B S R & Co. LLP

Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Members of Manna Foods Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Manna Foods Private 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 its 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 identified above 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.

B S R & Co. (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N M Joshi Marg, Mahalakshmi
Mumbai 400 011

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/(loss) 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.

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Independent Auditor's Report

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

- 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.

- 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.

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Independent Auditor's Report

Report on Other Legal and Regulatory Requirements (continued)

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.

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 30 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: 20064597AAAACB9488

Place: Bengaluru
Date: 01 June 2020

Annexure – A to the Independent Auditor's Report

With reference to 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.

(ii) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on physical 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 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 the information and explanations 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 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 costs 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 accounts 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.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' 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.

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

(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	Disputed Amount (Rs. in thousands)	Period to which the amount relates	Forum where dispute Is pending
Income Tax Act, 1961	Income Tax	1,555	2016-18	Commissioner of Income Tax (Appeals)

(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 and banks. The Company did not have any outstanding loans or borrowings from the government and there are dues to debenture holders 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.

(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 all 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.

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

(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 explanations 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's registration number: 101248W/W-100022

Vikash Gupta

Vikash Gupta
Partner
Membership number: 064597
UDIN: 20064597AAAACB9488

Place: Bengaluru
Date: 01 June 2020

Annexure B to the Independent Auditors' report on the financial statements of Manna Foods Private 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 Manna Foods Private 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.

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.

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Annexure B to the Independent Auditors' report on the financial statements of Manna Foods Private Limited (continued)

Auditor's Responsibility (continued)

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: 20064597AAAACB9488

Place: Bengaluru
Date: 01 June 2020

Manna Foods Private Limited
Balance Sheet

Rs. in thousands

As at	Note	31 March 2020	31 March 2019
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	486,871	518,484
(b) Capital work-in-progress	4	1,431	5,405
(c) Intangible assets	5	13	125
(d) Financial assets			
(i) Investments	6	7,339	7,438
(ii) Loans receivable	7	11,521	10,178
(e) Deferred tax assets, (net)	8	7,516	11,923
(f) Income tax assets, (net)	8	15,448	14,398
Total non-current assets		**530,139**	**567,951**
(2) Current assets			
(a) Inventories	9	111,021	10,286
(b) Financial assets			
(i) Trade receivables	10	32,790	1,743
(ii) Cash and cash equivalents	11	60,190	2,000
(iii) Bank balances other than (ii) above	11	-	12,342
(iv) Other financial assets	12	35,162	-
(c) Other current assets	13	7,740	18,797
Total current assets		**246,903**	**45,168**
Total assets		**777,042**	**613,119**
II Equity and liabilities			
(1) Equity			
(a) Share capital	14	48,750	48,750
(b) Other equity	15	114,100	68,696
Total equity		**162,850**	**117,446**
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	238,357	333,700
(b) Provisions	17	4,693	3,386
Total non-current liabilities		**243,050**	**337,086**
(B) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18		
(a) total outstanding dues of micro enterprises and small enterprises		3,100	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		143,841	29,572
(ii) Other financial liabilities	19	133,403	109,648
(b) Provisions	17	150	133
(c) Other current liabilities	20	90,648	19,234
Total current liabilities		**371,142**	**158,587**
Total liabilities		**614,192**	**495,673**
Total equity and liabilities		**777,042**	**613,119**
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

Vikash Gupta
Partner
Membership No: 064597

Place: Bengaluru
Date : 1 June 2020

for **and on behalf of the Board of Directors of Manna Foods Private Limited**
CIN: U15400KA1994PTC015687

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date : 1 June 2020

Venkatraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date : 1 June 2020

Manna Foods Private Limited
Statement of profit and loss

Rs. in thousands

For the year ended	Note	31 March 2020	31 March 2019
I. Revenue from operations			
Sale of goods/ Income from operations	21	20,42,277	4,21,439
Other operating revenues	22	21,812	-
		20,64,089	**4,21,439**
II. Other income	23	1,708	3,410
III. Total income (I+II)		**20,65,797**	**4,24,849**
IV. Expenses:			
Cost of materials consumed	24	15,91,782	-
Changes in inventories of finished goods	25	(25,434)	-
Employee benefits expense	26	48,769	47,463
Finance costs	27	35,703	29,214
Depreciation and amortisation expense	4.5	43,165	59,598
Other expenses	28	3,08,090	2,44,327
Total expenses		**20,02,075**	**3,80,602**
V. Profit before tax (III-IV)		**63,722**	**44,247**
VI. Tax expense:			
(i) Current tax	8	14,013	9,748
(ii) Deferred tax	8	4,503	(367)
		18,516	**9,381**
VII. Profit for the year (V-VI)		**45,206**	**34,866**
VIII. Other comprehensive income :			
Items that will not be reclassified subsequently to statement of profit and loss			
Remeasurement of net defined benefit (liability)/ asset		(350)	173
Remeasurement of fair value equity instruments through other comprehensive income		451	-
Income tax relating to items not to be reclassified subsequently to statement of profit and loss		97	(45)
Other comprehensive income, net of tax		**198**	**128**
IX. Total comprehensive income for the year (VII+VIII)		**45,404**	**34,994**
Earnings per share (face value of Rs. 10 each)	29		
Basic [in Rs.]		9.27	7.15
Diluted [in Rs.]		9.27	7.15
Weighted average number of equity shares used in computing earnings per share:			
- Basic and Diluted		48,75,002	48,75,002
Significant accounting policies	3		

See accompanying notes to finnancial 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 : 1 June 2020

for **and on behalf of the Board of Directors of**
Manna Foods Private Limited
CIN: U15400KA1994PTC015687

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date : 1 June 2020

Venkatraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date : 1 June 2020

Manna Foods Private Limited
Statement of changes in Equity

Rs. in thousands

Particulars	Equity share capital	Other equity				Total equity attributable to equity holders of the Company
		Surplus	Other comprehensive income			
		Retained earnings	Equity instrument thorugh OCI	Other items of OCI	Total other equity	
Balance as of 1 April 2018	48,750	28,905	-	4,797	33,702	82,452
Changes in equity for the year ended 31 March 2019						
Remeasurement of the net defined benefit (liability)/ asset, net of tax effect	-	-	-	128	128	128
Remeasurement of fair value equity instruments through other comprehensive income	-	-	-	-	-	-
Profit for the year	-	34,866	-	-	34,866	34,866
Balance at 31 March 2019	48,750	**63,771**	-	**4,925**	68,696	117,446

Particulars	Equity share capital	Other equity				Total equity attributable to equity holders of the Company
		Surplus	OCI			
		Retained earnings	Equity instrument thorugh OCI	Other items of OCI	Total other equity	
Balance as of 1 April 2019	48,750	63,771	-	4,925	68,696	117,446
Changes in equity for the year ended 31 March 2020						
Remeasurement of the net defined benefit (liability)/ asset, net of tax effect	-	-	-	(253)	(253)	(253)
Remeasurement of fair value equity instruments through other comprehensive income	-	-	-	451	451	451
Profit for the year	-	45,206	-	-	45,206	45,206
Balance at 31 March 2020	**48,750**	108,977	-	**5,123**	**114,100**	**162,850**

See accompanying notes to finnancial 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 : 1 June 2020

for **and on behalf of the Board of Directors of**
Manna Foods Private Limited
CIN: U15400KA1994PTC015687

Vinay Singh Kushwaha
Director
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Place: Bengaluru
Date : 1 June 2020

Venkatraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date : 1 June 2020

Manna Foods Private Limited
Cash flow statement

Rs. in thousands

For the year ended		31 March 2020	31 March 2019
Cash flow from operating activities			
Profit before tax		63,722	44,247
Adjustments for:			
Depreciation and amortisation expense		43,165	59,598
Loss on sale of property, plant and equipment		-	1,673
Interest income		(1,652)	(2,481)
Finance costs		35,703	29,214
		140,938	**132,251**
Changes in:			
Inventories		(100,735)	(1,499)
Trade receivable		(31,047)	15,465
Loans receivable, other financial assets and other current assets		(25,419)	891
Trade payable		117,426	(6,037)
Provisions		1,324	1,064
Other current liabilities and other financial liabilities		70,429	11,206
Cash generated from operating activities		**172,916**	**153,341**
Income tax paid, net of refund		(15,063)	(10,593)
Net cash from operating activities		**157,853**	**142,748**
Cash flow from investing activities			
Acquisition of property, plant and equipment		(8,730)	(15,484)
Purchase / (sale) of investments		550	(1,314)
Interest received		1,566	2,426
Fixed deposits placed / (matured)		12,342	(3,040)
Net cash used in investing activities		**5,728**	**(17,412)**
Cash flow from financing activities			
Interest paid		(33,884)	(29,214)
Repayment of borrowings		(71,507)	(95,343)
Net cash used in financing activities		**(105,391)**	**(124,557)**
Net change in cash and cash equivalents		**58,190**	**779**
Cash and cash equivalents at beginning of year		2,000	1,221
Cash and cash equivalents at end of year		**60,190**	**2,000**
Note:			
Cash and cash equivalents [Refer note 11]		60,190	2,000
		60,190	**2,000**
Debt reconciliation statement in accordance with Ind AS 7			
Non current borrowings and current maturities of long term borrowings			
Opening balance		429,043	524,386
Repayment of borrowings		(71,507)	(95,343)
Closing balance		**357,536**	**429,043**
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 : 1 June 2020

for **and on behalf of the Board of Directors of**
Manna Foods Private Limited
CIN: U15400KA1994PTC015687

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date : 1 June 2020

Venkutraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date : 1 June 2020

Manna Foods Private Limited
Notes to financial statements

1 Reporting entity

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

2 Basis of preparation

Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 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 standalone financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 32 - leases: whether an arrangement contains a lease and lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 7 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 33 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 and 5 - useful life of property, plant and equipment and intangibles
- Note 6, 7, 10, 11 , 12 and 35 - impairment of financial assets.

E. Measurement of fair values

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

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 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 Statement of profit or loss.

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	Useful life
Plant and equipment	7.5 - 15 years
Furniture and fixtures	10 years
Motor vehicles	8 years
Office equipment	3 - 5 years
Buildings	30 - 60 years
Computers	3 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.

(ii) Non -financial assets

Intangible assets and property, plant and equipment

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

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3. Significant accounting policies (continued)

(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
The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the Statement of the Profit and Loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in borrowings & other financial liabilities. In the comparative period, leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(d) Inventories

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

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

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

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

(e) Financial instruments

i. Recognition and initial measurement

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

ii. Classification and subsequent measurement

Financial Assets

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

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

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

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3. Significant accounting policies (continued)

Financial instruments (continued)

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) Sale of goods:
Revenue is recognised when a customer obtains control of the goods which is mainly upon delivery at the customer premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery is recognised for these contracts and presented separately in the balance sheet.

(ii) 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.

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

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

(g) Income tax

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

i. Current tax

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

ii. Deferred tax

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

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

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

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

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

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

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

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3. Significant accounting policies (continued)
Income tax (continued)

iii. Minimum Alternate tax(MAT)

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

(h) Borrowing costs

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

(i) Provisions and contingent liabilities

i. General

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

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

ii. Contingent liabilities

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

iii. Onerous contracts

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

(j) Employee benefits

i. Short-term employee benefits

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

ii. Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee renders the related service. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise 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. Provision for compensated absences is based on actuarial valuation carried out as at 1st January every year. Remeasurement of gain and losses are recognised in profit and loss in the period in which they arise.

iv. Voluntary retirement scheme benefits

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

(k) Cash and cash equivalents

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

(l) Earnings per share

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

(m) Cash flow statement

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

(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 1 April 2020.

Manna Foods Private Limited
Notes to financial statements (continued)

4 **Property, plant and equipment**
Reconciliation of carrying amount

Rs. in thousands

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Motor vehicles	Office equipment	Computers	Total
Gross carrying amount								
As at 1 April 2018	1,41,386	4,17,185	3,41,491	7,419	5,036	411	1,388	9,14,316
Additions	-	1,932	10,042	-	-	127	160	12,261
Disposals	-	2,092	1,097	135	-	2	-	3,326
As at 31 March 2019	1,41,386	4,17,025	3,50,436	7,284	5,036	536	1,548	9,23,251
Additions	-	166	9,949	-	-	1,325	-	11,440
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2020	1,41,386	4,17,191	3,60,385	7,284	5,036	1,861	1,548	9,34,691
Accumulated Depreciation								
As at 1 April 2018	-	85,076	2,52,930	3,722	3,436	394	1,386	3,46,944
Depreciation for the year	-	13,993	44,235	771	419	35	23	59,476
Disposals	-	506	1,041	104	-	2	-	1,653
As at 31 March 2019	-	98,563	2,96,124	4,389	3,855	427	1,409	4,04,767
Depreciation for the year	-	14,577	27,052	763	419	189	53	43,053
Disposals	-	-	-	-	-	-	-	-
As at 31 March 2020	-	1,13,140	3,23,176	5,152	4,274	616	1,462	4,47,820
Carrying amount (net)								
As at 31 March 2020	1,41,386	3,04,051	37,209	2,132	762	1,245	86	4,86,871
As at 31 March 2019	1,41,386	3,18,462	54,312	2,895	1,181	109	139	5,18,484

Capital work-in-progress

Carrying amounts	
As at 1 April 2018	**125**
Additions during the year	17,541
Assets capitalised	(12,261)
As at 31 March 2019	**5,405**
Additions during the year	7,466
Assets capitalised	(11,440)
As at 31 March 2020	**1,431**

5 **Intangible assets**
Reconciliation of carrying amount

Particulars	Computer software	Total
Gross carrying amount		
As at 1 April 2018	369	369
Additions	-	-
Disposals	-	-
As at 31 March 2019	369	369
Additions	-	-
Disposals	-	-
As at 31 March 2020	369	369
Accumulated amortisation		
As at 1 April 2018	122	122
Amortisation	122	122
Disposals	-	-
As at 31 March 2019	244	244
Amortisation	112	112
Disposals	-	-
As at 31 March 2020	356	356
Carrying amount (net)		
As at 31 March 2020	13	13
As at 31 March 2019	125	125

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Manna Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

As at	Units / Nos.			Amount	
	Face value per share/ unit	As at 31 March 2020	As at 31 March 2019	31 March 2020	31 March 2019
6 Non current investments					
At Fair Value through Other Comprehensive Income					
A) Quoted					
Reliance Power Limited	10	154	154	0	21
TCFC Finance Limited	10	576	576	11	9
Value Industries Limited	10	75	75	0	2
				11	32
B) Unquoted					
International Bakery Products Limited	10	129,999	129,999	6,400	5,928
				6,400	5,928
At amortised cost (Unquoted)					
Watsun Infrabuild Private Limited*	10	92,761	147,651	928	1,478
Vasana Agrex & Herbs Private Limited	10	4,799	4,799	48	48
Less: Provision for impairment in value of investments				(48)	(48)
				928	1,478
Total long-term investments (A+B)				**7,339**	**7,438**

	31 March 2020	31 March 2019
Total quoted non-current investments	11	32
Total unquoted non-current investments	7,328	7,406
Aggregate provision for impairment in value of investments	48	48
Aggregate market value of quoted non-current investments	11	32

* During the year ended 31 March 2020, the Company has invested Rs. 1,000 (31 March 2019: Rs.1,478) and sold Rs. 450 in Watsun Infrabuild Private Limited.

7 Loans receivable

Non-current

(Unsecured, considered good)

Security deposits	11,521	10,178
	11,521	**10,178**

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8 Income tax assets

(a) Amounts recognised in Statement of profit and loss

Rs. in thousands

For the year ended	31 March 2020	31 March 2019
Current tax	14,013	9,748
Deferred tax	4,503	(367)
Tax expense for the year	**18,516**	**9,381**

(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 profit or loss						
Remeasurements of the defined benefit plans	(350)	97	(253)	173	(45)	128
Remeasurement of fair value equity instruments	451	-	451	-	-	-
	101	**97**	**198**	**173**	**(45)**	**128**

(c) Reconciliation of effective tax rate

For the year ended	31 March 2020		31 March 2019	
Profit before tax		63,722		44,247
Tax using the Company's domestic tax rate:	27.82%	17,727	27.82%	12,310
Tax effect of:				
Others	1.24%	789	-6.62%	(2,929)
	29.06%	**18,516**	**21.20%**	**9,381**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	31 March 2020	31 March 2019
Deferred tax assets / (liabilities)		
Provision for employee benefits	6,852	5,966
Provision for doubtful advances	386	360
Deferred tax on indexation of freehold land	11,301	9,523
Minimum alternative tax	-	6,494
Property, plant and equipment	(11,023)	(10,420)
Deferred tax assets (net)	**7,516**	**11,923**

(e) Movement in temporary differences

	As at 1 April 2018	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2019
Provision for employee benefits	5,342	669	(45)	-	-	5,966
Provision for doubtful advances	357	3	-	-	-	360
Minimum alternative tax	9,928	(3,434)	-	-	-	6,494
Deferred tax on indexation of freehold land	8,480	1,043	-	-	-	9,523
Unabsorbed depreciation and carry forward losses	2,341	(2,341)	-	-	-	-
Property, plant and equipment	(14,847)	4,427	-	-	-	(10,420)
	11,601	**367**	**(45)**	-	-	**11,923**

	As at 1 April 2019	Recognised in profit or loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2020
Provision for employee benefits	5,966	789	97	-	-	6,852
Provision for doubtful advances	360	26	-	-	-	386
Minimum alternative tax	6,494	(6,494)	-	-	-	-
Deferred tax on indexation of freehold land	9,523	1,778	-	-	-	11,301
Property, plant and equipment	(10,420)	(602)	-	-	-	(11,023)
	11,923	**(4,503)**	**97**	-	-	**7,516**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019:

As at	31 March 2020	31 March 2019
Income tax asset (net)	15,448	14,398
Income tax liabilities (net)	-	-
Net current income tax asset/ (liability) at the end	**15,448**	**14,398**

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2020 and 31 March 2019 is as follows:

For the year ended	31 March 2020	31 March 2019
Net current income tax (liability)/ asset at the beginning	14,398	13,552
Income tax paid / (refund) (net)	15,063	10,593
Current income tax expense (including earlier years)	(14,013)	(9,748)
Net current income tax asset/ (liability) at the end	**15,448**	**14,397**

Rs. in thousands

	As at	31 March 2020	31 March 2019
9	**Inventories***		
	Raw materials	54,874	-
	Packing materials	22,527	-
	Finished goods	25,434	-
	Stores and spare parts	8,186	10,286
		111,021	**10,286**

* 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).

		31 March 2020	31 March 2019
10	**Trade receivables**		
	Unsecured, considered good		
	Receivables from related parties (Refer note 34)	32,790	1,743
		32,790	**1,743**

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

		31 March 2020	31 March 2019
11	**Cash and bank balances**		
	Cash and cash equivalents:		
	- Current accounts	660	2,000
	- Deposits accounts with original maturity of 3 months or less	59,530	-
		60,190	**2,000**
	Details of bank deposits:		
	(i) Deposits with original maturity of 3 months or less is included under 'Cash and cash equivalents'	59,530	-
	(ii) Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	-	12,342
	(iii) Bank deposits due to mature after 12 months of the reporting date included under 'Other non - current financial assets''	-	-

		31 March 2020	31 March 2019
12	**Other financial assets**		
	Unsecured, considered good		
	Unbilled revenue	28,298	-
	Other receivable	6,864	-
		35,162	**-**

		31 March 2020	31 March 2019
13	**Other current assets**		
	Unsecured, considered good		
	Advances other than capital advances		
	-Advance to suppliers	5,004	449
	Others		
	- Prepaid expenses	2,496	1,032
	- Advance to employees	154	52
	- Balances with government authorities	-	17,264
	- Interest accrued and due on deposit	86	-
	Unsecured and considered doubtful		
	Advance to supplier	1,386	1,386
	Less: Provision for doubtful advances	(1,386)	(1,386)
		7,740	**18,797**

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Rs. in thousands

As at	31 March 2020	31 March 2019
14 Share capital		
Authorised		
Equity shares		
5,000,000 equity shares of Rs.10 each (31 March 2019: 5,000,000 equity shares of Rs.10 each)	**50,000**	**50,000**
Issued, subscribed and paid up		
Equity shares fully paid		
4,875,002 equity shares of Rs.10 each (31 March 2019: 4,875,002 equity shares of Rs.10 each)	48,750	48,750
	48,750	48,750

(a) Terms / rights attached to equity shares

The Company has one class of shares referred to as equity shares having a par value of Rs.10. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. During the year ended 31 March 2020, the Company has not declared any dividend.

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Equity shares:				
At the commencement and end of the year	4,875,002	48,750	4,875,002	48,750
	4,875,002	**48,750**	**4,875,002**	**48,750**

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

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

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	% holding	Number of equity shares	% holding
Equity shares of Rs. 10 each fully paid held by:				
Britannia Industries Limited, the holding company along with its nominee share holder	4,875,002	100%	4,875,002	100%

('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 preceeding the balance sheet date nor has issued shares for consideration other than cash.

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Manna Foods Private Limited
Notes to financial statements (continued)

Rs. in thousands

15 Other equity

Particulars	Retained earnings	Other items of OCI	Total
Balance as at 1 April 2018	28,905	4,797	33,702
Additons:			
Remeasurements of defined benefit liability (asset)	-	128	128
Equity instruments through other comprehensive income	-	-	-
Profit for the year	34,866	-	34,866
Balance as at 31 March 2019	**63,771**	**4,925**	**68,696**
Additons:			
Remeasurements of defined benefit liability (asset)	-	(253)	(253)
Equity instruments through other comprehensive income	-	451	451
Profit for the year	45,206	-	45,206
Balance as at 31 March 2020	**108,977**	**5,123**	**114,100**

16 Borrowings

	31 March 2020	31 March 2019
Non-current		
Secured		
Loan from bank*	238,357	333,700
	238,357	**333,700**

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

Non current portion	238,357	333,700
Current maturities of long term debt (refer note 19)	119,179	95,343
	357,536	**429,043**

* The loan from Standard Chartered Bank is repayable in 24 equal quarterly installments. The rate of interest is 6% per annum. The outstanding loan has been secured by an exclusive charge on immovable fixed assets as securities to Standard Chartered Bank for availing the said facilities.

17 Provisions

Particulars	Non current portion		Current portion	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Gratuity (refer note 33)	3,116	2,015	-	-
Compensated absences (refer note 33)	1,577	1,371	150	133
	4,693	**3,386**	**150**	**133**

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Rs. in thousands

As at	31 March 2020	31 March 2019
18 Trade payables		
Total outstanding dues to micro enterprises and small enterprises (Refer note below)	3,100	-
total outstanding dues of creditors other than micro enterprises and small enterprises*	143,841	29,572
	146,941	**29,572**

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 information available with the Company and has been relied upon by the auditors.

Particulars	31 March 2020	31 March 2019
(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	3,100	-
-Interest	-	-
(b)The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
(c)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006	-	-
(d)The amount of interest accrued and remaining unpaid at the end of each accounting period; and	-	-
(e)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-
(f)The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-

* Includes dues to related party (refer note 34)

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

	31 March 2020	31 March 2019
19 Other financial liabilities		
Current		
Current maturities of long term debt (also refer note 16)	119,179	95,343
Interest accrued but not due	1,818	-
Deposits	1,400	1,400
Creditors for capital goods	795	2,059
Payroll related liabilities	10,211	10,846
	133,403	**109,648**

The Company's exposure to currency and liquidity risk related to trade payable is disclosed in note 35.

	31 March 2020	31 March 2019
20 Other current liabilities		
Statutory liabilities	13,271	995
Advance from customers (refer note 34)	77,377	18,239
	90,648	**19,234**

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Rs. in thousands

	For the year ended	31 March 2020	31 March 2019
21	**Revenue from operations**		
	Sale of goods	1,902,533	-
	Conversion Income	105,900	317,911
	Lease income	33,844	103,528
		2,042,277	**421,439**
22	**Other operating revenues**		
	Scrap sales	6,165	-
	Sale of materials	15,647	-
		21,812	**-**
23	**Other income**		
	Interest income	1,652	2,481
	Miscellaneous income	56	929
		1,708	**3,410**
24	**Cost of materials consumed**		
	Inventory of materials at the beginning of the year (refer note 9)	-	-
	Add: Purchases	1,669,183	
	Less: Inventory of materials at the end of the year (refer note 9)	77,401	-
		1,591,782	**-**
25	**Changes in inventories of finished goods and work-in-progress**		
	Opening stock: (refer note 9)		
	- Finished goods	-	-
	Closing stock: (refer note 9)		
	- Finished goods	25,434	-
		(25,434)	**-**
26	**Employee benefits expense**		
	Salaries, wages and bonus	42,171	41,046
	Contribution to provident and other funds (refer note 30)	5,667	5,822
	Staff welfare expenses	931	595
		48,769	**47,463**
27	**Finance costs**		
	Interest expense	35,703	29,214
		35,703	**29,214**
28	**Other expenses**		
	Consumption of stores and spares	10,274	10,400
	Power and fuel	119,274	48,288
	Rent (refer note 32)	500	180
	Contract labour	117,809	115,528
	Repairs and maintenance:		
	- Plant and equipment	13,346	19,608
	- Buildings	5,639	5,364
	- Others	4,887	5,410
	Rates and taxes	648	663
	Insurance	606	526
	Carriage, freight and distribution	513	639
	Legal and professional fees	2,597	1,688
	Auditor's remuneration (refer Note (i) below)	150	150
	Printing & stationery	666	765
	Security charges	6,475	5,831
	Van hire charges	15,144	14,686
	Loss on sale/ write off of property, plant and equipment, net	-	1,673
	Miscellaneous expenses	9,562	12,928
		308,090	**244,327**

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

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Rs. in thousands

	For the year ended	31 March 2020	31 March 2019
29	**Earnings Per Share (EPS)**		
	A. Basic earnings per share		
	i. Profits attributable to the equity holders of the Company	45,206	34,866
	ii. Weighted average number of equity shares	4,875,002	4,875,002
	iii. Basic earnings per share	9.27	7.15
	B. Diluted earnings per share		
	i. Profits attributable to the equity holders of the Company	45,206	34,866
	ii. Weighted average number of equity shares	4,875,002	4,875,002
	iii. Basic earnings per share	9.27	7.15
30	**Contingent liabilities and commitments**		
	(i) Contingent liabilities:		
	(a) Disputed excise duty matters	-	8,756
	(b) Disputed income tax matters	1,555	1,555
	(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) has recognised a provision in its books for provident fund contribution with respect to Company's employees only for the current year and does not expect any material impact of the same. Accordingly, no provision has been recognised in the Company's books.

31 Segment information

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.

32 Operating leases

(a) The Company has entered into operating lease arrangement in respect of factory warehouse (short term leases) during the current year and earlier years. Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. The rental expenses of Rs. 500 (March 31, 2019 : Rs.180) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

(b) The Company has certain cancellable arrangements (short term lease) with the Holding Company, Britannia Industries Limited (which conveys a right to use an asset in return for a payment or a series of payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Lease income of Rs. 33,844 (31 March 2019: Rs. 103,528) in respect of income under operating leases have been recognised in the Statement of Profit and Loss.

33 Disclosure in respect of employee benefits

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee's salary, in respect of qualifying employee towards provident fund and employees' state insurance which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss as they accrue. The amount recognised as an expense towards contribution to these funds for the year aggregated to Rs. 4,666 (March 31, 2019 : Rs.4,983) and is included in "Employee benefits expense" in note 26.

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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Rs. in thousands

33 **Retirement benefits (continued)**

a. Gratuity plan

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

	31 March 2020	31 March 2019
(i) Change in projected benefit obligation		
Obligations as at 1 April	2,806	2,028
Service cost	832	739
Interest cost	212	151
Benefits settled	(231)	-
Actuarial (gain)	371	(112)
Obligations as at 31 March	**3,990**	**2,806**
(ii) Change in plan assets		
Fair value of plan assets at the beginning of the year	791	679
Expected return on plan assets	62	51
Employer contributions	231	-
Benefits settled	(231)	-
Actuarial gain / (loss)	21	61
Fair value of plan assets at the end of the year	**874**	**791**
(iii) Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefits at the end of the year	3,990	2,806
Funded status of the plan	874	791
Funded status amount of liability recognised in the balance sheet	**3,116**	**2,015**
2 Expense recognised in the statement of P & L under employee benefit expense		
Service cost	832	739
Interest cost	212	151
Expected returns on plan assets	(62)	(51)
	982	**839**
3 Remeasurements recognised in statement of other comprehensive income		
Actuarial loss	**350**	(173)
Net gratuity costs	**1,332**	666

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	4,148	2,911
Assumptions	6.30%	7.40%
Discount rate +50 basis points	3,692	2,604
Assumptions	7.30%	8.40%
B. Salary increase rate		
Salary rate -50 basis points	3,696	2,606
Assumptions	4.50%	4.50%
Salary rate +50 basis points	4,142	2,907
Assumptions	5.50%	5.50%
C. Withdrawal rate		
Withdrawal rate -100 basis points	3,835	2,663
Withdrawal rate +100 basis points	3,969	2,821
Actuarial assumptions		
Discount rate	6.80%	7.90%
Expected rate of return on plan assets	6.80%	7.90%
Future salary increase	5.00%	5.00%
Attrition rate:	5.00%	5.00%
Retirement age (in years)	58 years	58 years
Maturity profile of defined benefit obligations		
Within 1 year	179	125
1-2 year	353	181
2-3 year	329	321
3-4 year	467	355
4-5 year	499	503
5-10 year	4,112	3,768

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Rs. in thousands

33 Retirement benefits (continued)

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 26 to the notes.

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

34 Related party transactions

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

Nature of relationship	Name of the related party
Ultimate holding company	The Bombay Burmah Trading Corporation Limited
Holding company	Britannia Industries Limited
Fellow subsidiary	International Bakery Products Limited
	J B Mangharam Foods Private Limited

b) Details of related party transactions

Nature of transactions	31 March 2020	31 March 2019
Britannia Industries Limited		
Conversion charges income (including lease rentals)	139,745	421,439
Sale of goods	1,902,533	-
Sale of material	12,768	-
Purchase of material	214,723	-
License fees reimbursement to	431	471
Reimbursement of expenses from	172	2,521
FBC recovery	800	-
Fellow subsidiaries		
International Bakery Products Limited		
Sale of material	2,514	-
Purchase of material	7,422	-
J B Mangharam Foods Private Limited		
Sale of material	174	-

d) Related party balances

Balances at year end	31 March 2020	31 March 2019
Advance received		
-Britannia Industries Limited	77,377	18,239
Trade and other receivables		
-Britannia Industries Limited (including unbilled income)	65,899	1,743
-International Bakery Products Limited	205	-
Trade Payable		
-Britannia Industries Limited	6,391	-
-International Bakery Products Limited	1,358	-

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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:

Rs. in thousands

Particulars	Carrying amount					Fair value			
	Mandatorily - FVTPL and others	FVOCI - Equity instruments	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	60,190	-	60,190				
Investments									
- Equity instruments	-	-	928	-	928	-	-	-	-
Loans receivable	-	-	11,521	-	11,521				
Trade receivables	-	-	32,790	-	32,790				
Other financial assets	-	-	35,162	-	35,162				
Total	-	-	**140,591**	-	**140,591**				
Financial assets measured at fair value									
Investments									
- Equity instruments	-	6,411	-	-	6,411	-	-	6,411	6,411
Financial liabilities not measured at fair value									
Borrowings	-	-	-	357,536	357,536				
Trade payables	-	-	-	146,941	146,941				
Other financial liabilities	-	-	-	14,224	14,224				
Total	-	-	-	**518,701**	**518,701**				

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

Particulars	Carrying amount					Fair value			
	Mandatorily - FVTPL and others	FVOCI - Debt and equity instruments	Other financial assets - amortised cost	Other financial liabilities- amortised cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and cash equivalents	-	-	2,000	-	2,000				
Bank balances	-	-	12,342	-	12,342				
Investments									
- Equity instruments	-	-	1,478	-	1,478	-	-	-	-
Trade receivables	-	-	1,743	-	1,743				
Loans receivable	-	-	10,178	-	10,178				
Other financial assets	-	-	-	-	-				
Total	-	-	**27,741**	-	**27,741**				
Financial assets measured at fair value									
Investments									
- Equity instruments	-	5,960	-	-	5,960	-	-	5,960	5,960
Financial liabilities not measured at fair value									
Borrowings	-	-	-	429,043	429,043				
Trade payables	-	-	-	29,572	29,572				
Other financial liabilities	-	-	-	14,305	14,305				
Total	-	-	-	**472,920**	**472,920**				

Note:

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments, borrowings, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

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35 Financial instruments - Fair values and risk management (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.

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) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Based on our assessment and current estimates the carrying value and the provisions made as at 31 March 2020 is considered adequate.

Trade and other receivables

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 Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations and bank borrowings. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

Exposure to liquidity risk Rs. in thousands

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

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings	357,536	119,179	95,344	143,013	-
Trade payables	146,941	146,941	-	-	-
Other financial liabilities	14,224	14,224	-	-	-
	518,701	**280,344**	**95,344**	**143,013**	-

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

	Carrying amount	Less than 1 year	1-2 years	2-5 years	More than 5 years
Borrowings	429,043	95,344	95,344	238,355	-
Trade payables	29,572	29,572	-	-	-
Other financial liabilities	14,305	14,305	-	-	-
	472,920	**139,221**	**95,344**	**238,355**	-

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 efficiency 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.

Particulars	**31 March 2020**	**31 March 2019**
Total Debt	357,536	429,043
Total equity	162,850	117,446
Debt to equity	220%	365%

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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 / Income from operations	21	20,42,277	4,21,439
Other operating revenue	22	21,812	-
Total revenue		**20,64,089**	**4,21,439**

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	32,790	1,743
Unbilled Revenue	28,298	-
Contractual liabilities (advance received)	77,377	18,239

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

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

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

Vikash Gupta
Partner
Membership No: 0645[illegible]7

Place: Bengaluru
Date : 1 June 2020

for **and on behalf of the Board of Directors of**
Manna Foods Private Limited
CIN: U15400KA1994PTC015687

Vinay Singh Kushwaha
Director
DIN : 03480249

Place: Bengaluru
Date : 1 June 2020

Venkatraman Natarajan
Director
DIN : 05220857

Place: Bengaluru
Date : 1 June 2020