# MNS Foods Private Limited

2016-17

**INDEPENDENT AUDITOR'S REPORT**
**To The Members of MNS Foods Private Limited**

**Report on the Standalone Ind AS Financial Statements**

We have audited the accompanying standalone Ind AS financial statements of **MNS Foods Private Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information. (hereinafter referred to as "standalone Ind AS financial statements")

**Management's Responsibility for the Standalone Financial Statements**

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

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

**Auditor's Responsibility**

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

**Opinion**

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 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 the paragraph 3 and 4 of the order.

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

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

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

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

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

        i. The Company has no pending litigations on its financial position in its standalone Ind AS financial statements.

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

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

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

For Borkar & Muzumdar
Chartered Accountants
Firm Reg. No. 101569W

Nandan Pai
Partner
Membership No109394

Place: Bangalore
Date: May 22, 2017

**Annexure -A to the Auditor's report**

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

**i. Fixed Assets**

a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

b. As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size and nature of the Company. Discrepancies notices on such physical verification have been properly dealt in the books of accounts;

c. According to the information and explanation given to us and on the basis of our examination of records of the Company, there are no immovable properties owned by the company.

**ii.** During the Operating cycle of Company, management regularly conduct physical verification of Raw Material, Finished Goods, Packing Material and Stores and Spares which in our opinion is reasonable, having regard to the size and nature of the Company. The discrepancies noticed on such verification were not significant and the same have been properly dealt with in the books of account.

**iii.** 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, therefore clause iii (a) to (c) of the Order, is not applicable to the Company.

**iv.** In our opinion and according to the information and explanations given to us, the Company has not made any investment, provided any Loan, security and guarantee, so provision of Section 185 and 186 of the Companies Act, 2013 is not applicable.

**v.** The Company has not accepted any deposits from Public.

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

**vii. Statutory Dues**

a. According to our information and explanations given to us and on the basis of examination of the records of the company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, sales tax, value added tax, duty of customs, duty of excise, cess and any other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employee's state insurance and Provident Fund.
According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, sales tax, value added tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no material dues of income tax, service tax, sales tax, value added tax, duty of customs and duty of excise, cess which have not been deposited with the appropriate authorities on account of any dispute.

**viii.** In our opinion and according to the information and explanation given to us the company has not defaulted in repayment of loans or borrowings to a financial institutions or bank. The company has not issued any debentures.

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

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

**xi.** According to the information and explanations give to us and based on our examination of the records of the Company, the provisions of Section 197 read with Schedule V to the Companies Act, 2013 is not applicable to Company.

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

**xiii.** In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with section 177 and 188 of companies act, 2013 where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

**xiv.** According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

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

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

For Borkar & Muzumdar
Chartered Accountants
Firm Reg No 101569W

Nandan Pai
Partner
Membership No: 109394

Place: Bangalore
Date: May 22,2017

**Annexure - B to the Auditors' Report**

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

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

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

For Borkar & Muzumdar
Chartered Accountants
Firm Reg No 101569W

Nandan Pai
Partner
Membership No: 109394

Place: Bangalore
Date: May 22,2017

**MNS FOODS PRIVATE LIMITED**
**Standalone Balance Sheet as at March 31, 2017**
All amounts are in Rupees in Lakhs unless otherwise stated

| | Notes | As at March 31, | | As at April 1, |
|---|---|---|---|---|
| | | 2017 | 2016 | 2015 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 2.01 | 705.24 | - | - |
| Capital work-in-progress | | - | 5.26 | - |
| Investment Property | | - | - | - |
| Goodwill | | - | - | - |
| Other Intangible assets | | - | - | - |
| Intangible assets under development | | - | - | - |
| Financial assets | | | | |
| Investments | | - | - | - |
| Trade Receivables | 2.02 | - | - | - |
| Loans | 2.03 | 7.97 | - | - |
| Other financial assets | 2.04 | 137.51 | - | - |
| Deferred tax assets (Net) | 2.05 | - | - | - |
| Other non-current assets | 2.06 | 35.08 | 83.00 | - |
| **Total non-current assets** | | **885.80** | **88.26** | **-** |
| **Current Assets** | | | | |
| Inventories | 2.07 | 95.26 | - | - |
| Financial Assets | | | | |
| Investments | | | | |
| Trade Receivables | 2.02 | 81.25 | - | - |
| Cash and cash equivalents | 2.08 | 25.41 | 44.95 | - |
| Bank balances other than 2.08 above | 2.08 | - | - | - |
| Loans | 2.03 | 1.50 | - | - |
| Other financial assets | 2.04 | 4.64 | - | - |
| Current tax assets (Net) | | | | |
| Non-current assets classified as held for sale | | | | |
| Other current assets | 2.06 | 51.08 | 8.37 | - |
| **Total current assets** | | **259.14** | **53.32** | **-** |
| **Total assets** | | **1,144.94** | **141.58** | **-** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity Share capital | 2.09 | 90.00 | 90.00 | - |
| Other Equity | 2.10 | -64.09 | -6.79 | - |
| **Total equity** | | **25.91** | **83.21** | **-** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 2.11 | 176.56 | 12.05 | - |
| Trade payables | 2.12 | - | - | - |
| Other financial liabilities | 2.13 | - | - | - |
| Provisions | 2.14 | 0.30 | - | - |
| Deferred tax liabilities (Net) | | - | - | - |
| Other non-current liabilities | 2.15 | - | - | - |
| **Total non-current liabilities** | | **176.86** | **12.05** | **-** |
| **Current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | 2.11 | 415.38 | 40.00 | - |
| Trade payables | 2.12 | 167.41 | - | - |
| Other financial liabilities | 2.13 | 329.76 | 5.88 | - |
| Other current liabilities | 2.15 | 25.47 | 0.44 | - |
| Provisions | 2.14 | 4.15 | - | - |
| Current Tax Liabilities (Net) | | - | - | - |
| Liabilities directly associated with assets classified as held for sale | | - | - | - |
| **Total current liabilities** | | **942.17** | **46.32** | **-** |
| **Total equity and liabilities** | | **1,144.94** | **141.58** | **-** |
| Significant Accounting Policies | 1 | | | |

The Notes referred to above from integral part of Standalone Financial Statements

As per our report of even date
For Borkar & Muzumdar
Chartered Accountants
Firm Reg no. 101569W

For and on behalf of the Board of Directors
MNS Foods Private Limited

Nandan Pai
Partner
M. No. 109394

Nishant Biyani
Director
DIN: 07172365

Amit Kumar Agarwal
Director
DIN: 07089892

Place: Bangalore
Date: May 22, 2017

Place: Bangalore
Date: May 22, 2017

**MNS FOODS PRIVATE LIMITED**

**Standalone Statement of Profit or Loss and Other Comprehensive Income for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| | Notes | For the Year ended March 31, | |
|---|---|---|---|
| | | **2017** | **2016** |
| Revenue from operations | 3.01 | 161.31 | - |
| Other income | 3.02 | 6.41 | - |
| **Total Income** | | **167.72** | **-** |
| **Expenses** | | | |
| Cost of materials consumed | 3.03 | 94.65 | - |
| Purchase of stock-in-trade | 3.04 | 1.51 | - |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 3.05 | -36.49 | - |
| Excise Duty on sale of Goods | 3.06 | 21.82 | |
| Operating expenses | 3.07 | 46.47 | - |
| Employee benefits expense | 3.08 | 39.00 | - |
| Finance costs | 3.09 | 23.90 | - |
| Depreciation and amortization expense | 2.01 | 14.46 | - |
| Impairment loss on financial assets | | - | - |
| Impairment on non-current assets | | - | - |
| Other expenses | 3.10 | 19.70 | 6.79 |
| **Total Expenses** | | **225.02** | **6.79** |
| **Profit / (loss) before exceptional items and tax** | | -57.30 | -6.79 |
| Exceptional items | | - | - |
| **Profit / (loss) before tax** | | **-57.30** | **-6.79** |
| Tax expenses | | | |
| Current tax | | - | - |
| Deferred tax | | - | - |
| Income-tax liability/(write back) of earlier years | | - | - |
| | | - | |
| **Profit / (loss) for the period from continuing operations** | | **-57.30** | **-6.79** |
| Profit / (loss) for the period from discontinued operations before tax | | - | - |
| Tax expense of discontinued operations | | - | - |
| **Profit / (loss) for the period from discontinued operations (after tax)** | | - | - |
| **Profit/ (loss) for the period** | | **-57.30** | **-6.79** |
| **Other comprehensive income** | | - | - |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurements of the defined benefit plans | | - | - |
| Equity instruments through other comprehensive income | | - | - |
| | | - | - |
| Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| **Total other comprehensive income** | | **-** | **-** |
| **Total comprehensive income for the period** | | **-57.30** | **-6.79** |
| Earnings per equity share (for continuing operations) : | | | |
| Basic (in Rs.) | | -6.37 | -0.75 |
| Diluted (in Rs.) | | -6.37 | -0.75 |
| Earnings per equity share (for discontinued operations) : | | | |
| Basic (in Rs.) | | - | - |
| Diluted (in Rs.) | | - | - |
| Earnings per equity share (for discontinued and continuing operations) : | | | |
| Basic (in Rs.) | | -6.37 | -0.75 |
| Diluted (in Rs.) | | -6.37 | -0.75 |
| Significant Accounting Policies | 1 | | |

The Notes referred to above from integral part of Standalone Financial Statements

As per our report of even date
For Borkar & Muzumdar
Chartered Accountants
Firm Reg no. 101569W

For and on behalf of the Board of Directors
MNS Foods Private Limited

Nandan Pai
Partner
M. No. 109394

Nishant Biyani
Director
DIN: 07172365

Amit Kumar Agarwal
Director
DIN: 07089892

Place: Bangalore
Date: May 22, 2017

Place: Bangalore
Date: May 22, 2017

**MNS FOODS PRIVATE LIMITED**

**Statement of Cash Flows for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| Particulars | Year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| **Cash flow from operating activities** | | |
| Profit Before Tax from Continuing Operations | -57.30 | -6.79 |
| Profit Before Tax from Discontinuing Operations | - | - |
| **Profit before income tax including discontinued operations** | **-57.30** | **-6.79** |
| | | |
| **Non-cash Adjustment to Profit Before Tax:** | | |
| Depreciation and amortization expense | 14.46 | - |
| Interest income classified as investing cash flows | -5.93 | - |
| Finance costs | 23.90 | - |
| | -24.87 | -6.79 |
| **Change in operating assets and liabilities :** | | |
| Decrease/(increase) in trade receivables | -81.25 | - |
| Decrease/(increase) in inventories | -95.26 | - |
| Increase/(decrease) in trade payables | 167.41 | - |
| Decrease/(increase) in other non-current assets | 47.92 | -83.00 |
| Decrease/(increase) in other current assets | -24.05 | - |
| Increase/(decrease) in provisions | 4.45 | - |
| Increase/(decrease) in other non current liabilities | - | - |
| Increase/(decrease) in other financial liabilities | 69.36 | 3.88 |
| Increase/(decrease) in other current liabilities | 25.03 | 0.44 |
| **Cash generated from operations** | 88.74 | -85.47 |
| Direct taxes paid (net of refunds) | - | - |
| **Net cash flow from/(used in) operating activities (A)** | **88.74** | **-85.47** |
| | | |
| **Cash flow from investing activities** | | |
| Payments for acquisition of property, plant and equipment including capital advances | -714.44 | -5.26 |
| Advances to employees and other parties | -18.66 | -8.37 |
| (Increase)/decrease in security deposits | -137.51 | - |
| Increase/(decrease) in Loans and advances to employees and related parties | -6.14 | - |
| Security deposits Paid to related parties | -7.97 | - |
| Interest received | 5.93 | - |
| **Net cash flow from/(used in) investing activities (B)** | **-878.79** | **-13.63** |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from issue of Share Capital | - | 90.00 |
| Advance from promoters | 158.95 | 2.00 |
| Proceeds from borrowings | 719.89 | 52.05 |
| Repayments of borrowings | -84.43 | - |
| Interest paid | -23.90 | - |
| Dividends paid to equity shareholders | - | - |
| **Net cash flow from/(used in) in financing activities (C)** | **770.51** | **144.05** |
| | | |
| **Net increase/(decrease) in cash and cash equivalents (A+B+ C)** | -19.54 | 44.95 |
| Effect of exchange differences on cash & cash equivalent held in foreign currency | - | - |
| Cash and cash equivalents at the beginning of the year | 44.95 | - |
| **Cash and cash equivalents at the end of the year** | **25.41** | **44.95** |
| | | |
| Non-cash financing and investing activities | | |
| Acquisition of property, plant and equipment by means of finance lease | - | - |
| | - | - |
| **Reconciliation of cash and cash equivalents as per the cash flow statement :** | | |
| Cash and cash equivalents | 25.41 | 44.95 |
| Bank overdrafts | - | - |
| **Balance as per the cash flow statement :** | **25.41** | **44.95** |

Significant accounting policies 1

The Notes referred to above from integral part of Standalone Financial Statements

As per our report of even date
For Borkar and Muzumdar
Chartered Accountants
Firm Reg No. 101569W

For and on behalf of the Board of Directors
MNS Foods Private Limited

Nandan Pai
Partner
M. No. 109394

Nishant Biyani
Director
DIN: 07172365

Amit Kumar Agarwal
Director
DIN: 07089892

Place: Bangalore
Date: May 22, 2017

Place: Bangalore
Date: May 22, 2017

**MNS FOODS PRIVATE LIMITED**

**Statement of changes in equity for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| **Equity share capital** | **Amount** |
|---|---|
| **Balance at April 1, 2015** | - |
| Changes in equity share capital during the year | 90.00 |
| **Balance at March 31, 2016** | **90.00** |
| Changes in equity share capital during the year | - |
| **Balance at March 31, 2017** | **90.00** |

**MNS FOODS PRIVATE LIMITED**

**Statement of changes in equity for the year ended March 31, 2017 - continued**

All amounts are in Rupees in Lakhs unless otherwise stated

| Other equity | Reserve and Surplus | Items of Other Comprehensive Income | | Total |
|---|---|---|---|---|
| | Retained earnings | Remeasurements of the defined benefit plans | Items of Other Comprehensive Income | |
| **Balance at April 1, 2015** | - | - | - | - |
| Profit for the year | -6.79 | - | - | -6.79 |
| Other comprehensive income | - | - | - | - |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance at the beginning of the reporting period on Implementation of IND AS | - | - | - | - |
| **Total comprehensive income for the year** | **-6.79** | **-** | **-** | **-6.79** |
| Dividends | - | - | - | - |
| Related income tax | - | - | - | - |
| Transfer to retained earnings | - | - | - | - |
| Any other change (to be specified) | - | - | - | - |
| **Balance at April 1, 2016** | **-6.79** | **-** | **-** | **-6.79** |
| Profit for the year | -57.30 | - | - | -57.30 |
| Other comprehensive income | - | - | - | - |
| Changes in accounting policy or prior period errors | - | - | - | - |
| Restated balance at the beginning of the reporting period | - | - | - | - |
| **Total comprehensive income for the year** | **-57.30** | **-** | **-** | **-57.30** |
| Dividends | - | - | - | - |
| Transfer to retained earnings | - | - | - | - |
| Any other change | - | - | - | - |
| **Balance at March 31, 2017** | **-64.09** | **-** | **-** | **-64.09** |

**MNS Foods Private Limited**

**Notes to the Standalone Financial Statements for the year ended March 31,2017**

## Background

MNS Foods Private Limited, a Private Limited Company incorporated under the Companies Act,1956, is a Joint Venture between Future Consumer Limited with holding of 450,001 equity shares (50%),Key Management Personnel Nishanth Biyani with holding of 180,000 equity shares (20%) and relatives of Key Management Madhu Biyani with holding of 180,000 equity shares (20%) and Radhika Biyani with holding of 89,999 equity shares (10%),.The Company is engaged in the business of Manufacturing of Wafer Biscuits.

MNS Foods Private Limited is incorporated and domiciled in India having its registered office at Joseph Chemmanur Hall, 1st Cross, 1st Stage, Indiranagar Bangalore -560038.

## Authorization of financial statements

The Financial Statements were authorized for issue in accordance with a resolution of the directors on May 22, 2017.

## Application of new and revised Ind ASs

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' The amendments are applicable to the company from April 1, 2017.

**Amendment to Ind AS 7:**
The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

**Amendment to Ind AS 102:**
The amendment to Ind AS 102 provides specific guidance to measurement of cash-settled awards, modification of cash-settled awards and awards that include a net settlement feature in respect of withholding taxes.

It clarifies that the fair value of cash-settled awards is determined on a basis consistent with that used for equity-settled awards. Market-based performance conditions and non-vesting conditions are reflected in the 'fair values', but non-market performance conditions and service vesting conditions are reflected in the estimate of the number of awards expected to vest. Also, the amendment clarifies that if the terms and conditions of a cash-settled share-based payment transaction are modified with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as such from the date of the modification. Further, the amendment requires the award that include a net settlement feature in respect of withholding taxes to be treated as equity-settled in its entirety. The cash payment to the tax authority is treated as if it was part of an equity settlement.

The company does not expect any the impact on the financial statements as a result of this amendment.

**MNS Foods Private Limited**

**Notes to the Standalone Financial Statements for the year ended March 31,2017**

## 1. Summary of significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the presentation of the stand alone financial statements.

### 1. Basis of Preparation

### (i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer Note 4.02 for an explanation of how the transition from previous GAAP to lnd AS has affected the Company's financial position, financial performance and cash flows.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### (ii) Historical cost convention

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

a) certain financial assets and liabilities (including derivative instruments) are measured at fair value; and
b) defined benefit plans -plan assets measured at fair value.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2. Rounding of amounts

All amounts disclosed in the financial statement and notes have been rounded off to the nearest Rupees in lakhs, except where otherwise indicated.

### 3. Current versus non-current classification

The Company presents its assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

a) expected to be realised or intended to be sold or consumed in normal operating cycle;
b) held primarily for the purpose of trading;
c) expected to be realised within twelve months after the reporting period; or
d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) it is expected to be settled in normal operating cycle;
b) it is held primarily for the purpose of trading;
c) it is due to be settled within twelve months after the reporting period; or
d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## 4. Use of judgements, estimates & assumptions

While preparing financial statements in conformity with Ind AS, the Company makes certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the statement of financial position date and the reported amount of income and expenses for the reporting period. Financial reporting results rely on the estimate of the effect of certain matters that are inherently uncertain. Future events rarely develop exactly as forecast and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions. Estimates and Judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as below:

a) Assessment of functional currency;
b) Fair value of Financial Assets and Financial liabilities;
c) The useful lives of, or expected pattern of consumption of the future economic benefits embodied in, depreciable assets;
d) Valuation of inventories and Inventory obsolescence;
e) Warranty obligations
f) Measurement of recoverable amounts of cash-generating units;
g) Assets and obligations relating to employee benefits;
h) Provisions and Bad Debts;
i) Evaluation of recoverability of deferred tax assets; and
j) Contingencies.

## 5. Revenue Recognition

### (i) Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods at which time all of the following conditions are satisfied:

- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and

- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates but does not include Value added tax (VAT) and Central Sales tax (CST).

The Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account revenue includes excise duty.

**6. Property, Plant and equipment**

a) Property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

b) When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Cost of major inspection is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in Statement of Profit or Loss as incurred.

c) An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net realisable value and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

d) The residual values and useful lives of property, plant and equipment are reviewed at each financial year end and changes, if any, are accounted prospectively.

e) Stores and Spares which meet the definition of property plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

f) Depreciation on Property, Plant & Equipment is provided on straight line method. In accordance with requirements prescribed under Schedule II of Companies Act, 2013, the Company has assessed the estimated useful lives of its property, plant and equipment and has adopted the useful lives and residual value as prescribed in Schedule II. The estimated useful life of assets are as follows:

| Assets | Useful life of asset |
|---|---|
| Plant and Machinery | 15 years |
| Electrical Installations | 10 years |
| General Lab Equipment | 10 Years |
| Office Equipment | 5 Years |
| Computer Equipment | 3 Years |
| Furniture and fixtures | 10 years |

g) All assets costing up to Rs. 5,000/-, are fully depreciated in the year of capitalization.

## 7. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles are not capitalised and the related expenditure is reflected in the Statement of Profit or Loss in the period in which the expenditure is incurred.

Cost of Software directly identified with hardware is capitalised along with the cost of hardware. Application software is capitalised as Intangible Asset.

Intangible assets with finite lives are amortised on straight line basis over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each year end. The amortisation expense on intangible assets with finite lives and impairment loss is recognised in the Statement of Profit and Loss.

### Research and Development

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate the following:

a) The technical feasibility of completing the intangible asset so that it will be available for use or sale;
b) Its intention to complete the asset;
c) Its ability to use or sell the asset;
d) the asset will generate future economic benefits;
e) The availability of adequate resources to complete the development and use or sell the asset;
f) The ability to measure reliably the expenditure attributable to the intangible asset during development.

*Derecognition of intangible assets*

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit or loss when the asset is derecognised.

## 8. Impairment of Assets

Carrying amount of Tangible and Intangible Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is

recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Company's assets (cash-generating units). Non- financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**9. Inventories**

Raw materials, fuels, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour, other direct cost and a proportion of manufacturing overheads based on normal operating capacity.Cost of finished goods includes excise duty and is determined on a weighted average basis. Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories and depots as on the Balance Sheet date.

Traded Goods are valued on weighted average cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

**10. Trade Receivable**

Trade receivables are recognized initially at fair value and subsequently measured at a mortised cost using the effective interest method, less provision for impairment.

Trade receivables expected in one year or less, they are classified as current assets. If not they are presented as non-current assets.

**11. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown with in borrowings in current liabilities in the Balance Sheet.

## 12. Share Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

## 13. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. The above criteria is also used for recognition of incentives under various scheme notified by the Government.

## 14. Financial Instruments

**Financial Assets**

**Investments and other financial assets**

### (i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through statement of profit or loss), and
- those measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in statement of profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

### (ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 '*Construction Contracts'* ("Ind AS 11") and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information

Debt instruments included within the fair value through profit and loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

**Equity instruments**

The company subsequently measures all equity investments at fair value. Dividends from such investments are recognised in statement of profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss.

**(iii) Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  a) the Company has transferred substantially all the risks and rewards of the asset, or
  b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**(iv) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(v) Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividend income**

Dividends are recognised in statement of profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, financial guarantee contracts or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

**(ii) Subsequent measurement**

All financial liabilities are subsequently measured at amortised cost using effective interest method or at FVTPL. The subsequent measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in statement of profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognised in statement of profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**Trade payables**

These amounts represent liabilities for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

**Financial guarantee contracts**

Financial guarantee contracts issued by the company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

**(iii) Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**(iv) Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other Income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period.

**Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

**15. Investments in subsidiaries, associates and joint ventures**

A subsidiary is an entity that is controlled by another entity. An investor controls an investee if and only if the investor has the following; (i) Power over the investee, (ii) exposure, or rights, to variable returns from its involvement with the investee and (iii) the ability to use its power over the investee to affect the amount of the investor's returns.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Company's investments in its subsidiaries, associates and joint ventures are accounted at cost.

## 16. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

The Company ceases capitalising borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

## 17. Provisions, Contingent liabilities, Contingent Assets

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a current pre-tax rate. The increase in the provision due to the passage of time is recognised as interest expense.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the company recognizes any impairment loss on the assets associated with that contract.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

Contingent liabilities are disclosed in the case of:

- a present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- a present obligation arising from the past events, when no reliable estimate is possible;
- a possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent Assets is disclosed when inflow of economic benefits is probable.

Contingent Liabilities in respect of show-cause notices are considered only when converted into demands.

## 18. Gratuity and other post-employment benefits

### a) Short-term obligations

Short term employee benefits are recognised as an expense at an undiscounted amount in the Statement of profit & loss of the year in which the related services are rendered.

### b) Post-employment obligations

The Company operates the following post-employment schemes:

- defined benefit plans such as gratuity; and
- defined contribution plans such as provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised at amount net of taxes in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in statement of profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### c) Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**d) Bonus Plans**

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**19. Taxes on Income**

**Current Tax**

Tax on income for the current period is determined on the basis on estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**20. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends, if any, and attributable taxes) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is adjusted for after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## 21. First-time adoption-mandatory exceptions, optional exemptions

**Over all principle**

Company has prepared the opening stand alone Balance Sheet as per Ind AS as of April 01, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing item so far assets or liabilities which are not permitted by lnd AS, by reclassifying items from previous GAAP to IndAS as required under Ind AS, and applying IndAS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

**Derecognition of financial assets and financial liabilities**

The Company has applied the derecognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after the transition date.

**Classification of debt instruments**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the Fair Value through Other Comprehensive Income criteria based on the facts and circumstances that existed as of the transition date.

**Impairment of Financial Assets**

The Company has applied the impairment requirements of IndAS109 retrospectively; however as permitted by IndAS101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized in order to compare it with the credit risk at the transition date, Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to IndASs, whether there have been significant increases in credit risks in the initial recognition, as permitted by lnd AS 101.

**Deemed cost for property, plant and equipment, investment property, and intangible assets**

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment property and intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

**Determining whether an arrangement contains a lease**

The Company has applied Appendix C of Ind AS 17 determining whether an arrangement contains a lease to determine whether an arrangement existing at the transition date contains a lease on the basis of facts and circumstances existing at that date.

## 22. Segment reporting

The Chief Operational Decision Maker monitors the operating results of its business Segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

The operating segments have been identified on the basis of nature of products/service.

a) Segment revenue includes sales and other income directly attributable with allocable to segments including inter-segment revenue.
b) Expenses that are directly identifiable with / allocable to segments are considered for determining the segment results. Expenses which relate to the Company as a whole and not allocable to segments are included under unallowable expenditure.
c) Income which relates to the Company as a whole and not allocable to segments is included in unallowable income.
d) Segment results includes margins on inter-segment and sales which are reduced in arriving at the profit before tax of the company.
e) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable assets and liability represent the assets and liabilities that relate to the Company as a whole and not allocable to any segment.

## 24. Leases

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

**As a lessee**

Leases where the company, as lessee, has substantially all the risks and rewards incidental to 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 statement of 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 statement of 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.

## 25. Foreign currency translation

### (i) Functional and presentation currency

The Company's financial statements are prepared in INR, which is also the Company's functional and presentation currency.

### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other gains / (losses).

However, foreign exchange differences on long term foreign currency monetary items existing as of March 31, 2016 relating to acquisition of depreciable assets are adjusted to the carrying cost of the assets to which the monetary item relates and depreciated over the remaining useful life of such assets

**Non – Monetary items:**

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

## 26. Fair Value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

a) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

b) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**MNS FOODS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

**2.01 Property, plant and equipment**

| | Gross Carrying Amount | | | | | | | Depreciation | | | | | Net Block | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **As at April 1, 2016** | **Addition** | **Disposal** | **Acquisition through business combinations** | **Borrowing Cost Capitalised** | **Construction expenditures capitalised** | **As at March 31, 2017** | **As at April 1, 2016** | **For the Year** | **Elimination on disposal** | **Other adjustments - Transferred from Retained Earnings** | **As at March 31, 2017** | **As at March 31, 2017** | **As at March 31, 2016** |
| **Own Assets:** | | | | | | | | | | | | | | |
| Land - Freehold | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Plant and Machinery | - | 574.45 | - | - | 50.25 | 69.00 | 693.70 | - | 13.49 | - | - | 13.49 | 680.21 | - |
| Office Equipment | - | 1.90 | - | - | - | - | 1.90 | - | 0.05 | - | - | 0.05 | 1.85 | - |
| Computers | - | 1.02 | - | - | - | - | 1.02 | - | 0.21 | - | - | 0.21 | 0.81 | - |
| Electrical Equipments | - | 19.34 | - | - | - | - | 19.34 | - | 0.57 | - | - | 0.57 | 18.77 | - |
| Furniture & Fixtures | - | 3.71 | - | - | - | - | 3.71 | - | 0.11 | - | - | 0.11 | 3.60 | - |
| Lab Equipment | - | 0.03 | - | - | - | - | - | - | 0.03 | - | - | 0.03 | - | - |
| **Total ….A** | **-** | **600.45** | **-** | **-** | **50.25** | **69.00** | **719.67** | **-** | **14.46** | **-** | **-** | **14.46** | **705.24** | **-** |
| **Assets taken on Finance Lease:** | | | | | | | | | | | | | | |
| Land | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Plant and Machinery | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total ….B** | **-** | **-** | **-** | **-** | **-** | | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total …. A+B** | **-** | **600.45** | **-** | **-** | **50.25** | **69.00** | **719.67** | **-** | **14.46** | **-** | **-** | **14.46** | **705.24** | **-** |

**As at March 31, 2017**

**Assets pledged as security :**

Wafer Plant Machinery with a carrying amount of Rs.505.12(in Lakhs) (as at March 31, 2016: Rs.Nil ; as at April 1, 2015: Rs.Nil) have been pledged to secure borrowings. The Wafer Plant Machine have been pledged as security for Non Banking Financial loans under Hypothecation.

**MNS FOODS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| **2.02 Trade Receivables** | **Non Current** | | | **Current** | | |
|---|---|---|---|---|---|---|
| | **As at March 31,** | | **As at April 1,** | **As at March 31,** | | **As at April 1,** |
| | **2017** | **2016** | **2015** | **2017** | **2016** | **2015** |
| Secured, considered good | - | - | - | - | - | - |
| Unsecured, considered good | - | - | - | 81.25 | - | - |
| Doubtful | - | - | - | - | - | - |
| | - | - | - | 81.25 | - | - |
| Allowance for doubtful debts (expected credit loss) | | | | - | - | - |
| **Total** | - | - | - | **81.25** | - | - |

| **Trade Receivable stated above include debts due by:** | **Non Current** | | | **Current** | | |
|---|---|---|---|---|---|---|
| | **As at March 31,** | | **As at April 1,** | **As at March 31,** | | **As at April 1,** |
| | **2017** | **2016** | **2015** | **2017** | **2016** | **2015** |
| Related Parties | - | - | - | 81.20 | - | - |
| Directors* | - | - | - | - | - | - |
| Other Officers of the Company* | - | - | - | - | - | - |
| Firm in which Director is a partner* | - | - | - | - | - | - |
| Private Company in which Director is a member | - | - | - | - | - | - |
| | - | - | - | **81.20** | - | - |

*either severally or jointly.

The entity has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The Company does not have any history of credit loss. The provision matrix at the end of the reporting period is as follows :

| Age of receivables | **As at March 31,** | | **As at April 1,** |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| Within the credit period | 81.20 | - | - |

| Movement in the expected credit loss allowance | **Year ended March 31,** | |
|---|---|---|
| | **2017** | **2016** |
| Balance at beginning of the year | - | - |
| Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses | - | - |
| **Balance at end of the year** | - | - |

The concentration of credit risk is high due to the fact that the entire sales of the Company are to Future Consumer Ltd

| **2.03 Loans** | **Non Current** | | | **Current** | | |
|---|---|---|---|---|---|---|
| | **As at March 31,** | | **As at April 1,** | **As at March 31,** | | **As at April 1,** |
| | **2017** | **2016** | **2015** | **2017** | **2016** | **2015** |
| **Security Deposits** | | | | | | |
| Unsecured, considered good | 7.97 | - | - | - | - | - |
| | **7.97** | - | - | - | - | - |
| **Loans to employees** | | | | | | |
| Unsecured, considered good | - | - | - | 1.50 | - | - |
| | - | - | - | 1.50 | - | - |
| | **7.97** | - | - | **1.50** | - | - |

| **Loans due by directors or other officers, etc.,** | **Non Current** | | | **Current** | | |
|---|---|---|---|---|---|---|
| | **As at March 31,** | | **As at April 1,** | **As at March 31,** | | **As at April 1,** |
| | **2017** | **2016** | **2015** | **2017** | **2016** | **2015** |
| **The above include** | | | | | | |
| Dues from Directors* | - | - | - | - | - | - |
| Dues from other officers of the Company* | - | - | - | - | - | - |
| Firms in which any director is a partner* | - | - | - | - | - | - |
| Private Company in which the director is a director or member | - | - | - | - | - | - |
| | - | - | - | - | - | - |

*either severally or jointly.

**MNS FOODS PRIVATE LIMITED**
**Notes to Financial Statements for the year ended March 31, 2017**
All amounts are in Rupees in Lakhs unless otherwise stated

| 2.04 Other financial assets | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, | | As at April 1, | As at March 31, | | As at April 1, |
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| Bank deposits with more than 12 months maturity | 131.58 | - | - | - | - | - |
| Accrued Interest on Bank deposits | 5.93 | - | - | - | - | - |
| Other receivables | - | - | - | 4.64 | - | - |
| **Total** | **137.51** | - | - | **4.64** | - | - |

Balances deposits with more than 12 months maturity amounting to Rs.131.58(Rs in lakhs) (As at March 31, 2016 Rs.0) represent margin monies amounting given to banks against guarantees.

| 2.05 Deferred tax assets/ liabilities (net) | As at March 31, | | As at April 1, |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| **Deductible temporary differences** | | | |
| Unabsorbed Depreciation as per Income Tax | - | - | - |
| | - | - | - |
| **Taxable temporary differences** | | | |
| Difference between WDV of fixed assets as per books and Income taxes | - | - | - |
| | - | - | - |
| **Net deferred tax asset/ (liabilities)** | - | - | - |

**Movement in deferred tax Account during the year is as follows:**

| | Opening balance | Recognised in profit or loss | Recognised in other comprehensive income | Recognised directly in equity | Acquisitions/ Disposals | Closing Balance |
|---|---|---|---|---|---|---|
| **2016 - 17 :** | | | | | | |
| **Deferred tax (liabilities)/assets in relation to :** | | | | | | |
| Unabsorbed Depreciation as per Income Tax | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| **2015 - 16 :** | | | | | | |
| **Deferred tax (liabilities)/assets in relation to :** | | | | | | |
| Unabsorbed Depreciation as per Income Tax | - | - | - | - | - | - |
| | - | - | - | - | - | - |

**The Analysis of Deferred tax Assets and Deferred tax Laibilities is as follows:**

| | As at March 31, | | As at April 1, |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Deferred Tax Assets: | | | |
| Deferred Tax Assets to be recovered after more than 12 months | - | - | - |
| Deferred Tax Assets to be recovered within 12 months | - | - | - |
| | - | - | - |
| Deferred Tax Liabilities | | | |
| Deferred Tax Liabilities to be recovered after more than 12 months | - | - | - |
| Deferred Tax Liabilities to be recovered within 12 months | - | - | - |
| | - | - | - |

| **Unrecognised deductible temporary differences, unused tax losses and unused tax credits :** | As at March 31, | | As at April 1, |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following: | | | |
| - Business Losses | 7.97 | - | - |
| - Unaborsbed depreciation | 54.31 | - | - |
| - deductible temporary differences representing provision for Gratuity and compensated absences | 0.40 | - | - |
| | **62.68** | - | - |

| **Expiry date of Unrecognised deductible temporary differences, unused tax losses and unused tax credits :** | |
|---|---|
| Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been | |
| - Business Losses | 8 years |
| - Unaborsbed depreciation | No expiry dares |
| - deductible temporary differences representing provision for Gratuity and compensated absences | Allowed on Payment basis without any expiry date |

| 2.06 Other assets | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, | | As at April 1, | As at March 31, | | As at April 1, |
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| Capital Advances | 1.00 | 83.00 | - | - | - | - |
| Advances other than Capital Advances | | | | | | |
| Advances to other parties including staff advances | - | - | - | 18.66 | 8.37 | - |
| CENVAT/ VAT credit Receivable | - | - | - | 29.15 | - | - |
| Prepaid expenses | 33.83 | - | - | 3.27 | - | - |
| Deposit with statutory authorities (Net of provision) | 0.25 | - | - | - | - | - |
| Others | - | - | - | - | - | - |
| | **35.08** | **83.00** | - | **51.08** | **8.37** | - |

**MNS FOODS PRIVATE LIMITED**
**Notes to Financial Statements for the year ended March 31, 2017**
All amounts are in Rupees in Lakhs unless otherwise stated

| **Advances due by directors or other officers, etc.,** | **Non Current** | | | **Current** | | |
|---|---|---|---|---|---|---|
| | **As at March 31,** | | **As at April 1,** | **As at March 31,** | | **As at April 1,** |
| | **2017** | **2016** | **2015** | **2017** | **2016** | **2015** |
| **The above include** | | | | | | |
| Dues from Directors* | - | - | - | - | - | - |
| Dues from other officers of the Company* | - | - | - | - | - | - |
| Firms in which any director is a partner* | - | - | - | - | - | - |
| Private Company in which the director is a director or member | - | - | - | - | - | - |
| | - | - | - | - | - | - |

*either severally or jointly.

| **2.07 Inventories** | **As at March 31,** | | **As at April 1,** |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| Raw materials | 30.34 | - | - |
| Goods-in-transit | - | - | - |
| Work-in-progress | - | - | - |
| Goods-in-transit | - | - | - |
| Finished goods | 36.49 | - | - |
| Goods-in-transit | - | - | - |
| Packing Materials | 20.87 | - | - |
| Goods-in-transit | - | - | - |
| Stores and spares | 7.56 | - | - |
| Goods-in-transit | - | - | - |
| **All inventories are valued at the lower of cost and net realisable value** | **95.26** | **-** | **-** |

Write-downs of inventories carried to net realisable value amounted to Rs.11.80 ( Rs in Lakhs) (March 31, 2016 - Rs. 0). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in statement of profit and loss.

| **2.08 Cash and Bank Balances** | **As at March 31,** | | **As at April 1,** |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| **Cash and cash equivalents** | | | |
| Balances with banks: | | | |
| On current accounts | 25.28 | 44.95 | - |
| Deposits with original maturity of less than 3 months | - | - | - |
| Cheques/drafts on hand | - | - | - |
| Cash on hand | 0.13 | - | - |
| | **25.41** | **44.95** | **-** |
| **Bank balances other than above** | - | - | - |
| | **25.41** | **44.95** | **-** |

| **2.09 Share capital** | **As at March 31,** | | **As at April 1,** |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| **Authorised share capital :** | | | |
| 40,00,500 (March 31, 2016: 9,00,000) equity shares of Rs. 10/- each | 400.05 | 90.00 | - |
| | **400.05** | **90.00** | **-** |
| **Issued and subscribed capital comprises :** | | | |
| 9,00,000 (March 31, 2016: 9,00,000) equity shares of Rs. 10/- each (fully paid up) | 90.00 | 90.00 | |
| **Total issued, subscribed and fully paid-up share capital** | **90.00** | **90.00** | **-** |

**a. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:**

| **Equity shares** | **As at March 31,** | | | | **As at April 1,** | |
|---|---|---|---|---|---|---|
| | **2017** | | **2016** | | **2015** | |
| | **No. of Shares** | **Amount** | **No. of Shares** | **Amount** | **No. of Shares** | **Amount** |
| At the beginning of the period | 9,00,000 | 90.00 | - | - | - | - |
| Issued During the Year | - | - | 9,00,000 | 90.00 | - | - |
| **Outstanding at the end of the period** | **9,00,000** | **90.00** | **9,00,000** | **90.00** | **-** | **-** |

**b. Rights, preference and restrictions attached to shares including restrictions on the distribution of dividends and the repayment of capital:**

**Equity Shares**

The company has only one class of equity shares having a par value of 10 per share. Each holder of equity shares is entitled to one vote per share held. The share holders are entittled to dividend declared on Propotionate basis . On liquidation of the company, the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts in proportion to their shareholding.

**c. Details of share holders holding more than 5% shares in the company**

| | **As at March 31,** | | | | **As at April 1,** | |
|---|---|---|---|---|---|---|
| | **2017** | | **2016** | | **2015** | |
| | **No. of Shares** | **% of holding** | **No. of Shares** | **% of holding** | **No. of Shares** | **% of holding** |
| **Name of the Shareholder** | | | | | | |
| Future Consumer Limited | 4,50,001 | 50.00% | 4,50,001 | 50.00% | - | - |
| Nishant Biyani | 1,80,000 | 20.00% | 1,80,000 | 20.00% | - | - |
| Madhu Biyani | 1,80,000 | 20.00% | 1,80,000 | 20.00% | - | - |
| Radhika Biyani | 89,999 | 10.00% | 89,999 | 10.00% | - | - |

| **2.10 Other equity** | **As at March 31,** | | **As at April 1,** |
|---|---|---|---|
| | **2017** | **2016** | **2015** |
| Retained earnings | -64.09 | -6.79 | - |
| | **-64.09** | **-6.79** | **-** |

**Description of reserves**

**Retained earnings**

This Represents the Surplus or deficit of the profit or loss and is available for distribution as dividend to shareholders

| **Retained earnings** | | | |
|---|---|---|---|
| Balance at beginning of year | -6.79 | - | - |
| Profit for the year | -57.30 | -6.79 | - |
| **Balance as at the end of the year** | **-64.09** | **-6.79** | **-** |
| **Total other equity** | **-64.09** | **-6.79** | **-** |

**MNS FOODS PRIVATE LIMITED**
**Notes to Financial Statements for the year ended March 31, 2017**
All amounts are in Rupees in Lakhs unless otherwise stated

| 2.11 Borrowings | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, | | As at April 1, | As at March 31, | | As at April 1, |
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| **a) Secured** | | | | | | |
| Term loans | | | | | | |
| from Siemens Financial Services Private Limited (NBFC) | 275.68 | 15.60 | - | - | - | - |
| **b) Unsecured** | | | | | | |
| **Loans from Related Parties** | | | | | | |
| Inter-corporate deposits from Promoters | - | - | - | 415.38 | 20.00 | - |
| Other Related parties | - | - | - | - | 20.00 | - |
| | **275.68** | **15.60** | **-** | **415.38** | **40.00** | **-** |
| **Less :** Current maturities of long-term debt (included in Note 2.13) | 99.12 | 3.55 | - | | | |
| **Total** | **176.56** | **12.05** | **-** | | | |

**(b) Nature of Security and terms of repayment for secured borrowings (other than debentures):**

| Nature of Security | Terms of Repayment | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| i Term Loan from NBFC has been secured by exclusive charge by way of hypothecation of assets funded by NBFC. The Term loan is also secured by Corporate Guarantee of the Parent i.e Future Consumer Limited and personal guarantee of one of the directors of the Company | Repayable in 38 equal monthly instalments from the date of the loan (Aug-2016) along with interest at 12.85% p.a | 275.68 | 15.60 | - |

**(c) Terms of Repayment for Unsecured borrowings:**

| Nature of Borrowing | Terms of Repayment | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|---|
| i. Intercorporate Deposit from promoters | Repayable on demand within 1 year | 415.38 | 40.00 | - |

**(d) Details of long-term borrowings guaranteed by directors**

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Term loans from NBFC** | | | |
| Principal | 275.68 | 15.60 | - |
| Interest | 2.68 | - | - |

The carrying amount of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed below :

**(e) Assets pledged as security:**

| Particulars | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Non - current** | | | |
| Exclusive Charge | | | |
| Plant and Machinery | 505.12 | - | - |
| | **505.12** | - | - |
| **Total assets pledged as security** | **505.12** | - | - |

**(f) Undrawn borrowing Facilities:**

| | As at March 31, 2017 | As at March 31, 2016 | As at April 1, 2015 |
|---|---|---|---|
| **Floating rate:** | | | |
| Expiring within one year | - | - | - |
| Expiring beyond one year | - | - | - |
| **Fixed rate:** | | | |
| Expiring within one year | - | - | - |
| Expiring beyond one year | - | - | - |
| | - | - | - |

| 2.12 Trade payables | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, | | As at April 1, | As at March 31, | | As at April 1, |
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| Total outstanding dues of Micro Enterprises & Small Enterprises | - | - | - | - | - | - |
| Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | - | - | - | 167.41 | - | - |
| | **-** | **-** | **-** | **167.41** | **-** | **-** |

According to the information available with the management, on the basis of intimation received from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the Company has no due to micro and small enterprises under the said Act

| | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, | | As at April 1, | As at March 31, | | As at April 1, |
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| a) Principal amount due | - | - | - | - | - | - |
| b) Interest due on above | - | - | - | - | - | - |
| c) Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 | - | - | - | - | - | - |
| d) Amount of interest due and payable for the period of delay; | - | - | - | - | - | - |
| e) Amount of interest accrued and remaining unpaid as at year end | - | - | - | - | - | - |
| f) Amount of further remaining due and payable in the succeeding year | - | - | - | - | - | - |

**MNS FOODS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| 2.13 Other financial liabilities | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, | | As at April 1, | As at March 31, | | As at April 1, |
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| Current maturities of long-term debt | - | - | - | 99.12 | 3.55 | - |
| Interest accrued but not due on loans | - | - | - | 25.82 | 0.33 | - |
| Salary and Employee benefits payable | - | - | - | 5.53 | - | - |
| Payables for acquisition of property, plant and equipment | - | - | - | 38.34 | - | - |
| Advance from Promoters | - | - | - | 160.95 | 2.00 | - |
| | **-** | **-** | **-** | **329.76** | **5.88** | **-** |

| 2.14 Provisions | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, | | As at April 1, | As at March 31, | | As at April 1, |
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| **Employee benefits** | | | | | | |
| Provision for Gratuity | 0.30 | - | - | - | - | - |
| Provision for Bonus | - | - | - | - | - | - |
| Provision for Leave Encashment | - | - | - | 0.10 | - | - |
| | **0.30** | **-** | **-** | **0.10** | **-** | **-** |
| **Others** | | | | | | |
| Provision for Excise Duty on Finished goods | - | - | - | 4.05 | - | - |
| Provision for litigations | - | - | - | - | - | - |
| | **-** | **-** | **-** | **4.05** | **-** | **-** |
| | **0.30** | **-** | **-** | **4.15** | **-** | **-** |

| 2.15 Other liabilities | Non Current | | | Current | | |
|---|---|---|---|---|---|---|
| | As at March 31, | | As at April 1, | As at March 31, | | As at April 1, |
| | 2017 | 2016 | 2015 | 2017 | 2016 | 2015 |
| Statutory liabilities | - | - | - | 24.62 | 0.04 | - |
| Other payables | - | - | - | 0.85 | 0.40 | - |
| | **-** | **-** | **-** | **25.47** | **0.44** | **-** |

**MNS FOODS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| 3.01 | **Revenue from operations** | **For the Year ended March 31,** | |
|---|---|---|---|
| | | **2017** | **2016** |
| | **Revenue from operations** | | |
| | Sale of products (Includes excise duty of Rs. 21.82 lakhs, P.Y. Rs. Nil) | 161.15 | - |
| | Sale of Services | - | - |
| | Other operating revenue | | |
| | Scrap Sales | 0.16 | - |
| | Less: Sales Discount | - | - |
| | **Revenue from operations (Gross)** | **161.31** | **-** |

| 3.02 | **Other Income** | **For the Year ended March 31,** | |
|---|---|---|---|
| | | **2017** | **2016** |
| | **Interest Income on** | | |
| | Interest income earned on financial assets that are not designated as fair value through profit or loss : | | |
| | Security Deposits | 0.48 | - |
| | Bank Deposits | 5.93 | - |
| | Others | - | - |
| | **Other non - operating income** | - | - |
| | | **6.41** | **-** |

| 3.03 | **Cost of materials consumed** | **For the Year ended March 31,** | |
|---|---|---|---|
| | | **2017** | **2016** |
| | **Raw Materials** | | |
| | Opening Stock of Raw Material | - | - |
| | Add: Purchase of Raw materials | 96.83 | - |
| | Less: Closing Stock of Raw Material | 30.34 | - |
| | Cost of Raw Material Consumed | **66.49** | - |
| | **Packing Materials** | | |
| | Opening Stock of Packing Material | - | - |
| | Add: Purchase of Packing materials | 49.03 | - |
| | Less: Closing Stock of Packing Material | 20.87 | - |
| | Cost of Packing Material Consumed | **28.16** | - |
| | **Total** | **94.65** | **-** |

| 3.04 | **Purchase of Stock in Trade** | **For the Year ended March 31,** | |
|---|---|---|---|
| | | **2017** | **2016** |
| | Sugar | 1.51 | - |
| | | **1.51** | **-** |

| 3.05 | **(Increase) /decrease in inventories** | **For the Year ended March 31,** | |
|---|---|---|---|
| | | **2017** | **2016** |
| | Inventories at the end of the year (including in-transit) | | |
| | Stock-in-trade | - | - |
| | Work - in - progress | - | - |
| | Finished goods | 36.49 | - |
| | | 36.49 | - |
| | Inventories at the beginning of the year (including in-transit) | | |
| | Stock-in-trade | - | - |
| | Work - in - progress | - | - |
| | Finished goods | - | - |
| | | - | - |
| | | **-36.49** | **-** |

| 3.06 | **Excise Duty on Sale of Goods** | **For the Year ended March 31,** | |
|---|---|---|---|
| | | **2017** | **2016** |
| | Excise Duty on Sale of Goods | 21.82 | - |
| | | **21.82** | **-** |

| 3.07 | **Operating Expenses** | **For the Year ended March 31,** | |
|---|---|---|---|
| | | **2017** | **2016** |
| | Lease Rental Charges | 23.70 | - |
| | Stores and Spares consumed | 0.49 | - |
| | Excise duty on Finished Goods | 4.05 | - |
| | Power and fuel | 15.03 | - |
| | Water Charges | 0.67 | - |
| | Repairs to plant and machinery | 2.53 | - |
| | | **46.47** | **-** |

**MNS FOODS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| 3.08 Employee Benefits Expense | For the Year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Salaries, wages and bonus | 38.41 | - |
| Gratuity | 0.31 | - |
| Leave Encashment | 0.10 | - |
| Staff welfare expenses | 0.18 | - |
| | **39.00** | **-** |

| 3.09 Finance Costs | For the Year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| **Interest and Finance charges on financial liabilities not a FVTPL** | | |
| Interest on Inter Corporate Deposit | 12.43 | - |
| Interest on Term loan | 11.47 | - |
| **Other borrowing costs** | | |
| Bank Guarantee & Other Commitment Charges | - | - |
| Other Financial Charges | - | - |
| | **23.90** | **-** |

The weighted average capitalisation rate on funds borrowed generally is 12.68% per annum (2015-2016:12.68% per annum).

| 3.10 Other Expenses | For the Year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Insurance | 0.25 | - |
| Rates & taxes | 1.49 | 6.40 |
| Travel and Conveyance | 5.30 | - |
| Freight Outwards | 4.22 | - |
| Incentives, Discount, Advertisement, Sales Promotion and Marketing Expenses | 0.05 | - |
| Rent Expenses | 0.40 | - |
| Security charges | 1.29 | - |
| Legal & Professional Charges | 2.73 | 0.13 |
| Others | 3.97 | 0.26 |
| | **19.70** | **6.79** |

| Payment to Auditors | For the Year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| As auditor: | | |
| Statutory Audit fee | 0.50 | 0.10 |
| Tax Audit Fee | 0.25 | - |
| Limited Review | 0.15 | - |
| In other Capacity: | | |
| Taxation matters | - | - |
| Company law matters | - | - |
| Management services | - | - |
| Other services | 0.60 | - |
| Reimbursement of Expenses | - | - |
| | **1.50** | **0.10** |

**MNS FOODS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| **4.01 Earnings Per Share (EPS)** | **Year ended March 31,** | |
|---|---|---|
| | **2017** | **2016** |
| **Basic earnings per share :** | | |
| From continuing operations attributable to equity holders of the company | (6.37) | (0.75) |
| From discontinued operations attributable to equity holders of the company | - | - |
| **Total basic earnings per share** | **(6.37)** | **(0.75)** |
| **Diluted earnings per share :** | | |
| From continuing operations attributable to equity holders of the company | (6.37) | (0.75) |
| From discontinued operations attributable to equity holders of the company | - | - |
| **Total diluted earnings per share attributable to equity holders of the company** | **(6.37)** | **(0.75)** |
| **Reconciliation of earnings used in calculating earnings per share :** | | |
| **Basic earnings per share** | | |
| Profit attributable to equity holders of the company used in calculating basic earnings per share : | | |
| From continuing operations | -57.30 | -6.79 |
| From discontinued operations | - | - |
| | **-57.30** | **-6.79** |
| **Diluted earnings per share** | | |
| Profit from continuing operations attributable to equity holders of the company : | | |
| Used in calculating basic earnings per share | -57.30 | -6.79 |
| Used in calculating diluted earnings per share | -57.30 | -6.79 |
| Profit from discontinued operations | - | - |
| **Profit used in calculating diluted earnings per share** | **-57.30** | **-6.79** |
| **Weighted average number of shares used as the denominator :** | | |
| Weighted average number of equity shares used as the denominator in calculating basic earnings per share | 9,00,000 | 9,00,000 |
| Adjustments for calculation of diluted earnings per share : | - | - |
| **Weighted average number of equity shares and potential equity shares used as the denominator in calculating basic earnings per share** | **9,00,000** | **9,00,000** |

| **4.02 Reconciliation between previous GAAP and Ind AS as at March 31, 2015** | **Notes to first-time adoption** | **Previous GAAP *** | **Adjustments** | **Ind AS** |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | | - | - | - |
| Capital work-in-progress | | - | - | - |
| Investment Property | | - | - | - |
| Goodwill | | - | - | - |
| Other Intangible assets | | - | - | - |
| Intangible assets under development | | - | - | - |
| Financial assets | | | | |
| Investments | | - | - | - |
| Trade Receivables | | - | - | - |
| Loans | | - | - | - |
| Other financial assets | | - | - | - |
| Deferred tax assets (Net) | | - | - | - |
| Other non-current assets | | - | - | - |
| **Total non-current assets** | | **-** | **-** | **-** |
| **Current Assets** | | | | |
| Inventories | | - | - | - |
| Financial Assets | | | | |
| Investments | | - | - | - |
| Trade Receivables | | - | - | - |
| Cash and cash equivalents | | - | - | - |
| Bank balances other than above | | - | - | - |
| Loans | | - | - | - |
| Other financial assets | | - | - | - |
| Current tax assets (Net) | | - | - | - |
| Non-current assets classified as held for sale | | - | - | - |
| Other current assets | | - | - | - |
| **Total current assets** | | **-** | **-** | **-** |
| **Total assets** | | **-** | **-** | **-** |

**MNS FOODS PRIVATE LIMITED**
**Notes to Financial Statements for the year ended March 31, 2017**
All amounts are in Rupees in Lakhs unless otherwise stated

| | | | |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity Share capital | - | - | - |
| Other Equity | - | - | - |
| **Total equity** | **-** | **-** | **-** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | - | - | - |
| Other financial liabilities | - | - | - |
| Provisions | - | - | - |
| Deferred tax liabilities (Net) | - | - | - |
| Other non-current liabilities | - | - | - |
| **Total non-current liabilities** | **-** | **-** | **-** |
| **Current liabilities** | | | |
| Financial Liabilities | | | |
| Borrowings | - | - | - |
| Trade payables | | | |
| Total outstanding dues of Micro Enterprises & Small Enterprises | - | - | - |
| Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | - | - | - |
| Other financial liabilities | - | - | - |
| Other current liabilities | - | - | - |
| Provisions | - | - | - |
| Current Tax Liabilities (Net) | - | - | - |
| Liabilities directly associated with assets classified as held for sale | - | - | - |
| **Total current liabilities** | **-** | **-** | **-** |
| **Total equity and liabilities** | **-** | **-** | **-** |

| **4.03 Reconciliation between previous GAAP and Ind AS as at March 31, 2016** | **Notes to first-time adoption** | **Previous GAAP** | **Adjustments** | **Ind AS** |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | | - | - | - |
| Capital work-in-progress | A | 9.60 | 4.34 | 5.26 |
| Investment Property | | - | - | - |
| Goodwill | | - | - | - |
| Other Intangible assets | | - | - | - |
| Intangible assets under development | | - | - | - |
| Financial assets | | | | - |
| Investments | | - | - | - |
| Trade Receivables | | - | - | - |
| Loans | | - | - | - |
| Other financial assets | | - | - | - |
| Deferred tax assets (Net) | | - | - | - |
| Other non-current assets | | 83.00 | - | 83.00 |
| **Total non-current assets** | | **92.60** | **4.34** | **88.26** |
| **Current Assets** | | | | |
| Inventories | | - | - | - |
| Financial Assets | | | | - |
| Investments | | - | - | - |
| Trade Receivables | | - | - | - |
| Cash and cash equivalents | | 44.95 | - | 44.95 |
| Bank balances other than above | | - | - | - |
| Loans | | - | - | - |
| Other financial assets | | - | - | - |
| Current tax assets (Net) | | - | - | - |
| Non-current assets classified as held for sale | | - | - | - |
| Other current assets | | 8.37 | - | 8.37 |
| **Total current assets** | | **53.32** | **-** | **53.32** |
| **Total assets** | | **145.92** | **4.34** | **141.58** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity Share capital | | 90.00 | - | 90.00 |
| Other Equity | | -6.79 | - | -6.79 |
| **Total equity** | | **83.21** | **-** | **83.21** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | A | 16.39 | 4.34 | 12.05 |
| Other financial liabilities | | - | - | - |
| Provisions | | - | - | - |
| Deferred tax liabilities (Net) | | - | - | - |
| Other non-current liabilities | | - | - | - |
| **Total non-current liabilities** | | **16.39** | **4.34** | **12.05** |
| **Current liabilities** | | | | |
| Financial Liabilities | | | | |
| Borrowings | | 40.00 | - | 40.00 |
| Trade payables | | | - | - |
| Total outstanding dues of Micro Enterprises & Small Enterprises | | - | - | - |
| Total outstanding dues of Creditors other than Micro Enterprises & Small Enterprises | | - | - | - |
| Other financial liabilities | | 5.88 | - | 5.88 |
| Other current liabilities | | 0.44 | - | 0.44 |
| Provisions | | - | - | - |
| Current Tax Liabilities (Net) | | - | - | - |
| Liabilities directly associated with assets classified as held for sale | | - | - | - |
| **Total current liabilities** | | **46.32** | **-** | **46.32** |
| **Total equity and liabilities** | | **145.92** | **4.34** | **141.58** |

**MNS FOODS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| 4.04 | **Reconciliation of total comprehensive income for the year ended March 31, 2016** | **Notes to first-time adoption** | **Previous GAAP *** | **Adjustments** | **Ind AS** |
|---|---|---|---|---|---|
| | **Continuing operations** | | | | |
| | Revenue from operations | | - | - | - |
| | Other income | | - | - | - |
| | Other gains/ (losses) - net | | - | - | - |
| | **Total Income** | | **-** | **-** | **-** |
| | **Expenses** | | | | |
| | Cost of materials consumed | | - | - | - |
| | Purchase of stock-in-trade | | - | - | - |
| | Changes in inventories of finished goods, work-in-progress and stock-in-trade | | - | - | - |
| | Excise duty on sale of goods | | - | - | - |
| | Manufacturing expenses | | - | - | - |
| | Employee benefits expense | | - | - | - |
| | Finance costs | | - | - | - |
| | Depreciation and amortization expense | | - | - | - |
| | Impairment loss on financial assets | | - | - | - |
| | Impairment on non-current assets | | - | - | - |
| | Other expenses | | 6.79 | - | 6.79 |
| | **Total Expenses** | | **6.79** | **-** | **6.79** |
| | **Profit / (loss) before exceptional items and tax** | | **-6.79** | **-** | **-6.79** |
| | Exceptional items | | - | - | - |
| | **Profit / (loss) before tax** | | **-6.79** | **-** | **-6.79** |
| | Tax expenses | | | | |
| | Current tax | | - | - | - |
| | Income-tax liability/(write back) of earlier years | | - | - | - |
| | Deferred tax | | - | - | - |
| | Total tax expense | | - | - | - |
| | **Profit / (loss) for the period from continuing operations** | | **-6.79** | **-** | **-6.79** |
| | **Profit / (loss) for the period from discontinued operations before tax** | | - | - | |
| | **Profit/ (loss) for the period** | | **(6.79)** | **-** | **-6.79** |
| | **Other comprehensive income** | | - | - | - |
| | **Total comprehensive income** | | **-6.79** | **-** | **-6.79** |

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

| 4.05 | **Reconciliation of total equity as at March 31, 2016 and April 1, 2015** | **March 31, 2016** | **April 1, 2015** |
|---|---|---|---|
| | Total equity (shareholder's funds) as per previous GAAP | 83.21 | - |
| | **Adjustments :** | | |
| | Fair valuation of investments | - | - |
| | Interest income on Security deposits | - | - |
| | Rentals component on Security deposits | - | - |
| | Depreciation on Lease hold Land and land Improvement | - | - |
| | Provision for expected credit losses on trade receivables | - | - |
| | Fair valuation of security deposits | - | - |
| | Discounting of provisions | - | - |
| | Tax effects of adjustments | - | - |
| | **Total adjustments** | **-** | **-** |
| | **Total equity as per Ind AS** | **83.21** | **-** |

| 4.06 | **Reconciliation of total comprehensive income for the year ended March 31, 2016** | **Notes to first-time adoption** | **March 31, 2016** |
|---|---|---|---|
| | Profit after tax as per previous GAAP | | -6.79 |
| | **Adjustments :** | | |
| | Fair valuation of investments | | - |
| | Interest income on Security deposits | | - |
| | Rentals component on Security deposits | | - |
| | Depreciation on Lease hold Land and land Improvement | | - |
| | Provision for expected credit losses on trade receivables | | - |
| | Fair valuation of security deposits | | - |
| | Discounting of provisions | | - |
| | Tax effects of adjustments | | - |
| | **Total adjustments** | | - |
| | **Profit after tax as per Ind AS** | | -6.79 |
| | **Other comprehensive income** | | - |
| | **Total comprehensive income as per Ind AS** | | **-6.79** |

**Note**: Total comprehensive income was not reported under previous GAAP. Therefore the reconciliation starts with profit under previous GAAP.

**MNS FOODS PRIVATE LIMITED**

**Notes to Financial Statements for the year ended March 31, 2017**

All amounts are in Rupees in Lakhs unless otherwise stated

| 4.07 Impact of Ind AS adoption on the Standalone statements of cash flows for the year ended March 31, 2016 | Notes | Previous GAAP | Adjustments | Ind AS |
|---|---|---|---|---|
| Net cash flow from operating activities | | -85.47 | - | -85.47 |
| Net cash flow from investing activities | | -13.63 | - | -13.63 |
| Net cash flows from financing activities | | 144.05 | - | 144.05 |
| **Net increase/(decrease) in cash and cash equivalents** | | **44.95** | **-** | **44.95** |
| Cash and cash equivalents as at April 1, 2015 | | - | - | - |
| Effect of exchange rate changes on cash & cash equivalents | | - | - | - |
| **Cash and cash equivalents as at March 31, 2016** | | **44.95** | **-** | **44.95** |

| 4.08 Analysis of changes in cash and cash equivalents for the purposes of statement of cash flows under Ind AS : | Notes | Previous GAAP | Adjustments | Ind AS |
|---|---|---|---|---|
| **Cash and cash equivalents as per previous GAAP** | | 44.95 | - | 44.95 |
| Bank Overdrafts | | - | - | - |
| **Cash and cash equivalents for the purpose of statement of cash flows** | | **44.95** | **-** | **44.95** |

**Explanation of Significant adjustments:**

A- represents processing fee on borrowing costs regrouped to Borrowing from Capital work in progress net of amortisation.

**4.09 Capital management**

**Risk management**

The Company's objectives when managing capital are to

(i) Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or borrow funds.

The Company has commenced operations during the current financial year. The Company has taken borrowings in the form of Inter corporate deposits from its parent Company viz. Future Consumer Limited. The Company has also received advance from promoters. There are no convenants attached to the amounts received. The Company has also resorted to borrowings from Banks post the balance sheet date under which it has received sanctioned facilities of Rs. 20,000,000

**Dividends**

The Company has not declared any dividend during the year or previous year

| 4.10 Contingent liabilities and contingent assets | As at March 31, | | As at April 1, |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| **Contingent liabilities** | | | |
| i. Guarantees given by the Company's Bankers and counter guaranteed by the Company<br>The guarantee is issued for the purpose of grant of import license under the ZERO DUTY EPCG scheme under conditions prescribed therein and is valid till 31/07/2024 | 131.58 | - | - |
| **Contingent Assets** | - | - | - |

| 4.11 Commitments | As at March 31, | | As at April 1, |
|---|---|---|---|
| | 2017 | 2016 | 2015 |
| Capital commitments- Property, plant and Equipment | - | - | - |
| Non-cancellable operating rental leases | 406.34 | - | - |
| **Other Commitments** on account of Export obligation to export within a period of 6 years from 29.06.2016 under Zero duty EPCG Scheme of which 50% should be achieved in block of initial 4 years and balance 50% in subsequent 2 years. No export sales have been made during the year | 683.97 | - | - |

## 4.12 Leases

**Operating lease: Company as lessee**

The company has entered into commercial leases for factory. There are no restrictions placed upon the company by entering into these leases. The lease is non cancellable for a period of 5 years from 01/10/2016

Future minimum rentals payable under non-cancellable operating leases are as follows:

| | Year ended March 31, | |
|---|---|---|
| | **2017** | **2016** |
| Within one year | 79.67 | - |
| After one year but not more than five years | 326.68 | - |
| More than five years | - | - |
| | **406.35** | - |

## 4.13 Capitalization of expenditure

During the year, the company has capitalized the following expenses of revenue nature to the cost of fixed asset. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the company.

| | Year ended March 31, | |
|---|---|---|
| | **2017** | **2016** |
| Salaries, wages and bonus | 9.61 | - |
| Consumption of stores and spares | 1.27 | - |
| Power and fuel | 1.16 | - |
| Cost of Material Consumed | 20.42 | - |
| Professional Fees | 7.50 | - |
| Travelling Expenses | 10.11 | - |
| Rental Charges | 15.49 | - |
| Repairs and Maintanence | 1.77 | - |
| Other Expenses | 1.67 | - |
| Finance costs | 50.25 | - |
| | **119.25** | - |

**MNS FOODS PRIVATE LIMITED**
**Notes to Financial Statements for the year ended March 31, 2017**
All amounts are in Rupees in Lakhs unless otherwise stated

**4.14 Segment information**

The Company has only one operating segment viz. Manufacturing of Wafer Biscuits. The disclosure requirement IND AS 108 as applicable to a single reportable segment are as follows:

1. The Company has a single Customer viz. Future Consumer limited and 100% of its sales are done to said Customer
2. Information about products and services
   The Company engaged in the manufacturing of Wafer Biscuits
3. The operations of the Company are restricted to a single geographical area i.e. India

**4.15 Related party disclosures**

**Names of related parties and related party relationship-where control exists**

| | |
|---|---|
| **Joint Venturers** | Future Consumer Limited |
| **Related parties with whom transactions have taken place during the year** | |
| **Subsidiaries of Joint Venturers** | Integrated Food Park Private Limited |
| | The Nilgirs Dairy Farms Private Limited |
| **Joint Venture of Joint Venturers** | Sublime Foods Private Limited |
| Key management personnel | Nishanth Biyani |
| Relatives of key management personnel | Madhu biyani |
| | Radhika Biyani |

**Related party transactions**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

**a. Particulars of transactions with the related parties for the year 2016-17:**

| Sno | Nature of transactions | Joint Venturers | Joint Venture of Joint Venturers | Subsidiaries of Joint Venturers | Key Management Personnel | Relatives of Key Management Personnel | Total |
|---|---|---|---|---|---|---|---|
| 1 | **Sale of products** | | | | | | |
| | 2016-2017 | 137.73 | 1.51 | - | - | - | 139.24 |
| | 2015-2016 | - | - | - | - | - | - |
| 2 | **Purchases of Raw Materials** | | | | | | |
| | 2016-2017 | 5.22 | - | 8.20 | - | - | 13.42 |
| | 2015-2016 | - | - | - | - | - | - |
| 3 | **Lease Rental Charges** | | | | | | |
| | 2016-2017 | - | - | 23.49 | - | - | 23.49 |
| | 2015-2016 | - | - | - | - | - | - |
| 4 | **Rent Expenses** | | | | | | |
| | 2016-2017 | - | - | 0.40 | - | - | 0.40 |
| | 2015-2016 | - | - | | - | - | - |
| 5 | **Repairs to Plant and Machinery** | | | | | | |
| | 2016-2017 | - | - | 2.52 | - | - | 2.52 |
| | 2015-2016 | - | - | - | - | - | - |
| 6 | **Power and Fuel** | | | | | | |
| | 2016-2017 | - | - | 4.53 | - | - | 4.53 |
| | 2015-2016 | - | - | - | - | - | - |
| 7 | **Water Charges** | | | | | | |
| | 2016-2017 | - | - | 0.66 | - | - | 0.66 |
| | 2015-2016 | - | - | - | - | - | - |
| 8 | **Others(Lab testing charges)** | | | | | | |
| | 2016-2017 | - | - | 0.05 | - | - | 0.05 |
| | 2015-2016 | - | - | - | - | - | - |
| 9 | **Interest on inter corporate deposits** | | | | | | |
| | 2016-2017 | 12.43 | - | - | - | - | 12.43 |
| | 2015-2016 | 0.01 | - | - | - | - | 0.01 |
| 10 | **Interest income on Security Deposits** | | | | | | |
| | 2016-2017 | - | - | 0.39 | - | - | 0.39 |
| | 2015-2016 | - | - | - | - | - | - |
| 11 | **Finance Costs-Capitalised under Plant and Machinery** | | | | | | |
| | 2016-2017 | 13.51 | - | - | - | - | 13.51 |
| | 2015-2016 | - | - | - | - | - | - |
| 12 | **Electricity Charges-Capitalised under Plant and Machinery** | | | | | | |
| | 2016-2017 | - | - | 0.23 | - | - | 0.23 |
| | 2015-2016 | - | - | - | - | - | - |
| 13 | **Water Charges-Capitalised under Plant and Machinery** | | | | | | |
| | 2016-2017 | - | - | 0.04 | - | - | 0.04 |
| | 2015-2016 | - | - | - | - | - | - |
| 14 | **ETP Charges-Capitalised under Plant and Machinery** | | | | | | |
| | 2016-2017 | - | - | 0.01 | - | - | 0.01 |
| | 2015-2016 | - | - | - | - | - | - |
| 15 | **Lease Rental Charges-Capitalised under Plant and Machinery** | | | | | | |
| | 2016-2017 | - | - | 15.49 | - | - | 15.49 |
| | 2015-2016 | - | - | - | - | - | - |
| 16 | **Repairs to Plant and Machinery-Capitalised under Plant and Machinery** | | | | | | |
| | 2016-2017 | - | - | 1.77 | - | - | 1.77 |
| | 2015-2016 | - | - | - | - | - | - |
| 17 | **Capital Work in Progress-Sale** | | | | | | |
| | 2016-2017 | 4.64 | - | - | - | - | 4.64 |
| | 2015-2016 | - | - | - | - | - | - |

**b.Particulars of Outstanding payable/Receivables with the related parties as on 31.03.2017**

| S.no | Nature of transactions | Joint Venturers | Joint Venture of Joint Venturers | Subsidiaries of Joint Venturers | Key Management Personnel | Relatives of Key Management Personnel | Total |
|---|---|---|---|---|---|---|---|
| 1 | **Inter Corporate deposits from promoters** | | | | | | |
| | 2016-2017 | 415.38 | - | - | - | - | 415.38 |
| | 2015-2016 | 20.00 | - | - | - | - | 20.00 |
| 2 | **Trade Receivables** | | | | | | |
| | 2016-2017 | 81.20 | - | - | - | - | 81.20 |
| | 2015-2016 | - | - | - | - | - | - |
| 3 | **Trade Payables** | | | | | | |
| | 2016-2017 | 5.20 | - | 51.01 | - | - | 56.21 |
| | 2015-2016 | - | - | - | - | - | - |
| 4 | **Interest Accrued but not Due on loans** | | | | | | |
| | 2016-2017 | 23.14 | - | - | - | - | 23.14 |
| | 2015-2016 | 0.01 | - | | - | - | 0.01 |
| 5 | **Share Capital** | | | | | | |
| | 2016-2017 | 45.00 | - | - | 18.00 | 27.00 | 90.00 |
| | 2015-2016 | 45.00 | - | - | 18.00 | 27.00 | 90.00 |
| 6 | **Loans(Financial Assets)** | | | | | | |
| | 2016-2017 | - | - | 6.77 | - | - | 6.77 |
| | 2015-2016 | - | - | - | - | - | - |
| 7 | **Prepaid Expenses-(Other Non Current Assets)** | | | | | | |
| | 2016-2017 | - | - | 27.92 | - | - | 27.92 |
| | 2015-2016 | - | - | - | - | - | - |
| 8 | **Prepaid Expenses-(Other Current Assets)** | | | | | | |
| | 2016-2017 | - | - | 2.07 | - | - | 2.07 |
| | 2015-2016 | - | - | - | - | - | - |
| 9 | **Advance From Promoters** | | | | | | |
| | 2016-2017 | - | - | - | 63.45 | 97.50 | 160.95 |
| | 2015-2016 | - | - | - | 2.00 | - | 2.00 |
| 10 | **Other Receivables(Financial Assets)** | | | | | | |
| | 2016-2017 | 4.64 | - | - | - | - | 4.64 |
| | 2015-2016 | - | - | - | - | - | - |

**c Security provided by Related Parties on borrowings**

Borrowings from Siemens Financial Services Private Ltd (NBFC) with outstanding of Rs. 275.67(Rs in Lakhs) and accrued interest but not due of Rs. 2.68 (Rs in lakhs) is covered by Corporate Guarantee by Future Consumer Limited.

The Term loan is also covered by personal guarantee of one of the directors of the Company

**4.16 Subsequent events**

The Company have availed Cash Credit facilities amounting to Rs.200.00( Rs in lakhs) from State Bank of India in the month of April 2017. The Loan is covered by Corporate guarantee of Future Consumer Ltd and personal guarantee of some of the directors of the Company. The said loan is also secured by hypothecation of stock and books debts.

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All amounts are in Rupees in Lakhs unless otherwise stated

| 4.17 Value of imports calculated on CIF basis | Year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Raw materials | - | - |
| Components and spare parts | 6.38 | - |
| Capital goods | 430.22 | - |
| | 436.60 | - |

| 4.18 Expenditure in foreign currency (accrual basis) | Year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Travelling and conveyance | 4.77 | - |
| | **4.77** | - |

| 4.19 Imported and indigenous raw materials, components and spare parts consumed | Year ended March 31, | | | |
|---|---|---|---|---|
| | 2017 | | 2016 | |
| | Amount | % of total consumption | Amount | % of total consumption |
| **Raw Materials** | | | | |
| Imported | - | - | - | - |
| Indigenously obtained | 66.49 | 100% | - | - |
| | 66.49 | 100% | - | - |
| **Packing Materials** | | | | |
| Imported | - | - | - | - |
| Indigenously obtained | 28.16 | 100% | - | - |
| | 28.16 | 100% | - | - |
| **Spare parts** | | | | |
| Imported | - | - | - | - |
| Indigenously obtained | 0.49 | 100% | - | - |
| | 0.49 | 100% | - | - |

| 4.20 Earnings in foreign currency (accrual Year of remittance (ending on) | Year ended March 31, | |
|---|---|---|
| | 2017 | 2016 |
| Exports | - | - |
| | - | - |

**4.21 Details of Specified Bank Notes (SBN) Held and Transacted During the Period from 08-11-16 to 30-12-16**

| Particulars | | Specified Bank Notes | Other Denominations | Total |
|---|---|---|---|---|
| Closing Cash in hand balance as on 08-11-16 | | - | - | - |
| Add: Permitted Receipts | | - | - | - |
| Less: Permitted Payments | | - | - | - |
| Less: Amount Deposited in Banks | | - | - | - |
| Closing Cash in hand balance as on 30-12-16 | | - | - | - |

**4.22 Details of Loans given, security provided and investment made during the year 2016-17 as per section 186 (4) of the Companies Act, 2013**

| Nature of transaction | Name of the recipient | Amount of loan/ security/ acquisition/ guarantee | | | Interest Rate | Purpose of loan/ security/ acquisition/ guarantee | Period |
|---|---|---|---|---|---|---|---|
| | | 2016-17 | 2015-16 | 2014-15 | | | |
| | Nil | | | | | | |

**4.23 Financial Risk Management**

The Company's activities expose it to a variety of financial risks: Foreign exchange risk, Interest rate risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

**a) Foreign exchange risk**

Exposure to foreign exchange risk:

The Company operates in India and has very limited exposure to foreign exchange risks arising from various currency exposures. Foreign exchange risks arise from future commercial transactions and recognized assets and liabilities, when they are denominated in a currency other than Indian Rupee.

**Foreign exchange risk management:**

The Company's foreign exchange risk is minimal as majority of the sales are in local currency. The Company has limited reliance on import of raw materials.

The Company does not have any exposure in Foreign currency as at the end of the year and therefore the disclosure on foreign exchange exposure and sensitivity analaysis are not applicable. The Company has future export obligation under the Zero Duty EPCG Scheme, which the management shall review on a continual basis

**b) Interest rate risk**

Exposure to interest rate risk:

The Company is exposed to interest rate risk because Company borrow funds at fixed interest rates from banks. The Company borrowings in the form of Inter corporate deposits are also at fixed interest rates.

Interest rate risk management:

The interest rate risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. The Company's exposures to interest rates is very minimal as its borrowings have been lower as compared to the size of its operations. The Management reviews the interest risk exposure on a regular basis.

Interest rate risk sensitivity:

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Company's borrowings are at fixed rates and hence disclsoure on sensitivity analysis has not been provided.

**c) Credit risk**

The average credit period on sales of goods is 45 to 90 days. No interest is charged on trade receivables.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experienced and adjusted for forward- looking information. The Company does not have any history of credit loss for trade receivables and therefore no provisioning is required under the matrix. The concentration of credit risk is very high as the entire sales are to a single customer viz. Future Consumer Limited

Credit risk on cash and cash equivalents is limited as Company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

**d) Liquidity Risk**

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has received Inter Company Deposits from parent Company during the year.The company believes that the working capital based on projections and support from Parent Company is sufficient to meet its current requirements. The contractual maturities of all liabilities except for employee benefits scheme and bank loans are within 1 year. The impact of unfunded Employee benefit schemes on liquidity is expected to be managed from cash generated from operations. Accordingly, no liquidity risk is perceived.

**4.24 Employee benefit plans**

The Company has determined the liability for employee benefits as at March 31, 2017 in accordance with IND AS 19– Employee benefits

**A. Defined Benefit Plans**

The present value of the defined benefit obligation and the related current cost were measured using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date

**1 Gratuity**

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. The gratuity benefits payable to the employees are based on the employee's service and last drawn salary at the time of leaving. The employees do not contribute towards this plan and the full cost of providing these benefits are met by the Company. In case of death while in service, the gratuity is payable irrespective of vesting.
The Company does not have any plan assets

**2 Leave Encashment**

The Company operates a scheme for Compensated absences wherein the employee is entitled to avail leave benefits as per the policy of the Company. The leave benefits are linked to the salary of the employee and the employee is entitled to either avail paid leave or encash unavailed leave either during employment or on retirement

Risk exposure to defined benefit plans

The plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

a Principal assumptions

The principal assumptions used for the purposes of the actuarial valuations were as follows.

| Particulars | As at March 31, 2017 | | As at March 31, 2016 | |
|---|---|---|---|---|
| | **Gratuity** | **Leave Encashment** | **Gratuity** | **Leave Encashment** |
| 1. Discount rate | 7.40% | 7.40% | - | - |
| 2. Salary escalation | 5.00% | 5.00% | - | - |
| 3. Mortality rate | IALM(2006-08) Ultimate | IALM(2006-08) Ultimate | - | - |

b The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:

**Present Value of obligations** Amounts in Rs.

| **Particulars** | **As at March 31, 2017** | | **As at March 31, 2016** | |
|---|---|---|---|---|
| | **Gratuity** | **Leave Encashment** | **Gratuity** | **Leave Encashment** |
| 1. Present Value of obligations at beginning of the year | - | - | - | - |
| 2. Interest Cost | - | - | - | - |
| 3. Current Service Cost | 30,505 | 9,856 | - | - |
| 4. Actuarial loss / (gain) | - | - | - | - |
| 5. Benefits Paid | - | - | - | - |
| 6. Projected benefit obligation at the end of the period | 30,505 | 9,856 | - | - |

c. The Company does not have any plan assets and hence the disclosure under plan assets are not provided

d. **Actuarial Loss or Gain Recognised** Amounts in Rs.

| **Particulars** | **As at March 31, 2017** | | **As at March 31, 2016** | |
|---|---|---|---|---|
| | **Gratuity** | **Leave Encashment** | **Gratuity** | **Leave Encashment** |
| 1. Actuarial (gain) Loss for the Year – Obligation | - | - | - | - |
| 2. Actuarial Loss for the year – Planned Assets | - | - | - | - |
| 3. Contributions | - | - | - | - |
| 4. Actuarial (Gain)/Loss recognized | - | - | - | - |

e. **Amount to be recognized in the balance sheet** Amounts in Rs.

| **Particulars** | **As at March 31, 2017** | | **As at March 31, 2016** | |
|---|---|---|---|---|
| | **Gratuity** | **Leave Encashment** | **Gratuity** | **Leave Encashment** |
| 1. Present Value of obligations as at the end of the year | 30,505 | 9,856 | - | - |
| 2. Fair value of Assets at the end of the year | - | - | - | - |
| 3. Funded Status | - | - | - | - |
| 4. Net Liability/ Asset recognized in balance sheet | 30,505 | 9,856 | - | - |

f. **Expenses Recognised in the Statement of Profit & Loss** Amounts in Rs.

| **Particulars** | **As at March 31, 2017** | | **As at March 31, 2016** | |
|---|---|---|---|---|
| | **Gratuity** | **Leave Encashment** | **Gratuity** | **Leave Encashment** |
| 1. Current Service Cost | 30,505 | 9,856 | - | - |
| 2. Interest Cost | - | - | - | - |
| 3. Expected return on Plan Assets | - | - | - | - |
| 4. Net Actuarial (Gain)/Loss recognized in the year | - | - | - | - |
| 5. Expenses recognized in statement of Profit & Loss | 30,505 | 9,856 | - | - |

g. **Expected Future Cash Flows** Amounts in Rs.

| **Particulars** | **As at March 31, 2017** | | **As at March 31, 2016** | |
|---|---|---|---|---|
| | **Gratuity** | **Leave Encashment** | **Gratuity** | **Leave Encashment** |
| Year 1 | 67 | 329 | - | - |
| Year 2 | 73 | 339 | - | - |
| Year 3 | 80 | 349 | - | - |
| Year 4 | 88 | 360 | - | - |
| Year 5 | 565 | 372 | - | - |
| Year 6 to 10 | 4,213 | 2,054 | - | - |

h. The Company does not have any categories of plan assets and hence the said disclsoures are not given

i. Expenses recognised for defined benefit plan and movement of plan assets and liabilities

Following is the amount recognised in statement of profit and loss, other comprehensive income, movement in defined benefit liability (i.e. gratuity)

Amounts in Rs.

| | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| **Particulars** | **For the year ended March 31, 2017** | **For the year ended March 31, 2016** | **For the year ended March 31, 2017** | **For the year ended March 31, 2016** |
| A. Components of expense recognised in the Statement of Profit and Loss | | | | |
| Current service cost | 30,505 | - | 9,856 | - |
| Past service cost and (gain)/loss from settlements | - | - | - | - |
| Net interest expenses | - | - | - | - |
| **Total (A)** | **30,505** | **-** | **9,856** | **-** |
| B. Components of defined benefit costs recognised in other Comprehensive Income | | | | |
| Remeasurement on the net defined benefit liability: | | | | |
| -Return on plan assets (excluding amounts included in net interest expense) | - | - | - | - |
| -Actuarial gains and losses arising from changes in demographic assumptions | - | - | - | - |
| -Actuarial gains and losses arising from changes in financial assumptions | - | - | - | - |
| -Actuarial gains and losses arising from experience adjustments | - | - | - | - |
| -Adjustments for restrictions on the defined benefit asset | - | - | - | - |
| **Total (B)** | **-** | **-** | **-** | **-** |
| C. Movements in the present value of the defined benefit obligation | | | | |
| Opening defined benefit obligation | - | - | - | - |
| Current service cost | 30,505 | - | 9,856 | - |
| Interest cost | - | - | - | - |
| Remeasurement (gains)/losses: | - | - | - | - |
| -Actuarial gains and losses arising from changes in demographic assumptions | - | - | - | - |
| -Actuarial gains and losses arising from changes in financial assumptions | - | - | - | - |
| -Actuarial gains and losses arising from experience adjustments | - | - | - | - |
| Past service cost, including losses/(gains) on curtailments | - | - | - | - |
| Liabilities assumed/ (settled) in a business combination | - | - | - | - |
| Benefits paid | - | - | - | - |
| **Closing defined benefit obligation (C)** | **30,505** | **-** | **9,856** | **-** |
| D. Movements in the fair value of the plan assets | | | | |
| Opening fair value of plan assets | - | - | - | - |
| Interest income | - | - | - | - |
| Remeasurement gain (loss): | | | | |
| -Return on plan assets (excluding amounts included in net interest expense) | - | - | - | - |
| Contributions from Company | - | - | - | - |
| Contributions from plan participants | | - | | - |
| Assets acquired/ (settled) in a business combination | | | | |
| Benefits paid | - | - | - | - |
| **Closing fair value of plan assets (D)** | **-** | **-** | **-** | **-** |

j. Sensitivity analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

| | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| **Increase/ (decrease) in defined benefit liability** | **As at March 31, 2017** | **As at March 31, 2016** | **As at March 31, 2017** | **As at March 31, 2016** |
| Impact on discount rate for 100 basis points increase in defined benefit obligation of gratuity | 27,876 | - | 8,399 | - |
| Impact on discount rate for 100 basis points decrease in defined benefit obligation of gratuity | 37,451 | - | 11,692 | - |
| Impact on salary escalation rate for 100 basis points increase in defined benefit obligation of gratuity | 37,434 | - | 11,572 | - |
| Impact on salary escalation rate for 100 basis points decrease in defined benefit obligation of gratuity | 27,841 | - | 8,381 | - |

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

k. The weighted average duration of the gratuity plan is 25.47 years