

B S R & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park
Pebble Beach, B Block, 3rd Floor
Off Intermediate Ring Road
Bengaluru 560 071 India

Telephone +91 80 4682 3000
Fax +91 80 4682 3999

INDEPENDENT AUDITORS' REPORT

To the Members of Sunrise Biscuit Company Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sunrise Biscuit Company 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.

Vg.

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.
- 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.



Independent Auditor's Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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".



Independent Auditor's Report

Report on Other Legal and Regulatory Requirements (continued)

(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 15 and 26 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 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 number: 101248W/W-100022



Vikash Gupta

Partner

Membership number: 064597

UDIN: 20064597AAAABX6915

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, the 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 Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of Section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 or any other relevant provisions of the Act and the 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.

V4

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

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax, Duty of customs, Duty of excise or Value added tax 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
Central Excise Act, 1944	Excise Duty	418	2006-07	CESTAT
Finance Act, 1994	Service Tax	9,314	2015-16 and 2016-17	Additional Commissioner
Income Tax Act	Income Tax	28,514	2014-15	ITAT

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

- (viii) According to the information and explanations given to us, the Company did not have any outstanding loans or borrowings from any financial institution or bank or government or dues to debenture holders during the year.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans.
- (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, 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, 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 of the Act is not applicable to the Company.
- (xiv) According to the information and explanations given to us, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

Vg.

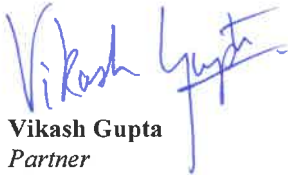
Annexure – A to the Independent Auditor's Report (continued)

- (xvi) According to the information and explanations given to us and in our opinion, the Company is not required to be registered under Section 45-1A 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

Partner

Membership number: 064597

UDIN: 20064597AAAABX6915

Place: Bengaluru

Date: 01 June 2020

Annexure B to the Independent Auditors' report on the financial statements of Sunrise Biscuit Company 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 Sunrise Biscuit Company 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.

Vg

Annexure B to the Independent Auditors' report on the financial statements of Sunrise Biscuit Company Private Limited for the period ended 31 March 2020 (continued)

Auditors' 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 number: 101248W/W-100022



Vikash Gupta

Partner

Membership number: 064597

UDIN: 20064597AAAABX6915

Place: Bengaluru

Date: 01 June 2020

Sunrise Biscuit Company 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	60,247	70,249
(b) Capital work-in-progress	4	-	871
(c) Financial assets			
(i) Loans receivable	6	5,606	5,626
(d) Deferred tax assets, (net)	5	41,336	40,772
(e) Income tax assets, (net)	5	-	12,263
(f) Other non-current assets	7	308	818
Total non-current assets		107,497	130,599
(2) Current assets			
(a) Inventories	8	7,674	9,413
(b) Financial assets			
(i) Trade receivables	9	117,050	4,947
(ii) Cash and cash equivalents	10	21,671	6,548
(iii) Other financial assets	11	117,163	236,343
(c) Other current assets	12	11,298	12,471
Total current assets		274,856	269,722
Total assets		382,353	400,321
II Equity and liabilities			
(1) Equity			
(a) Share capital	13	141,995	141,995
(b) Other equity	14	110,011	86,580
Total equity		252,006	228,575
(2) Liabilities			
(A) Non-Current liabilities			
(a) Provisions	15	37,806	34,566
Total non-current liabilities		37,806	34,566
(B) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	16	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		30,868	72,360
(ii) Other financial liabilities	17	12,536	18,706
(b) Other current liabilities	18	46,805	16,915
(c) Provisions	15	1,168	11,782
(d) Income tax liabilities (net)	5	1,164	17,417
Total current liabilities		92,541	137,180
Total liabilities		130,347	171,746
Total equity and liabilities		382,353	400,321
Significant accounting policies	3		

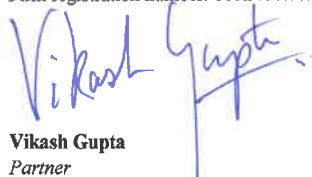
See accompanying notes to financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022


Vikash Gupta
 Partner

Membership number: 064597

Place : Bengaluru

Date: 1 June 2020

For and on behalf of the Board of Directors

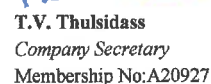
Sunrise Biscuit Company Private Limited

CIN No. U15412AS1985PTC002361


Venkataraj Natarajan
 Director
 DIN : 05220857


Vinay Singh Kushwaha
 Director
 DIN : 03480249


Lalit Singh Manglia
 Chief Financial Officer


T.V. Thulsidass
 Company Secretary
 Membership No:A20927

Place : Bengaluru

Date: 1 June 2020

Sunrise Biscuit Company 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	19	1,99,382	6,00,983
Other operating income	20	496	67,909
		1,99,878	6,68,892
II Other income	21	21,090	895
III Total income (I + II)		2,20,968	6,69,787
IV Expenses:			
Cost of materials consumed	22	-	4,03,296
Changes in inventories of finished goods	23	-	3,322
Employee benefits expense	24	1,00,602	1,02,433
Depreciation	4	13,242	17,835
Other expenses	25	82,211	1,17,704
Total expenses		1,96,055	6,44,590
V Profit before tax (III - IV)		24,913	25,197
VI Tax expense:			
(i) Current tax	5	4,704	4,687
(ii) Income tax of prior years	5	(4,700)	-
(iii) Deferred tax	5	5	(15,397)
		9	(10,710)
VII Profit for the year (V - VI)		24,904	35,907
VIII Other comprehensive income			
<i>Items that will not be reclassified subsequently to statement of profit and loss:</i>			
Remeasurements of net defined benefit (liability)/asset		(2,041)	(2,756)
Income tax relating to items not to be reclassified subsequently to statement of profit and loss		568	767
Other comprehensive income, net of tax		(1,473)	(1,989)
IX Total Comprehensive income for the year (VII - VIII)		23,431	33,918
Earnings per share (face value of Rs.10 each)	28		
Basic and Diluted (In Rs.)		1.75	2.53
Weighted average number of equity shares used in computing earnings per share:			
- Basic and Diluted		1,41,99,500	1,41,99,500
Significant accounting policies	3		

See accompanying notes to financial statements

As per our report of even date attached

For **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



Vikash Gupta

Partner

Membership number: 064597

Place : Bengaluru

Date: 1 June 2020

For and on behalf of the Board of Directors of

Sunrise Biscuit Company Private Limited

CIN No. U15412AS1985PTC002361



Venkataraman Natarajan

Director

DIN : 05220857



Lalit Singh Manglia

Chief Financial Officer

Place : Bengaluru

Date: 1 June 2020



Vinay Singh Kushwaha

Director

DIN : 03480249



T.V. Thulsidass

Company Secretary

Membership No:A20927

Sunrise Biscuit Company Private Limited
Statement of Changes in Equity

Particulars	Rs. in thousands			
	Equity share capital	Retained earnings	Other equity Comprehensive Income	Total equity attributable to equity holders of the Company
Balance as of 1 April 2018	1,41,995	53,873	(1,212)	1,94,656
Changes in equity				
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	(1,988)	(1,988)
Profit for the year	-	35,907	-	35,907
Balance at 31 March 2019	1,41,995	89,780	(3,200)	2,28,575
Particulars	Equity share capital	Retained earnings	Other equity Comprehensive Income	Total equity attributable to equity holders of the Company
Balance as of 1 April 2019	1,41,995	89,780	(3,200)	2,28,575
Changes in equity				
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	(1,473)	(1,473)
Profit for the year	-	24,904	-	24,904
Balance at 31 March 2020	1,41,995	1,14,684	(4,673)	2,52,006


See accompanying notes to financial statements

As per our report of even date attached

For BSR & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022



Vikash Gupta
Partner
Membership number: 064597


Place : Bengaluru
Date: 1 June 2020

For and on behalf of the Board of Directors of


Sunrise Biscuit Company Private Limited

CIN No: U15412AS1985PTC002361


Venkataraman Natarajan
Director
DIN : 05220857


Vinay Singh Kushwaha
Director
DIN : 03480249


Lalit Singh Manglia
Chief Financial Officer


T.V. Thulsidass
Company Secretary
Membership No:A20927

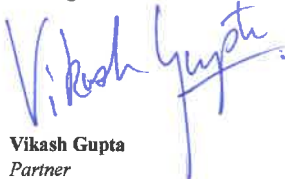
Place : Bengaluru
Date: 1 June 2020

Sunrise Biscuit Company Private Limited
Statement of cash flow

	Rs. in thousands	
For the year ended	31 March 2020	31 March 2019
Cash flow from operating activities		
Profit before tax	24,913	25,197
Adjustments for:		
Depreciation	13,242	17,835
Liabilities no longer required written back	(20,190)	-
(Gain)/ loss on sale of property, plant and equipment	(390)	41
Interest income	(469)	(895)
	17,106	42,178
Changes in		
Inventories	1,739	30,629
Trade receivables	(112,104)	27,372
Loans receivable, other financial assets and other assets	120,527	(87,669)
Trade payables	(41,493)	(1,945)
Other liabilities and provision	34,495	(4,508)
Cash generated from operating activities	20,270	6,057
Income tax paid, net of refund	(3,995)	(3,289)
Net cash from in operating activities	16,275	2,768
Cash flow from investing activities		
Acquisition of property, plant and equipment	(2,512)	(3,060)
Proceeds from sale of property, plant and equipment	891	416
Proceeds from bank deposits (having original maturity of more than 3 months)	-	889
Interest received	469	895
Net cash used in investing activities	(1,152)	(860)
Net cash from financing activities	-	-
Net change in cash and cash equivalents	15,123	1,908
Cash and cash equivalents at beginning of the year	6,548	4,640
Cash and cash equivalents at end of the year	21,671	6,548
Note:		
Cash and cash equivalents at the end of the year [Refer Note 10]		
Balances with banks		
- Current accounts	5,729	284
- Deposit accounts (demand deposits and deposits having original maturity of 3 months or less)	15,942	6,264
	21,671	6,548
Significant accounting policies (refer note 3)		

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

For **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022


Vikash Gupta
Partner
Membership number: 064597

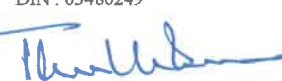
Place : Bengaluru
Date: 1 June 2020

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


Venkataraman Natarajan
Director
DIN : 05220857


Vinay Singh Kushwaha
Director
DIN : 03480249


Lalit Singh Manglia
Chief Financial Officer


T.V. Thulsidass
Company Secretary
Membership No:A20927

Place : Bengaluru
Date: 1 June 2020

Sunrise Biscuit Company Private Limited
Notes to financial statements

1 Reporting entity

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

The company had entered in Purchase of Finished Goods (POFG) agreement with Britannia Industries Limited (BIL) dated 01-09-2017. The Company has re-entered Contract Packers (CP) agreement dated 01 October 2018 whereby the Company shall manufacture and deliver the products using the materials and components supplied by BIL. The Company is a subsidiary of Britannia Industries Limited.

2 Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of 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 and on an accrual basis of accounting except for the following items which have been accounted as follows:

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

(d) Use of estimates and judgements

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

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

Judgements

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

- Note 27 - 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 31 - measurement of defined benefit obligations: key actuarial assumptions;

- Note 26 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 4 - useful life of property, plant and equipment;

- Notes-6, 9 and 11- 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, 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 34 - financial instruments



3 Significant accounting policies

(a) Property, plant and equipment

i) Recognition and measurement

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

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

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

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

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

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 recognised as an impairment gain or loss in profit or loss.

(ii) Non-financial assets

Property, plant and equipment

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated units to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised 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 recognised for the asset in prior years.



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 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.

Leases in which the Company is 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 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

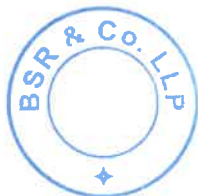
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified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

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.



3 Significant accounting policies (Continued)

(e) Financial instruments(continued)

iii. Derecognition

Financial assets

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

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

Financial 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 or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. 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.



3 Significant accounting policies (Continued)

ii. Deferred tax

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

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

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

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

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

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

iii. Minimum Alternative Tax ('MAT')

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

(h) 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.

(i) 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.



3 Significant accounting policies (Continued)

(i) *Employee benefits (continued)*

(iii) *Other long term benefits*

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

(j) *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

(k) *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.

(l) *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.

(m) *Recent accounting pronouncements*

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



4 Property, plant and equipment and capital work-in-progress

Rs. in thousands

Reconciliation of carrying amounts

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Motor vehicles	Office equipment	Total
Gross carrying amount							
Balance as at 1 April 2018	9,686	66,404	1,67,656	2,217	1,247	12,497	2,59,707
Additions	-	-	2,155	-	-	35	2,190
Disposals	-	(682)	(19,566)	(226)	-	(2,560)	(23,034)
Balance as at 31 March 2019	9,686	65,722	1,50,245	1,991	1,247	9,972	2,38,862
Balance as at 1 April 2019	9,686	65,722	1,50,245	1,991	1,247	9,972	2,38,862
Additions	-	553	2,458	24	-	705	3,740
Disposals	-	-	(4,941)	-	-	-	(4,941)
Balance as at 31 March 2020	9,686	66,275	1,47,762	2,015	1,247	10,677	2,37,661
Accumulated depreciation							
Balance as at 1 April 2018	-	26,670	1,36,518	1,862	337	7,967	1,73,354
Depreciation for the year	-	2,027	14,545	127	156	980	17,835
Disposals	-	(465)	(19,326)	(226)	-	(2,560)	(22,577)
Balance as at 31 March 2019	-	28,232	1,31,737	1,763	493	6,387	1,68,612
Balance as at 1 April 2019	-	28,232	1,31,737	1,763	493	6,387	1,68,612
Depreciation for the year	-	1,985	10,064	63	156	974	13,242
Disposals	-	-	(4,440)	-	-	-	(4,440)
Balance as at 31 March 2020	-	30,217	1,37,361	1,826	649	7,361	1,77,414
Carrying amount (net)							
As at 31 March 2020	9,686	36,058	10,401	189	598	3,316	60,247
As at 31 March 2019	9,686	37,490	18,508	228	754	3,585	70,249

Capital work-in-progress

Particulars		
Balance as at 1 April 2018	-	-
Additions	3,061	3,061
Assets capitalised	(2,190)	(2,190)
Balance as at 31 March 2019	871	871
Balance as at 1 April 2019	871	871
Additions	2,869	2,869
Assets capitalised	(3,740)	(3,740)
Balance as at 31 March 2020	-	-

14.



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

5 Income tax

(a) Amounts recognised in Statement of Profit and Loss

	Rs. in thousands	
For the year ended	31 March 2020	31 March 2019
Current tax	4,704	4,687
Income tax of prior years	(4,700)	-
Deferred tax		
Attributable to origination and reversal of temporary differences	5	(15,397)
Tax expense for the year	9	(10,710)

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2020			31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to statement of profit or loss						
Remeasurements of defined benefit plans	(2,041)	568	(1,473)	(2,756)	767	(1,988)
	(2,041)	568	(1,473)	(2,756)	767	(1,988)

(c) Reconciliation of effective tax rate

For the year ended	31 March 2020		31 March 2019	
Profit before tax	24,913	25,197		
Tax using the Company's domestic tax rate	27.82%	6,931	27.82%	7,010
Tax effect of:				
Income tax of prior years	-18.87%	(4,700)	-	-
Others	-8.92%	(2,222)	-70.33%	(17,720)
	0.03%	9	-42.51%	(10,710)

(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 gratuity	8,345	7,517
Provision for compensated absences	2,497	2,325
Provision for entry tax	-	3,051
Provision for bonus	2,041	3,633
Property, plant and equipment	10,733	10,880
Land indexation	8,212	7,888
Minimum alternate tax	9,508	5,479
Deferred tax assets (net)	41,336	40,772

(e) Movement in temporary differences

	As at 1 April 2018	Recognised in statement of profit or loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2019
Provision for Gratuity	6,256	494	767	-	-	7,517
Provision for compensated absences	2,225	100	-	-	-	2,325
Provision for entry tax	6,685	(3,634)	-	-	-	3,051
Provision for bonus	3,898	(265)	-	-	-	3,633
Property, plant and equipment	(7,527)	18,407	-	-	-	10,880
Land indexation	7,660	228	-	-	-	7,888
Minimum alternate tax	5,412	67	-	-	-	5,479
	24,609	15,397	767	-	-	40,772

	As at 1 April 2019	Recognised in statement of profit or loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2020
Provision for gratuity	7,517	260	568	-	-	8,345
Provision for compensated absences	2,325	172	-	-	-	2,497
Provision for entry tax	3,051	(3,051)	-	-	-	-
Provision for bonus	3,633	(1,592)	-	-	-	2,041
Property, plant and equipment	10,880	(147)	-	-	-	10,733
Land indexation	7,888	324	-	-	-	8,212
Minimum alternate tax	5,479	4,029	-	-	-	9,508
	40,772	(5)	568	-	-	41,336

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 assets (net)	-	12,263
Income tax liabilities (net)	(1,164)	(17,417)
Net current income tax asset / (liability) at the end	(1,164)	(5,154)

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 asset/(liability) at the beginning	(5,154)	(3,756)
Income tax paid (net)	3,995	3,289
Current income tax expense (including earlier years)	(5)	(4,687)
Net current income tax asset/(liability) at the end	(1,164)	(5,154)



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

		Rs. in thousands	
As at		31 March 2020	31 March 2019
6 Loans receivable			
<i>(Unsecured, considered good)</i>			
Non current			
Security deposits		5,606	5,626
		5,606	5,626
7 Other non-current assets			
<i>(Unsecured, considered good)</i>			
Capital advances		-	357
Prepaid expenses		308	-
Balance with government authorities		-	461
		308	818
8 Inventories*			
Stores and spare parts#		7,674	9,413
		7,674	9,413
* Refer note 3 (d) of accounting policy for mode of valuation for inventories.			
# Net of provision for inventory obsolescence Rs. 3,900 (31 March 2019 : Rs. 3,900).			
9 Trade Receivables			
<i>(Unsecured, considered good)</i>			
Receivables from related parties (Refer note 30)		1,17,050	4,947
		1,17,050	4,947
The Company's exposure to credit and currencies risk, and loss allowances related to trade receivables are disclosed in note 32.			
10 Cash and cash equivalents			
Balances with banks			
- in current accounts		5,729	284
- in deposit accounts (with original maturity of 3 months or less)		15,942	6,264
		21,671	6,548
Details of bank deposits:			
(i) Deposits with original maturity of 3 months or less is included under 'Cash and cash equivalents'		15,942	6,264
(ii) Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'		-	-
(iii) Bank deposits due to mature after 12 months of the reporting date included under 'Other non - current financial assets'		-	-



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

As at	Amount in rupees in thousands	
	31 March 2020	31 March 2019
11 Other financial assets		
<i>(Unsecured, considered good)</i>		
Current		
Unbilled revenue	21,073	1,40,253
Claims receivable (Refer note 36)	96,090	96,090
	1,17,163	2,36,343
12 Other current assets		
<i>(Unsecured, considered good)</i>		
<i>Advances other than capital advances</i>		
- Advance to suppliers	349	2,180
- Advance to employees	3,247	3,272
<i>Others</i>		
- Prepaid expenses	3,032	3,562
- Subsidy receivable	4,269	-
- Balance with government authorities	401	3,457
	11,298	12,471



Vg.

Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

As at	31 March 2020	31 March 2019
13 Share capital		
Authorised		
14,950,000 equity shares of Rs 10 each (31 March 2019: 14,950,000 equity shares of Rs 10 each)		
5,000 11% Redeemable non-cumulative preference shares of Rs 100 each (31 March 2019: 5,000 11% Redeemable non-cumulative preference shares of Rs 100 each)	1,49,500	1,49,500
Issued, subscribed and paid up		
14,199,500 equity shares of Rs. 10 each (31 March 2019: 14,199,500 equity shares of Rs. 10 each)	500	500
	1,41,995	1,41,995
	1,41,995	1,41,995

Rights, preferences and restrictions attached to equity shares

- The Company has single class of equity shares having a par value of Rs 10 each. Each share holder is eligible for one vote per share held.
- The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive residual assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount	Number of shares	Amount
	1,41,99,500	1,41,995	1,41,99,500	1,41,995
	1,41,99,500	1,41,995	1,41,99,500	1,41,995

(b) 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
	1,40,49,650	1,40,497	1,40,49,650	1,40,497

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

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	% of total equity shares	Number of equity shares	% of total equity shares
	1,40,49,650	98.94%	1,40,49,650	98.94%

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



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

14 Other equity

Particulars	Amount in rupees in thousands		
	Retained earnings	Other Items of OCI	Total of other equity
Balance as at 1 April 2018	53,873	(1,212)	52,661
Additions			
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	(1,988)	(1,988)
Net profit after tax transferred from the statement of profit and loss	35,907	-	35,907
Balance as at 31 March 2019	89,780	(3,200)	86,580
Balance as at 1 April 2019	89,780	(3,200)	86,580
Additions			
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	(1,473)	(1,473)
Net profit after tax transferred from the statement of profit and loss	24,904	-	24,904
Balance as at 31 March 2020	1,14,684	(4,673)	1,10,011

15 Provisions

	Non-current		Current	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Provision for employee benefits:				
Provision for compensated absences	7,809	7,545	1,168	814
Provision for gratuity, net (refer note 31)	29,997	27,021	-	-
Total provisions	37,806	34,566	1,168	814
Other provisions				
Provision for entry tax	-	-	-	10,968
	-	-	-	10,968
Total provisions	37,806	34,566	1,168	11,782

Setout below is the movement in provision balances in accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets":

	1 April 2019	Additions	Utilisation	Reversals / adjustments	31 March 2020
(a) Provision for entry tax	10,968	-	-	10,968	-
(b) Provision for entry tax	24,030	-	-	13,062	10,968



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

As at	Rs. in thousands	
	31 March 2020	31 March 2019
16 Trade payables		
Total outstanding dues of micro and small enterprises [refer note below]	-	-
Total outstanding dues of other than micro and small enterprises	30,868	72,360
	30,868	72,360

Note:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 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.

(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:

- Principal
- Interest

- -

(b) The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date 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 year) but without adding the interest specified under MSMED Act, 2006

- -

(d) The amount of interest accrued and remaining unpaid at the end of each accounting year

- -

(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 purposes of disallowance as a deductible expenditure under the MSMED Act, 2006

- -

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

17 Other financial liabilities

Current

Accrued compensation to employees

12,536 18,706

12,536 18,706

18 Other current liabilities

Advances received

43,535 13,535

Book overdraft

1,705 1,468

Statutory liabilities

1,565 1,912

46,805 16,915



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

For the year ended		Rs. in thousands
	31 March 2020	31 March 2019
19 Revenue from operations		
Sale of biscuits	-	4,26,762
Conversion charges (including commitment charges)	1,78,530	1,54,593
Rental income (refer note 35)	20,852	19,628
	1,99,382	6,00,983
20 Other operating income		
Scrap sales	496	2,369
Sale of raw material	-	55,542
Excise duty refund (refer note 37)	-	9,998
	496	67,909
21 Other income		
Interest income	469	895
Interest on income tax refund	41	-
Profit on sale of property, plant and equipment	390	-
Liabilities no longer required written back	20,190	-
	21,090	895
22 Cost of materials consumed		
Inventory of materials at the beginning of the year	-	26,683
Add: Purchases	-	3,76,613
Less: Inventory of materials at the end of the year	-	-
	-	4,03,296
23 Changes in inventories of finished goods		
Opening stock:		
- Finished goods	-	3,322
Closing stock:		
- Finished goods	-	-
(Increase) / decrease in inventory	-	3,322
24 Employee benefits expense		
Salaries, wages and bonus	83,202	84,703
Contribution to provident and other funds [refer note 31]	13,358	13,307
Staff welfare expenses	4,042	4,423
	1,00,602	1,02,433
25 Other expenses		
Consumption of stores and spares	4,330	2,523
Power and fuel	29,796	41,608
Contract labour charges	8,542	17,820
Repairs and maintenance:		
- Plant and equipment	24,979	34,668
- Buildings	419	2,563
- Others	1,750	4,789
Insurance	1,710	1,353
Rates and taxes, net	1,679	1,382
Auditors' remuneration*		
- Audit fees	391	391
- Expenses reimbursed	151	33
Legal and professional expenses	858	2,529
Loss on sale of property, plant and equipment	-	41
Miscellaneous expenses	7,607	8,004
	82,212	1,17,704

*excludes applicable taxes



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

As at	Rs. in thousands	
	31 March 2020	31 March 2019

26 Contingent liabilities and commitments (to the extent not provided for)

(i) Contingent liabilities

Claims/ demands against the Company not acknowledged as debts:

VAT / sales tax matters (under dispute/appeal)

- 233

Excise and service tax matters (under dispute/appeal)

9,732 10,099

(ii) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (31 March 2019: Rs. Nil).

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 in previous year and does not expect any material impact of the same. Accordingly, no provision has been recognised in the Company's books.

27 Operating leases

The Company has certain cancellable arrangement with its holding company (which conveys a right to use Company's asset by its holding Company in return for a payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental income of Rs. 20,852 (31 March 2019: Rs. 19,628) in respect of such lease have been recognised in the Statement of profit and loss.

28 Earnings per share (EPS)

	31 March 2020	31 March 2019
Net profit attributable to the equity shareholders (in rupees thousands)	24,904	35,907
Number of equity shares at the beginning of the year	1,41,99,500	1,41,99,500
Number of equity shares at the end of the year	1,41,99,500	1,41,99,500
Weighted average number of equity shares outstanding during the year	1,41,99,500	1,41,99,500
Nominal value of equity shares (Rs.)	10	10
Basic earnings per share (Rs.)	1.75	2.53

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

29 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.



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

Rs. in thousands

30 Related party transactions

(a) List of related parties

(i) Parties where control exists

Ultimate holding company

The Bombay Burmah Trading Corporation Limited

Holding company

Britannia Industries Limited

(ii) Parties under common control

Fellow subsidiary company

International Bakery Products Private Limited

(b) Outstanding balances as at year end

Nature of transaction	31 March 2020	31 March 2019
1 Trade receivables (net)		
- Britannia Industries Limited	1,17,050	4,947
2 Other financial assets (unbilled revenue)		
- Britannia Industries Limited	21,073	1,40,253
3 Trade payables and other liabilities (advances received)		
- Britannia Industries Limited	43,535	13,535

(c) Related party transactions

Nature of transaction	Year ended 31 March 2020	Year ended 31 March 2019
Britannia Industries Limited		
1 Sale of goods (net of taxes)	-	4,26,762
2 Conversion Income (including commitment charges)	1,78,530	1,54,593
3 Rental income	20,852	19,628
4 Sale of raw materials	-	55,542
5 Purchase of materials	-	15,632
6 Recovery of expenses	12,753	12,149

International Bakery Products Private Limited

1 Sale of property, plant and equipment	891	-
---	-----	---



31 Employee benefits: Post-employment benefit plans

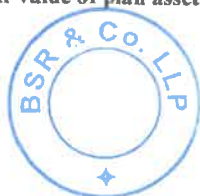
Defined contribution plans

The Company makes contributions, determined as specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund, which is defined contribution plan. The Company has no obligation other than to make the specified contributions. The contributions are charged to Statement of Profit and Loss as they accrue. The amount recognized as an expense towards contribution to Provident Fund for the year aggregated to Rs. 6,984 (previous year 31 March 2019: Rs.6,325) and is included in "Employee benefits expense" in note 24.

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, except in case of death or permanent disability 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 present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at balance sheet date. The following table sets out the status of the Gratuity Plan as required under Ind-AS:

Particulars	31 March 2020	31 March 2019
(i) Expense recognised in the Statement of Profit and Loss		
Current service cost	1,937	1,839
Interest cost on benefit obligation	2,658	2,370
Interest income on plan assets	(658)	(814)
Net gratuity cost	3,937	3,395
(ii) Remeasurements recognised in statement of Other comprehensive income		
Actuarial loss due to geographical assumptions	-	-
Actuarial loss due to financial assumptions	3,517	(516)
Actuarial (gain) / loss due to experience adjustments	(448)	3,178
Return on plan assets excluding interest income	(1,028)	95
	2,041	2,756
(iii) Net liability recognised in Balance Sheet as at the year end		
Projected benefit obligation at the end of the year	40,242	35,076
Funded status of the plans	(10,244)	(8,055)
Net liability recognized in the Balance Sheet	29,998	27,021
Classified as:		
Current provisions	-	-
Non-current provisions	29,998	27,021
	29,998	27,021
(iv) Changes in the present value of defined benefit obligation		
Present Value of defined benefit obligation at the beginning of year	35,076	32,074
Current service cost	1,937	1,839
Interest cost	2,658	2,370
Benefits paid	(2,498)	(3,868)
Actuarial loss due to geographical assumptions	-	-
Actuarial loss due to financial assumptions	3,517	(516)
Actuarial (gain) / loss due to experience adjustments	(448)	3,178
Present value of defined benefit obligation at the end of the year	40,242	35,076
(v) Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	8,055	9,585
Expected return on plan assets	658	814
Contributions	3,001	1,619
Benefits paid	(2,498)	(3,868)
Actuarial gain on plan asset	1,028	(95)
Fair value of plan assets at the end of the year	10,244	8,055



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

(vi) Actual return on plan assets

Expected return on plan assets	658	814
Actuarial gain/(loss) on plan assets	1,028	(95)
Actual return on plan assets	1,686	719

As at 31 March 2020 and 2019, 100% of the plan assets were invested in the insurer managed funds.

(vii) Sensitivity analysis

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

A. Discount rate

Discount rate -50 basis points	41,998	36,389
Assumptions	6.00%	7.30%
Discount rate +50 basis points	39,083	33,836
Assumptions	7.00%	8.30%

B. Salary increase rate

Salary rate -50 basis points	39,150	33,879
Assumptions	4.50%	4.50%
Salary rate +50 basis points	41,913	36,332
Assumptions	5.50%	5.50%

C. Withdrawal rate

Withdrawal rate -100 basis points	40,168	34,528
Withdrawal rate +100 basis points	40,797	35,576

(viii) Actuarial assumptions

	Year ended 31 March 2020	Year ended 31 March 2019
Discount rate	6.50%	7.80%
Expected rate of return on plan assets	6.50%	7.80%
Future salary increase	5.00%	5.00%
Attrition rate:	4.00%	4.00%
Retirement age (in years)	58	58

(i) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

(iii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.



Rs. in thousands

32 Financial risk management

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

a. Market risk

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

(i) Foreign currency risk

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

(ii) Investment risk

The Company does not have any investments. Hence, no disclosures are made in the financial statements.

(iii) Interest rate risk

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

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

b. 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 and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. 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.

c. Liquidity risk

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

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and unbilled receivable and loans together with expected cash outflows on trade payables and other financial liabilities. At 31 March 2020, the expected cash flows from trade receivables is Rs. 138,123 (31 March 2019: Rs. 145,200). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019:

	As at 31 March 2020	
	Less than 1 year	1-2 years
Trade payables	30,868	-
Other financial liabilities	12,536	-
	<u>43,404</u>	<u>-</u>
	As at 31 March 2019	
	Less than 1 year	1-2 years
Trade payables	72,360	-
Other financial liabilities	18,706	-
	<u>91,066</u>	<u>-</u>

d. 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.

33 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, as well as the level of dividends to equity shareholders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes total liability.

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



Vg.

34 Financial instruments - fair values and risk management

Rs. in thousands

Accounting classification and fair values

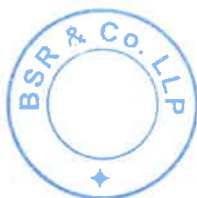
The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020:

Particulars	Carrying amount				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Financial assets not measured at fair value *					
(i) Trade receivables	-	-	1,17,050	-	1,17,050
(ii) Cash and cash equivalent	-	-	21,671	-	21,671
(iii) Loans	-	-	5,606	-	5,606
(iv) Other financial assets	-	-	1,17,163	-	1,17,163
	-	-	2,61,490	-	2,61,490
Financial liabilities not measured at fair value *					
(i) Trade payables	-	-	-	30,868	30,868
(ii) Other financial liabilities	-	-	-	12,536	12,536
	-	-	-	43,404	43,404

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019:

Particulars	Carrying amount				
	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount
Financial assets not measured at fair value *					
(i) Trade receivables	-	-	4,947	-	4,947
(ii) Cash and cash equivalents	-	-	6,548	-	6,548
(iii) Loans receivable	-	-	5,626	-	5,626
(iv) Other financial assets	-	-	2,36,343	-	2,36,343
	-	-	2,53,464	-	2,53,464
Financial liabilities not measured at fair value *					
(i) Trade payables	-	-	-	72,360	72,360
(ii) Other financial liabilities	-	-	-	18,706	18,706
	-	-	-	91,066	91,066

* The carrying value of cash and cash equivalents, trade receivables, loans receivable, trade payables and other financial assets and liabilities are at reasonable approximation of their fair value.



Sunrise Biscuit Company Private Limited
Notes to financial statements (continued)

Rs. in thousands

35 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	19	1,99,382	6,00,983
Other operating revenue	20	496	67,909
Total revenue		1,99,878	6,68,892

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

B. Disaggregation of revenue from contracts with customers

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

C. Trade receivable and contractual balances:

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

	31 March 2020	31 March 2019
Trade Receivables	1,17,050	4,947
Unbilled Revenue	21,073	1,40,253
Contractual liabilities (advance received)	43,535	13,535

- 36 On 19th June 2016, there was a fire at factory premises in the Storing & Forwarding area. On 14 July 2016, the Company filed the insurance claim with Oriental Insurance Company for Rs. 182,191. On 7 March 2017, there was a surveyor visit at the factory and regional office team and their observation and reviews were documented. Subsequently, the claim value was revised to Rs. 152,624 for the Company assets. Fixed assets and stocks which were damaged are covered under standard fire and special perils insurance policy by the Company. All information required for the surveyor has been provided. The Surveyor has completed physical verification. On 8 June 2017, the Insurance Company had disputed the claim raised by the Company. On 3 August 2017, the Management requested for an extension of time till 30 October 2017 to respond the points raised by the Insurance Company. On 9 October 2017, the Insurance Company informed the Management that since no new facts have been presented, the claim was being repudiated. On 12 October 2017, the Management has submitted its responses to the points raised by the Insurance Company and has requested them to consider the same and withdraw the repudiation letter sent. The Management feels that the realisation of claim amount from Insurance Company is certain as the policy was valid on the date of fire. It has also received a letter of comfort from its holding company (BIL) for the loss, if the same is not recovered from the insurance company after exhausting all available legal remedies. Accordingly, an amount of Rs. 96,090 to the extent of loss incurred has been accounted for as receivable and has been disclosed under note 11 in these financial statements.
- 37 During the year ended 31 March 2019, the Company recognised a claim for budgetary support refund aggregating Rs. 9,998 arising from amount deposited through PLA to Central Excise Authorities based on the Central excise exemption notification 20/2007 dated 25/04/2007 as amended by Notification 38/08-CE dated 10/06/2008. The Company is eligible for claiming the refund as per the notification. In view of the management, there is reasonable certainty of its ultimate collection and hence excise refund has been recognised as income in the books of account.
- 38 During the previous year, Mr. Gaurav Munoli was appointed as Company Secretary w.e.f. from 20 April 2018 and has relinquished office on 29 June 2018. In current year Mr. T V Thulsidass, Company Secretary of Britannia Industries Limited, Holding Company was appointed as a Company Secretary of the Company w.e.f. 13 May 2019 pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- 39 During the year ended 31 March 2020, no material foreseeable loss (31 March 2019: Nil) was incurred for any long-term contracts.

As per our report of even date attached

for BSR & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W/W-100022

Vikash Gupta
Partner
Membership number: 064597

Place : Bengaluru
Date: 1 June 2020

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

Venkataraman Natarajan
Director
DIN: 05220857

Lalit Singh Manglik
Chief Financial Officer

Place : Bengaluru
Date: 1 June 2020

Vinay Singh Kushwaha
Director
DIN:03480249

T.V. Thulsidass
Company Secretary
Membership No:A20927