78,934	**18,206**
11	**Loans receivable**		
	(unsecured, considered good)		
	Advance to employees	2,787	2,912
		2,787	**2,912**
12	**Other financial assets**		
	Unbilled revenue	88,709	36,341
		88,709	**36,341**
13	**Other current assets**		
	(unsecured, considered good)		
	Advance to supplier	3,470	1,174
	Prepayments	1,101	1,732
	Balances with government authorities	150	26,316
		4,721	**29,222**

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14 Share capital

Amount in thousands

As at	31 March 2020	31 March 2019
Authorised		
Equity shares		
[1,500,000 equity shares of Rs.10 each (31 March 2019: 1,500,000 equity shares of Rs.10 each)]	15,000	15,000
Issued, subscribed and paid up		
Equity shares fully paid	14,500	14,500
[1,450,000 equity shares of Rs.10 each (31 March 2019:: 1,450,000 equity shares of Rs.10 each fully paid up)]		
	14,500	**14,500**

(a) Terms / rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
At the commencement of the year	14,50,000	14,500	14,50,000	14,500
Add: Shares issued during the year	-	-	-	-
At the end of the year	**14,50,000**	**14,500**	**14,50,000**	**14,500**

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares of Rs. 10 each fully paid up held by				
Britannia Industries Limited., holding company	13,20,009	13,200	13,20,009	13,200
Manna Foods Private Limited., fellow subsidiary	1,29,990	1,300	1,29,990	1,300
Britannia Dairy Private Limited., fellow subsidiary*	1	0	1	0
	14,50,000	**14,500**	**14,50,000**	**14,500**

* Amount below the rounding off norms adopted by the company.

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

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	% of total equity shares	Number of equity shares	% of total equity shares
Equity shares of Rs. 10 each fully paid held by:				
Britannia Industries Limited., holding company	13,20,009	91.04%	13,20,009	91.04%
Manna Foods Private Limited., fellow subsidiary	1,29,990	8.96%	1,29,990	8.96%

(e) The company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

15 Other equity

	Other equity			
	Fully Convertible Debentures (Instrument entirely equity in nature)	Retained earnings	Other comprehensive income	Total
Balance as at 1 April 2018	58,200	61,347	(1,102)	60,245
Additions:				
Remeasurement of the net defined benefit (liability) / asset, net of tax effect	-	-	429	429
Profit for the year	-	27,450	-	27,450
Balance as at 31 March 2019	**58,200**	**88,797**	**(673)**	**88,124**
Additions:				
Remeasurement of the net defined benefit (liability) / asset, net of tax effect	-	-	(1,135)	(1,135)
Profit for the year	-	6,491	-	6,491
Balance as at 31 March 2020	**58,200**	**95,288**	**(1,808)**	**93,480**

Nature and purpose of reserves

Fully convertible debenture (Instrument entirely equity in nature)

582 0% Fully Convertible Debentures of Rs. 100,000 each, will be converted into Equity Shares (5,820,000 equity shares) of the face value of Rs.10 each at the end of the 20 year period.

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Amount in thousands

	As at	31 March 2020	31 March 2019
16	**Borrowings**		
	Non-current		
	Secured		
	Long term maturities of term loan	1,04,697	1,46,746
		1,04,697	**1,46,746**
	Long term loan	1,04,697	1,46,746
	Current maturities of long term loan (refer note 19)	52,409	41,834
		1,57,106	**1,88,580**

Details of security and terms of repayment for the non current borrowings :

*The loan from Standard Chartered Bank is repayable in 24 equal quarterly installments. The rate of interest is 6%. p.a The outstanding loan has been secured by an exclusive charge on existing and future fixed assets, letter of comfort from Britannia Industries Limited and negative lien on immoveable fixed assets as securities to Standard Chartered Bank for availing the said facilities.

		31 March 2020	31 March 2019
17	**Provisions**		
	Non - current		
	Provision for employee benefits :		
	-Provision for gratuity (refer note 33)	20,355	15,596
		20,355	**15,596**
18	**Trade payables**		
	- total outstanding dues to micro enterprises and small enterprises (refer note below)	-	-
	- total outstanding dues of creditors other than micro enterprises and small enterprises	2,57,272	67,487
		2,57,272	**67,487**

Note :

There are no 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 2020, 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 the information available with the Company and has been relied upon by the auditors.

(a)The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting period		
- Principal	-	-
- Interest	-	-
(c)The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
(d)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
(e)The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
(f)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note 32.

	As at	31 March 2020	31 March 2019
19	**Other financial liabilities**		
	Current maturities of long term debt (also refer note 16)	52,409	41,834
	Payroll related liabilities	13,586	10,639
		65,995	**52,473**
20	**Provisions**		
	Provision for employee benefits		
	-Compensated absences	182	93
		182	**93**
21	**Other current liabilities**		
	Statutory liabilities	21,850	4,167
	Advance from customers (refer note 34)	-	21,321
		21,850	**25,488**

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Amount in thousands

	For the year ended	31 March 2020	31 March 2019
22	**Revenue from operations**		
	Sale of goods	12,15,650	-
	Conversion income	3,05,860	3,89,191
	Lease rentals	33,833	64,516
		15,55,343	**4,53,707**
23	**Other Operating revenue**		
	Sale of raw materials and packing materials	10,917	-
	Sale of scrap	7,661	678
		18,578	**678**
24	**Other income**		
	Interest income	1,620	1,135
		1,620	**1,135**
25	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year (refer note 8)	-	-
	Add: Purchases	11,87,919	-
	Less: Inventory of materials at the end of the year (refer note 8)	92,163	-
		10,95,756	**-**
26	**Changes in inventories of finished goods**		
	Opening stock: (refer note 8)		
	- Finished goods	-	-
	Closing stock: (refer note 8)		
	- Finished goods	22,940	-
		(22,940)	**-**
27	**Employee benefits expense**		
	Salaries, wages and bonus	76,095	71,719
	Contribution to provident and other funds (refer note 33)	13,591	12,688
	Staff welfare expenses	12,546	9,955
		1,02,232	**94,362**
28	**Finance costs**		
	Bill discounting charges	13,562	-
	Interest expense	9,642	13,102
		23,204	**13,102**
29	**Other expenses**		
	Consumption of stores and spares	17,048	15,047
	Power and fuel	1,05,634	74,370
	Contract labour	1,65,376	1,42,623
	Repairs and maintenance:		
	- Plant and equipment	15,385	19,725
	- Buildings	4,184	2,859
	- Others	2,828	3,129
	Rates and taxes	1,087	1,821
	Security charges	5,049	4,205
	Laboratory charges	600	755
	Site maintenance expenses	1,209	1,140
	Factory expenses	7,416	4,948
	Insurance	2,159	2,320
	Printing and stationery	943	1,035
	Travelling and conveyance	3,767	4,264
	Communication expenses	488	352
	Legal and professional fees	1,019	392
	Auditors' remuneration :		
	- Audit fees (a)	207	207
	Bank charges	4	16
	Loss on disposal of property, plant and equipment	449	-
	Miscellaneous expenses	4,129	6,943
		3,38,981	**2,86,151**

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(a) Excludes applicable taxes and out of pocket expenses.

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Amount in thousands

For the year ended	31 March 2020	31 March 2019
30 Earnings per share (EPS)		
Earnings:		
(a) Net profit attributable to the equity shareholders	6,491	27,450
(b) Weighted average number of equity shares outstanding during the year	14,50,000	14,50,000
(c) Effect of potential equity shares on (582 Fully Convertible Debentures of Rs. 100,000 each)	58,20,000	58,20,000
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	72,70,000	72,70,000
Earnings per share (nominal value of share Rs. 10)		
Basic [in Rs.]	4.48	18.93
Diluted [in Rs.]	0.89	3.78
31 Contingent liabilities and commitments		
(i) Contingent liabilities:		
(a) Disputed excise duty matters	2,864	4,092
(b) Disputed income tax matters	1,793	1,793
(ii) Commitments:		
(a) Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	-	-

Note: The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Holding Company (Britannia Industries Limited) had recognised a provision in its books for provident fund contribution with respect to Company's employees during previous year and does not expect any material impact of the same. Accordingly, no provision has been recognised in the Company's books. The Company will evaluate its position and create provision if required on receiving further clarity on the subject.

32 Segment reporting

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.

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.

33 Disclosure in respect of employee benefits

The Company makes contributions, determined as a specified percentage of employee's salary, in respect of qualifying employee towards provident fund and employees' state insurance which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to these funds for the year aggregated to Rs.8,444 (31 March 2019: Rs.9,331) and is included in "Employee benefits expense" in note 27.

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:

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International Bakery Product Limited
Notes to financial statements (continued)

33 Disclosure in respect of employee benefits (continued)

Amount in thousands

a. Gratuity plan

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

1. Reconciliation of present value of defined benefit obligation	31 March 2020	31 March 2019
Present value of defined benefit obligation as at beginning of the year	38,787	39,114
Service cost	2,159	2,040
Interest cost	2,698	2,780
Benefits settled	-	(4,293)
Actuarial loss/ (gain)	1,696	(854)
Present value of defined benefit obligation as at end of the year.	**45,340**	**38,787**
2. Change in plan assets		
Fair value of plan assets at the beginning of the year	23,191	23,915
Expected return on plan assets	1,670	1,829
Employer contributions	-	2,000
Benefits settled	-	(4,293)
Actuarial loss/ (gain)	124	(260)
Fair value of plan assets at the end of the year	**24,985**	**23,191**
3. Reconciliation of net defined benefit obligation		
Present value of obligation as at end of the year	45,340	38,787
Funded status of the plan	24,985	23,191
Net liability recognised in the balance sheet	**20,355**	**15,596**
(i) Expense recognised in statement of profit and loss		
Service cost	2,159	2,040
Interest cost	1,028	951
Net gratuity cost	**3,187**	**2,991**
(ii) Remeasurements recognised in statement of other comprehensive income		
Actuarial loss on defined benefit obligation	1,572	(594)
Return on plan assets excluding interest income	-	-
Net gratuity cost	**4,759**	**2,397**

Sensitivity analysis

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

	31 March 2020	31 March 2019
A. Discount rate		
Discount rate -50 basis points	46,391	37,877
Assumptions	5.60%	6.70%
Discount rate +50 basis points	44,344	39,742
Assumptions	6.60%	7.70%
B Salary increase rate		
Salary rate -50 basis points	44,425	37,943
Assumptions	4.50%	4.50%
Salary rate +50 basis points	46,296	39,664
Assumptions	5.50%	5.50%
C. Withdrawal rate		
Withdrawal rate -100 basis points	45,214	38,574
Withdrawal rate +100 basis points	45,452	38,980

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33 Disclosure in respect of employee benefits (continued)

Amount in thousands

a. Gratuity plan

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

	31 March 2020	31 March 2019
1. Reconciliation of present value of defined benefit obligation		
Present value of defined benefit obligation as at beginning of the year	38,787	39,114
Service cost	2,159	2,040
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Assumptions	6.60%	7.70%
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Salary rate -50 basis points	44,425	37,943
Assumptions	4.50%	4.50%
Salary rate +50 basis points	46,296	39,664
Assumptions	5.50%	5.50%
C. Withdrawal rate		
Withdrawal rate -100 basis points	45,214	38,574
Withdrawal rate +100 basis points	45,452	38,980

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33 Disclosure in respect of employee benefits (continued)

Amount in thousands

Financial assumptions at Balance sheet date:		
Discount rate	6.10%	7.20%
Estimated rate of return on plan assets	6.10%	7.20%
Salary escalation	5.00%	5.00%
Attrition rate	4.00%	4.00%

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

Note:
(i) Plan assets comprise of contribution to Group Gratuity Scheme of Life Insurance Corporation of India.
(ii) The gratuity expenses have been recognised in 'Contribution to provident and other funds' under Note 27 to the notes.

b. Compensated absences:
The Company had valued its liability towards compensated absences as at 31 December 2019 by an independent actuary. The Company has not recorded additional provision for the period 1 January 2019 to 31 March 2020. The management believes that the liability, if any, that would have arisen, had the said liability been valued actuarially as at 31 March 2020, is not expected to be material.

34 Related party transactions

a) List of related parties where control exists:

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

b) Fellow subsidiaries: J.B Mangharam Foods Pvt Limited
Manna Foods Private Limited

c) Details of related party transactions

Nature of transactions	31 March 2020	31 March 2019
Britannia Industries Limited		
1. Conversion charges income (including lease rentals)	3,39,693	4,53,707
2. Sale of Goods	12,15,650	-
3. Purchases from Britannia Industries Limited	2,38,700	-
4. SAP license fees	662	-
J.B Mangharam Foods Pvt Limited		
1. Sale to J.B Mangharam Foods Pvt Limited (Net of Taxes)	549	-
2. Purchase from J.B Mangharam Foods Pvt Limited (Net of Taxes)	286	-
Manna Foods Private Limited		
1. Sale to Manna Foods Private Limited (Net of Taxes)	7,422	-
2. Purchase from Manna Foods Private Limited (Net of Taxes)	2,514	-
Sunrise Biscuit Company Private Limited		
1. Purchase of property, plant and equipment (Net of Taxes)	891	-

Outstanding balance as at the year end

Nature of transactions	31 March 2020	31 March 2019
Britannia Industries Limited		
1. Advance received	-	21,321
2. Trade receivable	1,945	24,104
3. Unbilled revenue	88,709	36,341
J.B Mangharam Foods Pvt Limited		
- Trade Receivables	633	-
- Trade Payables	(325)	-
Manna Foods Private Limited		
- Trade Receivables	1,358	-
- Trade Payables	(205)	-

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Notes to financial statements (continued) Amount in thousands

35 Financial instruments - fair values and risk management

Accounting classification and fair values

The carrying value and fair value of financial instruments by categories as of 31 March 2020 were as follows:

Particulars	Carrying amount				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Financial assets not measured at fair value					
Non current loans receivable	-	-	10,272	-	10,272
Investments	-	-	742	-	742
Cash and cash equivalents	-	-	78,934	-	78,934
Trade receivable	-	-	1,945	-	1,945
Current loans receivable	-	-	2,787	-	2,787
Other financial assets	-	-	88,709	-	88,709
Total	**-**	**-**	**1,83,389**	**-**	**1,83,389**
Financial liabilities not measured at fair value					
Borrowings	-	-	-	1,57,106	1,57,106
Trade payables	-	-	-	2,57,272	2,57,272
Other financial liabilities	-	-	-	13,586	13,586
Total	**-**	**-**	**-**	**4,27,964**	**4,27,964**

The carrying value and fair value of financial instruments by categories as of 31 March 2019 were as follows:

Particulars	Carrying amount				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Assets:					
Non current loans receivable	-	-	9,383	-	9,383
Investments	-	-	1,181	-	1,181
Cash and cash equivalents	-	-	18,206	-	18,206
Trade receivable	-	-	24,104	-	24,104
Current loans receivable	-	-	2,912	-	2,912
Other financial assets	-	-	36,341	-	36,341
Total	**-**	**-**	**92,127**	**-**	**92,127**
Liabilities:					
Borrowings	-	-	-	1,88,580	1,88,580
Trade payables	-	-	-	67,487	67,487
Other financial liabilities	-	-	-	10,639	10,639
Total	**-**	**-**	**-**	**2,66,706**	**2,66,706**

Note:

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

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35 Financial instruments(continued)

The Company has exposure to the following risks arising from financial instruments:
- Market risk
- Credit risk and
- Liquidity risk

Risk management framework
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors along with the top management are responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Financial risk factors

(i) Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices will affect the Companies income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters and optimising the return.

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

(ii) Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's borrowing comprises of term loan which carries fixed rate of interest which do not expose it to interest rate risk. Further, the Company does not have any other borrowing.

(ii) Credit risk

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

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

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

(iii) Liquidity risk

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

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Notes to financial statements (continued) Amount in thousands

Exposure to liquidity risk

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2020

Particulars	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings	1,57,106	52,409	41,927	62,770	-
Trade payables	2,57,272	2,57,272	-	-	-
Other financial liabilities	13,586	13,586	-	-	-
	4,27,964	**3,23,267**	**41,927**	**62,770**	-

The table below provides details regarding the contractual maturities of financial liabilities as of 31 March 2019

Particulars	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings	1,88,580	41,834	41,927	1,04,818	-
Trade payables	67,487	67,487	-	-	-
Other financial liabilities	10,639	10,639	-	-	-
	2,66,706	**1,19,960**	**41,927**	**1,04,818**	-

Impact of COVID - 19

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, etc. as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the company does not expect any material impact on the carrying amount of these assets & liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

36 Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes borrowings from bank.

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

As at	31 March 2020	31 March 2019
Total debt	1,57,105	1,88,580
Total equity	1,66,180	1,60,824
Debt to equity %	94.54%	117.26%

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BSR & Co. LLP

Notes to financial statements (continued) Amount in thousands

37 A. Revenue streams

The Company is primarily involved in manufacturing and sale of various food products. Other sources of revenue include scrap sales and sale of raw materials.

	Note	31 March 2020	31 March 2019
Sale of goods	22	12,15,650	-
Conversion income		3,05,860	3,89,191
Lease rental		33,833	64,516
Total revenue		**15,55,343**	**4,53,707**

The Company does not incur any cost to obtain or fulfil a contract with the customer.

B. Disaggregation of revenue from contracts with customers

Entire revenue of the business is generated from the operations in India.

C. Trade receivable and contractual balances:

The Company classifies the right to consideration in exchange for deliverables as a receivable. Trade receivable are presented net of impairment in the balance sheet. The contract liabilities primarily relate to advance consideration received from customers respectively.

	31 March 2020	31 March 2019
Trade Receivables	1,945	24,104
Unbilled Revenue	88,709	36,341
Advance from customers	-	21,321

38 The Company does not have any unhedged foreign currency exposure as on 31 March 2020 and 31 March 2019.

39 During the year ended 31 March 2020 and 31 March 2019, no material foreseeable loss was incurred for any long-term contract.

As per our report of even date attached

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

Vikash Gupta

Vikash Gupta
Partner
Membership No: 064597

Place: Bengaluru
Date: 01 June 2020

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

VKushwaha

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date: 01 June 2020

Venkatraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date: 01 June 2020