**Sunrise Biscuit Company Private Limited**
**Balance Sheet**

**Amount in rupees in thousands**

| | As at | Note | 31 March 2018 | 31 March 2017 |
|---|---|---|---|---|
| **I** | **ASSETS** | | | |
| **(1)** | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 4 | 86,351 | 103,759 |
| | (b) Financial assets | | | |
| | (i) Loans | 6 | 5,606 | 5,606 |
| | (c) Deferred tax assets, (net) | 5 | 24,609 | 16,432 |
| | (d) Income tax assets, (net) | 5 | 7,909 | 3,072 |
| | (e) Other non-current assets | 7 | 721 | 720 |
| | **Total non-current assets** | | **125,196** | **129,589** |
| **(2)** | **Current assets** | | | |
| | (a) Inventories | 8 | 40,042 | 51,299 |
| | (b) Financial assets | | | |
| | (i) Trade Receivables | 9 | 32,319 | - |
| | (ii) Cash and cash equivalents | 10 | 4,640 | 21,663 |
| | (iii) Bank balances other than (ii) above | 10 | 889 | 834 |
| | (iv) Loans | 6 | 3,255 | 3,026 |
| | (v) Other financial assets | 11 | 151,802 | 165,021 |
| | (c) Other current assets | 12 | 6,206 | 14,039 |
| | **Total current assets** | | **239,153** | **255,882** |
| | **Total assets** | | **364,349** | **385,471** |
| **II** | **EQUITY AND LIABILITIES** | | | |
| | **Equity** | | | |
| | (a) Share capital | 13 | 141,995 | 141,995 |
| | (b) Other equity | 14 | 52,661 | 26,019 |
| | **Total equity** | | **194,656** | **168,014** |
| **(1)** | **Non-Current liabilities** | | | |
| | (a) Provisions | 15 | 29,868 | 27,528 |
| | **Total non-current liabilities** | | **29,868** | **27,528** |
| **(2)** | **Current liabilities** | | | |
| | (a) Financial liabilities | | | |
| | (i) Trade payables | 16 | 74,307 | 125,175 |
| | (ii) Other financial liabilities | 17 | 18,893 | 16,022 |
| | (b) Other current liabilities | 18 | 10,312 | 15,660 |
| | (c) Income tax liabilities (net) | 5 | 11,665 | 8,382 |
| | (d) Provisions | 15 | 24,648 | 24,689 |
| | **Total current liabilities** | | **139,825** | **189,928** |
| | **Total equity and liabilities** | | **364,349** | **385,471** |
| | Significant accounting policies | 3 | | |

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

*Chartered Accountants*
Firm registration number: 101248W/W-100022

Sd/-
**Vikash Gupta**
*Partner*
Membership number: 064597

Place : Bangalore
Date: 11 May 2018

**Sunrise Biscuit Company Private Limited**
CIN No. U15412AS1985PTC002361

Sd/-
**Venkataraman Natarajan**
*Director*
DIN : 05220857

Sd/-
**Vinay Singh Kushwaha**
*Director*
DIN : 03480249

Sd/-
**Lalit Singh Manglia**
*Chief Financial Officer*
Place : Mumbai
Date: 11 May 2018

Sd/-
**Gaurav Munoli**
*Company Secretary*
Place : Mumbai
Date: 11 May 2018

**Sunrise Biscuit Company Private Limited**
**Statement of Profit and Loss**

**Amount in rupees in thousands**

| For the year ended | | Note | 31 March 2018 | 31 March 2017 |
|---|---|---|---|---|
| I | **Income** | | | |
| | Revenue from operations | | | |
| | Sale of goods/ income from operations | 19 | 718,940 | 1,087,840 |
| | Other operating income | 20 | 49,860 | 27,937 |
| | | | **768,800** | **1,115,777** |
| II | Other income | 21 | 1,542 | 1,941 |
| III | Total income (I+II) | | **770,342** | **1,117,718** |
| IV | **Expenses:** | | | |
| | Cost of materials consumed | 22 | 519,030 | 804,275 |
| | Excise duty | | - | 60,185 |
| | Changes in inventories of finished goods and and work- in-progress | 23 | (3,322) | 9,534 |
| | Employee benefits expense | 24 | 103,644 | 114,198 |
| | Depreciation | 4 | 17,841 | 19,526 |
| | Other expenses | 25 | 109,118 | 103,836 |
| | **Total expenses** | | **746,311** | **1,111,554** |
| V | **Profit before tax (III-IV)** | | **24,031** | **6,164** |
| VI | Tax expense: | | | |
| | (i) Current tax | 5 | 4,347 | 1,065 |
| | (ii) Deferred tax | 5 | (7,774) | (1,725) |
| | | | **(3,427)** | **(660)** |
| VII | **Profit for the year (V-VI)** | | **27,458** | **6,824** |
| VIII | **Other comprehensive income** | | | |
| | *Items that will not be reclassified subsequently to statement of profit and loss:* | | | |
| | Remeasurements of net defined benefit liability/asset | | (1,219) | (573) |
| | Income tax relating to items not to be reclassified to statement of profit and loss | | 403 | 177 |
| IX | **Total Comprehensive income net of tax subsequently (VII-VIII)** | | **26,642** | **6,428** |
| | **Earnings per share** | | | |
| | Basic and Diluted [nominal value of Rs.10 each] | | **1.93** | **0.48** |
| | Weighted average number of equity shares used in computing earnings per share: | | | |
| | - Basic and Diluted | | **14,199,500** | **14,199,500** |
| | Significant accounting policies | 3 | | |

See accompanying notes to financial statements

As per our report of even date attached

*for* **B S R & Co. LLP**
*Chartered Accountants*
Firm registration number: 101248W/W-100022

Sd/-

**Vikash Gupta**
*Partner*
Membership number: 064597

Place : Bangalore
Date: 11 May 2018

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

Sd/-

**Venkataraman Natarajan**
*Director*
*DIN : 05220857*

Sd/-

**Vinay Singh Kushwaha**
*Director*
*DIN : 03480249*

Sd/-
**Lalit Singh Manglia**
*Chief Financial Officer*
Place : Mumbai
Date: 11 May 2018

Sd/-
**Gaurav Munoli**
*Company Secretary*
Place : Mumbai
Date: 11 May 2018

**Sunrise Biscuit Company Private Limited**
**Statement of Changes in Equity**

**Amount in rupees in thousands**

| | Equity share capital | Other equity | | | Total equity attributable to equity holders of the Company |
|---|---|---|---|---|---|
| | | Retained earnings | Other Comprehensive Income | Total | |
| **Balance as of 1 April 2016** | 141,995 | 19,591 | - | 19,591 | 161,586 |
| Remeasurement of the net defined benefit liability/asset, net of tax effect | - | - | (396) | (396) | (396) |
| Profit for the year | - | 6,824 | - | 6,824 | 6,824 |
| **Balance at 31 March 2017** | **141,995** | **26,415** | **(396)** | **26,019** | **168,014** |
| **Balance as of 1 April 2017** | **141,995** | **26,415** | **(396)** | **26,019** | **168,014** |
| Remeasurement of the net defined benefit liability/asset, net of tax effect | - | - | (816) | (816) | (816) |
| Profit for the year | - | 27,458 | - | 27,458 | 27,458 |
| **Balance at 31 March 2018** | **141,995** | **53,873** | **(1,212)** | **52,661** | **194,656** |

See accompanying notes to financial statements

As per our report of even date attached

*for* **B S R & Co. LLP**
*Chartered Accountants*
Firm registration number: 101248W/W-100022

Sd/-
**Vikash Gupta**
*Partner*
Membership number: 064597

Place : Bangalore
Date: 11 May 2018

*for* **and on behalf of the Board of Directors of**
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CIN No. U15412AS1985PTC002361

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DIN : 03480249

Sd/-
**Lalit Singh Manglia**
*Chief Financial Officer*

Place : Mumbai
Date: 11 May 2018

Sd/-
**Gaurav Munoli**
*Company Secretary*

Place : Mumbai
Date: 11 May 2018

**Sunrise Biscuit Company Private Limited**
**Cash flow statement**

**Amount in rupees in thousands**

| For the year ended | Note | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| Profit before tax | | 24,031 | 6,164 |
| **Adjustments for:** | | | |
| Depreciation | | 17,841 | 19,526 |
| Goss on disposal of property, plant and equipment | | (249) | (921) |
| Loss on assets destroyed by fire (refer note 35) | | - | 96,090 |
| Receivable recognised (refer note 35) | | - | (96,090) |
| Interest income | | (1,293) | (1,019) |
| | | **40,330** | **23,750** |
| Changes in : | | | |
| Inventories | | 11,257 | (4,777) |
| Trade receivables | | (32,319) | - |
| Loans, other financial assets and other assets | | 20,821 | (9,828) |
| Trade payables | | (50,868) | (18,123) |
| Other liabilities and provision | | (1,397) | (2,311) |
| **Cash generated from/(used in) operating activities** | | **(12,176)** | **(11,289)** |
| Income tax paid, net of refund | | (5,901) | (15) |
| **Net cash from/(used) in operating activities** | | **(18,077)** | **(11,304)** |
| | | | |
| **Cash flow from investing activities** | | | |
| Acquisition of property, plant and equipment | | (433) | (9,157) |
| Proceeds from sale of property, plant and equipment | | 249 | 921 |
| Bank deposits (having original mautrity of more than 3 months) | | (55) | (61) |
| Interest received | | 1,293 | 1,128 |
| **Net cash from/(used in) investing activities** | | **1,054** | **(7,169)** |
| | | | |
| **Net cash from financing activities** | | **-** | **-** |
| | | | |
| **Net change in cash and cash equivalents** | | **(17,023)** | **(18,473)** |
| Cash and cash equivalents at beginning of year | | 21,663 | 40,136 |
| **Cash and cash equivalents at end of year** | | **4,640** | **21,663** |

**Note:**

| | | | |
|---|---|---|---|
| Cash and cash equivalents at the end of the year [Refer Note 10] | | | |
| Balances with banks | | | |
| - Current accounts | | 2,413 | 21,078 |
| - Deposit accounts (demand deposits and deposits having original maturity of 3 months or less) | | 2,227 | 585 |
| | | **4,640** | **21,663** |

See accompanying notes to financial statements

As per our report of even date attached

*for* **B S R & Co. LLP**
*Chartered Accountants*
Firm registration number: 101248W/W-100022

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

Sd/-
**Vikash Gupta**
*Partner*
Membership number: 064597

Sd/-
**Venkataraman Natarajan**
*Director*
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*DIN : 03480249*

Place : Bangalore
Date: 11 May 2018

Sd/-
**Lalit Singh Manglia**
*Chief Financial Officer*
Place : Mumbai
Date: 11 May 2018

Sd/-
**Gaurav Munoli**
*Company Secretary*
Place : Mumbai
Date: 11 May 2018

## 1 Reporting entity

The financial statements are of J B Mangharam Foods Private Limited. The Company is a Deemed Public Company domiciled in India and was incorporated on 03rd Feb, 1984 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.

## 2 Basis of preparation

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

The finanical statements were authorised for issue by the Company's Board of Directors on 14 May 2018.

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

### B. Functional and presentation currency

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

### C. Basis of measurement

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

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

### D. Use of estimates and judgements

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

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

***Judgements***

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:
- Note 27 - leases: whether an arrangement contains a lease and ;
- Note 27 - lease classification.

***Assumptions and estimation uncertainties***

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:
- Note 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, Notes 9 to 11 and Note 34- impairment of financial assets.

### E. Measurement of fair values

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

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

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

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

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

Further information about the assumptions made in the measuring fair values is included in the following notes:
- Note 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 profit or loss.

***ii. Subsequent expenditure***

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

***iii. Depreciation***

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

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

| **Asset** | **Useful life** |
|---|---|
| Plant and equipment* | 7.5 - 15 years |
| Furniture and fixtures | 10 years |
| Motor vehicles | 8 years |
| Office equipment | 3 - 5 years |
| Buildings | 30 - 60 years |
| Moulders, cutters and spare parts* | 1 year |

Freehold land is not depreciated.

* The Company believes the useful lives as given above best represent the useful life of these assets based on internal assessment where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

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

**(b) Impairment**

**(i) Financial assets**

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

**(ii) Non -financial assets**

**Intangible assets and property, plant and equipment**

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

**(c) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**3. Significant accounting policies (continued)**

**(c) Leases (continued)**

As a lessee

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

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

As a lessor

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

**(d) Inventories**

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

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

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

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.

***Investment in subsidiaries, joint venture and associates***

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

***iii. Derecognition***

*Financial assets*

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

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

*Financial liabilities*

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

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

***iv. Offsetting***

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

**3. Significant accounting policies (continued)**

**(f) Revenue recognition**

(i) Conversion income is recognised when finished goods are ready for dispatch, which are manufactured on behalf of Britannia Industires 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 dispatches of which happen after the date of the balance sheet.

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

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

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

**(g) Income tax**

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

***i. Current tax***

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

***ii. Deferred tax***

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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

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

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

***iii. Minimum Alternate Tax (MAT)***

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

**(h) Borrowing costs**

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

**3. Significant accounting policies (continued)**

**(i) Provisions and contingent liabilities**

***i. General***

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

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

***ii. Contingent liabilities***

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

***iii. Onerous contracts***

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

**(j) Employee benefits**

***i. Short-term employee benefits***

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

***ii. Post-employment benefits***

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

***iii. Other long-term employee benefits***

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each balance sheet date. Provision for compensated absences is based on actuarial valuation carried out as at 1st January every year. Remeasurement of gain and losses are recognised in profit and loss in the period in which they arise.

***iv. Voluntary retirement scheme benefits***

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

**(k) Cash and cash equivalents**

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

**(l) Earnings per share**

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

**(m) Cash flow statement**

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

**3. Significant accounting policies (continued)**

**(n) Recent accounting pronouncements**

**Standards issued but not effective:**

***Ind AS 115, Revenue from Contracts with Customers***

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.
The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Sales of goods

For the sale of goods, revenue is currently recognised when related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

ii. Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings and NCI. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

**Amount in rupees in thousands**

**4 Property, plant and equipment**

**Tangible assets**

| **Particulars** | **Freehold land** | **Buildings** | **Plant and equipment** | **Furniture and fixtures** | **Motor vehicles** | **Office equipment** | **Total** |
|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | |
| Balance as at 1 April 2016 | 9,686 | 130,730 | 207,919 | 2,940 | 855 | 19,426 | 371,556 |
| Additions | - | 4,441 | 7,144 | - | - | 319 | 11,904 |
| Other - refer note 36 | - | (68,767) | (34,368) | (723) | - | (7,290) | (111,148) |
| Disposals | - | - | (6,560) | - | - | - | (6,560) |
| **Balance as at 31 March 2017** | **9,686** | **66,404** | **174,135** | **2,217** | **855** | **12,455** | **265,752** |
| Balance as at 1 April 2017 | 9,686 | 66,404 | 174,135 | 2,217 | 855 | 12,455 | 265,752 |
| Additions | - | - | - | - | 392 | 42 | 433 |
| Disposals | - | - | (6,479) | - | - | - | (6,479) |
| **Balance as at 31 March 2018** | **9,686** | **66,404** | **167,656** | **2,217** | **1,247** | **12,497** | **259,706** |
| **Accumulated depreciation** | | | | | | | |
| Balance as at 1 April 2016 | - | 33,951 | 144,981 | 1,890 | 103 | 8,789 | 189,714 |
| Depreciation for the year | - | 2,432 | 15,639 | 220 | 107 | 1,128 | 19,526 |
| Other - refer note 36 | - | (11,741) | (25,512) | (445) | - | (2,989) | (40,687) |
| Disposals | - | - | (6,560) | - | - | - | (6,560) |
| **Balance as at 31 March 2017** | **-** | **24,642** | **128,548** | **1,665** | **210** | **6,928** | **161,993** |
| **Balance as at 1 April 2017** | - | 24,642 | 128,548 | 1,665 | 210 | 6,928 | 161,993 |
| Depreciation for the year | - | 2,028 | 14,448 | 197 | 127 | 1,039 | 17,841 |
| Disposals | - | - | (6,479) | - | - | - | (6,479) |
| **Balance as at 31 March 2018** | **-** | **26,670** | **136,518** | **1,862** | **337** | **7,967** | **173,355** |
| **Carrying amount (net)** | | | | | | | |
| **As at 31 March 2018** | **9,686** | **39,734** | **31,138** | **355** | **909** | **4,529** | **86,351** |
| **As at 31 March 2017** | **9,686** | **41,762** | **45,587** | **552** | **645** | **5,527** | **103,759** |

**4 Capital work-in-progress**

| | |
|---|---|
| **Gross Carrying Amount** | |
| Balance as at 1 April 2016 | 2,153 |
| Additions | 9,751 |
| Assets capitalised | (11,904) |
| **Balance as at 31 March 2017** | - |
| Balance as at 1 April 2017 | - |
| Additions | 433 |
| Assets capitalised | (433) |
| **Balance as at 31 March 2018** | - |

**Amount in rupees in thousands**

## 5 Income tax

### (a) Amounts recognised in Statement of Profit and Loss

| For the year ended | 31-Mar-2018 | 31-Mar-2017 |
|---|---|---|
| Current tax | 4,347 | 1,065 |
| **Deferred tax** | | |
| Attrubutable to origination and reversal of temporary differences | (7,774) | (1,725) |
| **Tax expense for the year** | **(3,427)** | **(660)** |

### (b) Amounts recognised in other comprehensive income

| For the year ended | 31 March 2018 | | | 31 March 2017 | | |
|---|---|---|---|---|---|---|
| | Before tax | Tax (expense) benefit | Net of tax | Before tax | Tax (expense) benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | | | | |
| Remeasurements of the defined benefit plans | (1,219) | 403 | (816) | (573) | 177 | (396) |
| | **(1,219)** | **403** | **(816)** | **(573)** | **177** | **(396)** |

### (c) Reconciliation of effective tax rate

| For the year ended | 31 March 2018 | | 31 March 2017 | |
|---|---|---|---|---|
| **Profit before tax** | | 24,031 | | 6,164 |
| Tax using the Company's domestic tax rate | 33.06% | 7,945 | 33.06% | 1,905 |
| **Tax effect of:** | | | | |
| Tax impact on account tax holiday under section 80 IE | -33.06% | (7,945) | -15.40% | (949) |
| Others | -14.26% | (3,427) | -13.82% | (852) |
| | **-14.26%** | **(3,427)** | **3.84%** | **(660)** |

### (d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Deferred tax assets / (liabilities)** | | |
| Provision for gratuity | 6,256 | 6,081 |
| Provision for compensated absences | 2,225 | 2,629 |
| Provision for entry tax | 6,685 | 7,425 |
| Provision for bonus | 3,898 | 3,398 |
| Property, plant and equipment | 133 | 17,606 |
| Claims Receivables | - | (21,772) |
| Minimum alternate tax | 5,412 | 1,065 |
| **Deferred tax assets (net)** | **24,609** | **16,432** |

### (e) Movement in temporary differences

| | As at 1 April 2016 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | Others | As at 31 March 2017 |
|---|---|---|---|---|---|---|
| Provision for Gratuity | 5,910 | (6) | 177 | - | - | 6,081 |
| Provision for leave | 3,002 | (373) | - | - | - | 2,629 |
| Provision for entry tax | 7,047 | 378 | - | - | - | 7,425 |
| Provision for bonus | 3,281 | 117 | - | - | - | 3,398 |
| Claims receivables | - | (21,772) | - | - | - | (21,772) |
| Property, plant and equipment | (4,710) | 22,316 | - | - | - | 17,606 |
| Minimum alternate tax | - | 1,065 | | | | 1,065 |
| | **14,530** | **1,725** | **177** | **-** | **-** | **16,432** |

| | As at 1 April 2017 | Recognised in profit or loss | Recognised in OCI | Recognised directly in equity | Others | As at 31 March 2018 |
|---|---|---|---|---|---|---|
| Provision for gratuity | 6,081 | (228) | 403 | - | - | 6,256 |
| Provision for leave | 2,629 | (404) | - | - | - | 2,225 |
| Provision for entry tax | 7,425 | (740) | - | - | - | 6,685 |
| Provision for bonus | 3,398 | 500 | - | - | - | 3,898 |
| Property, plant and equipment | 17,606 | (17,473) | - | - | - | 133 |
| Claims receivables | (21,772) | 21,772 | - | - | - | - |
| Minimum alternate tax | 1,065 | 4,347 | | | | 5,412 |
| | **16,432** | **7,774** | **403** | **-** | **-** | **24,609** |

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2018 and 31 March 2017

| | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| Income tax assets (net) | 7,909 | 3,072 |
| Income tax liabilities (net) | (11,665) | (8,382) |
| Net current income tax asset / (liability) at the end | **(3,756)** | **(5,310)** |

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2018 and 31 March 2017 is as follows:

| For the year ended | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Net current income tax asset/(liability) at the beginning** | (5,310) | (4,260) |
| Income tax paid (net) | 5,901 | 15 |
| Current income tax expense (including earlier years) | (4,347) | (1,065) |
| **Net current income tax asset/(liability) at the end** | **(3,756)** | **(5,310)** |

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

**Amount in rupees in thousands**

| As at | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **6 Loans** | | |
| *(Unsecured, considered good)* | | |
| **Non current** | | |
| Security deposits | 5,606 | 5,606 |
| | **5,606** | **5,606** |
| **Current** | | |
| Advances to employees | 3,255 | 3,026 |
| | **3,255** | **3,026** |
| **7 Other non-current assets** | | |
| *Unsecured, considered good* | | |
| Capital advances | 357 | 357 |
| Statutory advance | 364 | 363 |
| | **721** | **720** |
| **8 Inventories*** | | |
| Raw materials | 22,228 | 28,172 |
| Packing materials | 4,455 | 10,609 |
| Finished goods | 3,322 | - |
| Stores and spare parts | 10,037 | 12,518 |
| | **40,042** | **51,299** |

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

The write down of inventories to net realisable value during the year amounted to Rs.4,857 (31 March 2017: Rs.3,184). The write down are included in cost of materials consumed or changes in inventories of finished goods.

During the current year Nil (Previous year: Rs. 25,629) worth of inventory has been destroyed by fire (refer note 36).

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **9 Trade Receivables** | | |
| Unsecured | | |
| Considered good* | 32,319 | - |
| | **32,319** | **-** |

The Company's exposure to credit and currencies risk, and loss allowances related to trade receivables are disclosed in note 32.

*Includes receivable from related party (refer note 30)

| | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **10 Cash and bank balances** | | |
| *Cash and cash equivalents:* | | |
| - Current accounts | 2,413 | 21,078 |
| - On deposit accounts with original maturity of 3 months or less | 2,227 | 585 |
| | **4,640** | **21,663** |
| *Other bank balances:* | | |
| -Deposit with original maturity of more than 3 months and less than 12 months | 889 | 834 |
| | **5,529** | **22,497** |
| **Details of bank deposits:** | | |
| (i) Deposits with original maturity of 3 months or less is included under 'Cash and cash equivalents' | **2,227** | **585** |
| (ii) Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances' | **889** | **834** |
| (iii) Bank deposits due to mature after 12 months of the reporting date included under 'Other non - current financial assets'' | **-** | - |

| | | Amount in rupees in thousands | |
|---|---|---|---|
| | **As at** | **31 March 2018** | **31 March 2017** |
| **11** | **Other financial assets** | | |
| | *(Unsecured, considered good)* | | |
| | Unbilled revenue | 55,712 | 66,862 |
| | Claims receivable (Refer note 36) | 96,090 | 96,090 |
| | Advances to related parties * | - | 2,069 |
| | | **151,802** | **165,021** |

* Forms part of outstanding balances as disclosed under note 30.

| | | | |
|---|---|---|---|
| **12** | **Other current assets** | | |
| | *(Unsecured,considered good)* | | |
| | **Unsecured** | | |
| | Advance to suppliers | 1,228 | 2,114 |
| | Prepaid expenses | 4,196 | 3,196 |
| | Balance with government authorities | 782 | 8,729 |
| | | **6,206** | **14,039** |

**Amount in rupees in thousands**

## 13 Share capital

| As at | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **Authorised** | | |
| 14,950,000 equity shares of Rs 10 each (31 March 2017: 14,950,000 equity shares of Rs 10 each) | **149,500** | **149,500** |
| 5,000 11% Redeemable non-cumulative preference shares of Rs 100 each (31 March 2017: 5,000 11% Redeemable non-cumulative preference shares of Rs 100 each) | **500** | **500** |
| **Issued, subscribed and paid up** | | |
| 14,199,500 equity shares of Rs.10 each (31 March 2017: 14,199,500 equity shares of Rs.10 each) | 141,995 | 141,995 |
| | **141,995** | **141,995** |

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

| | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Equity shares:** | | | | |
| At the commencement and at the end of the year | 14,199,500 | 141,995 | 14,199,500 | 141,995 |

**(b)** ***Terms / rights attached***

The Company has single class of equity shares having a par value of Rs 10 each. Each share holder is eligible for one vote per share held. The Company declares and pays dividends in Indian Rupees. The 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.

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

| | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount |
| **Equity shares of Rs. 10 each fully paid up held by:** | | | | |
| Britannia Industries Limited, the holding company | 14,049,650 | 140,497 | 14,049,650 | 140,497 |

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

| | As at 31 March 2018 | | As at 31 March 2017 | |
|---|---|---|---|---|
| | Number of equity shares | % of total equity shares | Number of equity shares | % of total equity shares |
| **Equity shares of Rs. 10 each fully paid held by:** | | | | |
| Britannia Industries Limited, the holding company | 14,049,650 | 98.94% | 14,049,650 | 98.94% |

**Amount in rupees in thousands**

## 14 Other equity

| Particulars | Retained earnings | Other Items of OCI | Total |
|---|---|---|---|
| **Balance as at 1 April 2016** | 19,591 | - | 19,591 |
| Remeasurement of the net defined benefit liability/asset, net of tax effect | - | (396) | (396) |
| Net profit after tax transferred from the statement of profit and loss | 6,824 | - | 6,824 |
| **Balance as at 31 March 2017** | **26,415** | **(396)** | **26,019** |
| | | | |
| **Balance as at 1 April 2017** | **26,415** | **(396)** | **26,019** |
| Remeasurement of the net defined benefit liability/asset, net of tax effect | - | (816) | (816) |
| Net profit after tax transferred from the statement of profit and loss | 27,458 | - | 27,458 |
| **Balance as at 31 March 2018** | **53,873** | **(1,212)** | **52,661** |

## 15 Provisions

| | Long term | | Short term | |
|---|---|---|---|---|
| | **31 March 2018** | **31 March 2017** | **31 March 2018** | **31 March 2017** |
| **Provision for employee benefits:** | | | | |
| Provision for compensated absences | 7,379 | 7,850 | 618 | 659 |
| Provision for gratuity (refer note 31) | 22,489 | 19,678 | - | - |
| **Total provisions** | **29,868** | **27,528** | **618** | **659** |
| | | | | |
| **Other provisions** | | | | |
| Provision for entry tax | - | - | 24,030 | 24,030 |
| | **-** | **-** | **24,030** | **24,030** |
| | | | | |
| **Total provisions** | **29,868** | **27,528** | **24,648** | **24,689** |

**Movement in Provisions:**

| | 1 April 2017 | Additions * | Utilisation * | Reversals / adjustments * | 31 March 2018 |
|---|---|---|---|---|---|
| (a)Provision for entry tax | 24,030 | - | - | - | 24,030 |

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

**Amount in rupees in thousands**

| As at | As at 31 March 2018 | As at 31 March 2017 |
|---|---|---|
| **16 Trade payables** | | |
| Total outstanding dues of micro and small enterprises [refer note below] | - | - |
| Total outstanding dues of other than micro and small enterprises* | 74,307 | 125,175 |
| | **74,307** | **125,175** |

**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 2018. 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 alongwith the amount of the payment made to the supplier beyond the appointed date during the year | - | - |
| (c)The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year | - | - |
| (d)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |
| (e)The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| (f)The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006 | - | - |

*Includes dues to related party (refer note 30)

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

| | | |
|---|---|---|
| **17 Other financial liabilities** | | |
| Payroll related liabilities | 18,893 | 16,022 |
| | **18,893** | **16,022** |
| **18 Other current liabilities** | | |
| Statutory liabilities | 10,313 | 15,661 |
| | **10,313** | **15,661** |

**Amount in rupees in thousands**

| For the year ended | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **19** ***Revenue from operations*** | | |
| Sale of biscuits | 589,773 | 1,037,105 |
| Conversion charges (including commitment charges) | 109,783 | 27,637 |
| Rental income | 19,384 | 23,098 |
| | **718,940** | **1,087,840** |
| **20 Other operating revenues** | | |
| Scrap sales | 2,106 | 3,422 |
| Sale of raw material | 39,672 | - |
| Excise duty refund (refer note 35) | 3,813 | 20,775 |
| Power subsidy and high tension rebate | 4,269 | 3,740 |
| | **49,860** | **27,937** |
| **21 Other income** | | |
| Interest income | 1,293 | 922 |
| Interest on income tax refund | - | 97 |
| Profit on sale of fixed assets | 249 | 921 |
| Other receipts | - | 1 |
| | **1,542** | **1,941** |
| **22 Cost of materials consumed** | | |
| Inventory of materials at the beginning of the year (refer note 8) | 38,781 | 51,067 |
| Add: Purchases | 506,932 | 791,989 |
| Less: Inventory of materials at the end of the year (refer note 8) | (26,683) | (38,781) |
| | **519,030** | **804,275** |
| **23 Changes in inventories of finished goods and work-in-progress** | | |
| Opening stock: (refer note 8) | | |
| - Finished goods | - | 9,811 |
| Closing stock: (refer note 8) | | |
| - Finished goods | 3,322 | - |
| **(Increase) / decrease in inventory** | **(3,322)** | **9,811** |
| Less: Excise duty on opening stock of finished goods | **-** | 277 |
| Add: Excise duty on closing stock of finished goods | **-** | - |
| | **-** | (277) |
| | **(3,322)** | **9,534** |

**Amount in rupees in thousands**

| For the year ended | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **24 Employee benefits expense** | | |
| Salaries, wages and bonus | 90,959 | 98,686 |
| Contribution to provident and other funds [refer note 31] | 8,467 | 10,237 |
| Staff welfare expenses | 4,218 | 5,275 |
| | **103,644** | **114,198** |

| For the year ended | 31 March 2018 | 31 March 2017 |
|---|---|---|
| **25 Other expenses** | | |
| Consumption of stores and spares | 4,927 | 5,058 |
| Power and fuel | 49,225 | 43,943 |
| Contract labour charges | 26,655 | 30,163 |
| Repairs and maintenance: | | |
| - Plant and equipment | 6,766 | 5,002 |
| - Buildings | 1,899 | - |
| - Others | 3,480 | 2,582 |
| Insurance | 2,441 | 1,296 |
| Rates and taxes, net | 1,358 | 1,408 |
| Auditors' remuneration (a): | | |
| - Audit fees | 391 | 340 |
| - Expenses reimbursed | 33 | 110 |
| Legal and professional expenses | 2,435 | 3,764 |
| Loss on assets destroyed by fire | - | 96,090 |
| Less: Receivable recognised | - | (96,090) |
| Miscellaneous | 9,508 | 10,170 |
| | **109,118** | **103,836** |

(a) excludes applicable taxes

**Amount in rupees in thousands**

| | As at | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| **26** | **Contingent liabilities and commitments** | | |
| | *(to the extent not provided for)* | | |
| **(i)** | **Contingent liabilities** | | |
| | Claims against the company not acknowledged as debts: | | |
| | Entry tax matters (under dispute/appeal) | 2,419 | 2,419 |
| | VAT / sales tax matters (under dispute/appeal) | 232 | 233 |
| | Excise and service tax matters (under dispute/appeal) | 785 | 785 |
| **(ii)** | **Commitments** | | |
| | Estimated amount of contracts remaining to be executed on capital account and not provided for | - | 27 |

**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. 19,384 (31 March 2017: Rs. 23,098) in respect of such lease have been recognised in the Statement of Profit and Loss.

**28 Earnings per share (EPS)**

| | | 31 March 2018 | 31 March 2017 |
|---|---|---|---|
| a | Net profit attributable to the equity shareholders (in rupees thousands) | 27,458 | 6,824 |
| b | Number of equity shares at the beginning of the year | 14,199,500 | 14,199,500 |
| c | Number of equity shares at the end of the year | 14,199,500 | 14,199,500 |
| d | Weighted average number of equity shares outstanding during the year | 14,199,500 | 14,199,500 |
| e | Nominal value of equity shares (Rs.) | 10 | 10 |
| f | Basic profit / (loss) per share (Rs.) | **1.93** | **0.48** |

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

**29 Segment information**

The Board of the Company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The Chief Operating Decision Maker (CODM) evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment of the Company is identified to be "Foods" as the CODM reviews business performance at an overall Company level as one segment.

**Amount in rupees 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) List of fellow subsidiaries with whom transactions have taken place during the year**

| | |
|---|---|
| Fellow subsidiary | Manna Foods Private Limited |

**(iii) Key Management Personnel (KMP)**

| | |
|---|---|
| Chief Financial Officer | Mr. Lalit Singh Manglia |
| Directors | Venkataraman Nataranjan |
| | Vinay Singh Kushwaha |
| Company Secretary | Chirag Karia* |
| | Gaurav Munoli** |

* Mr. Chirag Karia relinquished office on 29 November, 2017.

** Mr. Gaurav Munoli was appointed as Company Secretary of the Company w.e.f 20 April, 2018.

**(b) Outstanding balances as at year end**

| **Nature of transaction** | **31 March 2018** | **31 March 2017** |
|---|---|---|
| 1) Trade payables (net) | | |
| - Britannia Industries Limited | - | 8,851 |
| 2) Trade receivables (net) | | |
| - Britannia Industries Limited | 32,091 | - |
| 3) Other financial assets | 55,712 | 66,862 |
| - Britannia Industries Limited | | |
| 4) Other current assets | | |
| -Manna Foods Private Limited | - | 2,069 |

**(c) Related party transactions**

| **Nature of transaction** | **Holding company** | |
|---|---|---|
| | **Year ended 31 March 2018** | **Year ended 31 March 2017** |
| 1) Sale of goods (net of taxes) | 589,773 | 976,920 |
| 2) Conversion Income (including commitment charges) | 109,783 | - |
| 3) Sale of raw materials | 39,672 | - |
| 4) Purchase of materials | 73,372 | 16,355 |
| 5) Reimbursement of expenses (Dr.) | 331 | 245 |
| 6) Recovery of expenses (Cr.) | 56,047 | 58,829 |
| 7) Miscellaneous expenses (Dr.) | - | 6,646 |
| 8) Rental income | 19,384 | 23,098 |

**Amount in rupees in thousands**

## 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 & Employee State Insurance for the year aggregated to Rs. 5,265 (previous year Rs.7,278) 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 is entitled to gratuity. The scheme is funded with Life Insurance Corporation of India. The company make annual contribution to the Life Insurance Corporation of India. The following table sets out the status of the Gratuity Plan as required under Ind-AS:

| | Particulars | Year ended 31 March 2018 | Year ended 31 March 2017 |
|---|---|---|---|
| (i) | **Expense recognised in the Statement of Profit and Loss** | | |
| | Current service cost | 2,112 | 1,692 |
| | Interest cost on benefit obligation | 2,269 | 2,335 |
| | Interest income on plan assets | (1,179) | (1,068) |
| | **Net gratuity cost** | **3,202** | **2,959** |
| (ii) | **Remeasurements recognised in statement of Other comprehensive income** | | |
| | Actuarial loss due to geographical assumptions | 781 | - |
| | Actuarial loss due to financial assumptions | (2,347) | 4,007 |
| | Actuarial (gain) / loss due to experience adjustments | 2,335 | (3,628) |
| | Return on plan assets excluding interest income | 451 | 194 |
| | | **1,219** | **573** |
| (iii) | **Net liability recognised in Balance Sheet as at the year end** | | |
| | Projected benefit obligation at the end of the year | 32,074 | 34,361 |
| | Funded status of the plans | (9,585) | (14,683) |
| | **Net liability recognized in the Balance Sheet** | **22,489** | **19,678** |
| | Classified as: | | |
| | Short-term provisions | - | - |
| | Long-term provisions | 22,489 | 19,678 |
| | | **22,489** | **19,678** |
| (iv) | **Changes in the present value of defined benefit obligation** | | |
| | Present Value of defined benefit obligation at the beginning of year | 34,361 | 31,335 |
| | Current service cost | 2,112 | 1,692 |
| | Interest cost | 2,269 | 2,335 |
| | Benefits paid | (7,435) | (1,380) |
| | Actuarial loss due to geographical assumptions | 781 | - |
| | Actuarial loss due to financial assumptions | (2,347) | 4,007 |
| | Actuarial (gain) / loss due to experience adjustments | 2,335 | (3,628) |
| | **Present value of defined benefit obligation at the end of the year** | **32,074** | **34,361** |
| (v) | **Change in fair value of plan assets** | | |
| | Fair value of plan assets at the beginning of the year | 14,682 | 13,460 |
| | Expected return on plan assets | 1,179 | 1,068 |
| | Contributions | 1,610 | 1,729 |
| | Benefits paid | (7,435) | (1,380) |
| | Actuarial gain on plan asset | (451) | (194) |
| | **Fair value of plan assets at the end of the year** | **9,585** | **14,683** |

**Amount in rupees in thousands**

**31 Employee benefits: Post-employment benefit plans(Continued)**

**(vi) Actual return on plan assets**

| | | |
|---|---|---|
| Expected return on plan assets | 1,179 | 1,068 |
| Actuarial gain/(loss) on plan assets | (451) | (194) |
| **Actual return on plan assets** | **728** | **874** |

As at 31 March 2018 and 2017, 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 | 33,347 | 32,780 |
| Assumptions | 7.10% | 6.20% |
| Discount rate +50 basis points | 30,876 | 36,055 |
| Assumptions | 8.10% | 7.20% |
| B. Salary increase rate | | |
| Salary rate -50 basis points | 30,916 | 32,836 |
| Assumptions | 4.50% | 4.50% |
| Salary rate +50 basis points | 33,294 | 35,989 |
| Assumptions | 5.50% | 5.50% |
| C. Withdrawal rate | | |
| Withdrawal rate -50 basis points | 31,569 | 33,867 |
| Withdrawal rate +50 basis points | 32,534 | 34,804 |

**(viii) Acturial assumptions**

| | **Year ended 31 March 2018** | **Year ended 31 March 2017** |
|---|---|---|
| Discount rate | 7.60% | 6.70% |
| Expected rate of return on plan assets | 7.60% | 6.70% |
| Future salary increase | 5.00% | 5.00% |
| Attrition rate: | 4.00% | 2.00% |
| 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. Assumptions regarding future mortality are based on the published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions.

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

**Amount in rupees 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. Credit risk

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

*Trade and other receivables*

The Company’s entire revenue is derived from Britannia Industries Limited (BIL), holding Company in the form of conversion income from BIL. The Company thus does not have any credit risk.

### b. Liquidity risk

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

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

The financial assets of the Company is given below:

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---|---|
| (i) Cash and cash equivalents | 4,640 | 21,663 |
| (ii) Bank balances other than (i) above | 889 | 834 |
| (iii) Loans | 8,861 | 8,632 |
| (iv) Other financial assets | 151,802 | 165,021 |
| | **166,192** | **196,150** |

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

| | As at 31 March 2018 | |
|---|---|---|
| | **Less than 1 year** | **1-2 years** |
| Trade payables | 74,307 | - |
| Other financial liabilities | 18,893 | - |
| | **93,200** | **-** |

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

### c. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, available-for-sale investments and derivative financial instruments.

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

## 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 liabilty.

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

**Amount in rupees in thousands**

## 34 Financial instruments - fair values and risk management

**Accounting classification and fair values**

There have been no transfers among Level 1, Level 2 and Level 3 during the period. The Company does not have any investments, derivative financial assets and liabilities. Hence, Level 1 and Level 2 hierarchy is not applicable.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2018:

| | Carrying amount | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Mandatorily - FVTPL and others** | **FVOVI - Debt and equity instruments** | **Other financial assets - amortised cost** | **Other financial liabilities** | **Total carrying amount** |
| **Financial assets not measured at fair value *** | | | | | |
| (i) Trade receivables | - | - | 32,319 | - | 32,319 |
| (ii) Cash and cash equivalents | - | - | 4,640 | - | 4,640 |
| (iii) Bank balances other than (ii) above | - | - | 889 | - | 889 |
| (iv) Loans | - | - | 8,861 | - | 8,861 |
| (v) Other financial assets | - | - | 151,802 | - | 151,802 |
| | **-** | **-** | **198,511** | **-** | **198,511** |
| **Financial liabilities not measured at fair value #** | | | | | |
| (i) Trade payables | - | - | - | 74,307 | 74,307 |
| (ii) Other financial liabilities | - | - | - | 18,893 | 18,893 |
| | **-** | **-** | **-** | **93,200** | **93,200** |

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017:

| | Carrying amount | | | | |
|---|---|---|---|---|---|
| **Particulars** | **Mandatorily - FVTPL and others** | **FVOVI - Debt and equity instruments** | **Other financial assets - amortised cost** | **Other financial liabilities** | **Total carrying amount** |
| **Financial assets not measured at fair value *** | | | | | |
| (i) Trade receivables | - | - | - | - | - |
| (ii) Cash and cash equivalents | - | - | 21,663 | - | 21,663 |
| (iii) Bank balances other than (ii) above | - | - | 834 | - | 834 |
| (iv) Loans | - | - | 8,632 | - | 8,632 |
| (v) Other financial assets | - | - | 165,021 | - | 165,021 |
| | - | - | **196,150** | - | **196,150** |
| **Financial liabilities not measured at fair value #** | | | | | |
| (i) Trade payables | - | - | - | 125,175 | 125,175 |
| (ii) Other financial liabilities | - | - | - | 16,022 | 16,022 |
| | - | - | - | **141,197** | **141,197** |

* The Company has not disclosed the fair values for financial instruments such as short-term trade receivables, because their carrying amounts are a reasonable approximation of fair value.

# The Company has not disclosed the fair values for financial instruments such as short-term trade payables, because their carrying amounts are a reasonable approximation of fair value.

**Amount in rupees in thousands**

**35** During the year ended 31 March 2018, the Company has recognised a claim for refund of excise duties aggregating to Rs. 3,813 (previous year Rs. 20,775) arising from amount deposited through PLA to Central Excise Authorities based on the Central excise exemption notification 20/2007 dated 25/04/2007 as amended by Notification 38/08-CE dated 10/06/2008. The Company is eligible for claiming the refund as per the notification and has also received refund for certain months. In view of the management, there is reasonably certainty of its ultimate collection and hence excise refund has been recognised as income in the books of account.

**36** On 19th June 2016, there was a fire at factory premises in the storing and 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 had 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 to 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 the financial statement for the year ended 31 March 2018.

**37** During the year under review, the Company Secretary resigned from the services of the Company w.e.f 29 November, 2017. Mr. Gaurav Munoli has been appointed as Company Secretary w.e.f 20 April, 2018.

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

As per our report of even date attached

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

Sd/-
**Vikash Gupta**
*Partner*
Membership number: 064597

Place : Bangalore
Date: 11 May 2018

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

Sd/-
**Venkataraman Natarajan**
*Director*
*DIN: 05220857*

Sd/-
**Vinay Singh Kushwaha**
*Director*
*DIN:03480249*

Sd/-
**Lalit Singh Manglia**
*Chief Financial Officer*

Place : Mumbai
Date: 11 May 2018

Sd/-
**Gaurav Munoli**
*Company Secretary*

Place : Mumbai
Date: 11 May 2018