

**MRS. BECTORS FOOD SPECIALITIES  
LIMITED**

**23<sup>RD</sup>**

**ANNUAL REPORT  
2017-2018**

<b>BOARD OF DIRECTORS</b>		
Sh. Anoop Bector	Chairman & Managing Director	
Smt. Rajni Bector	Director	
Sh. Parveen Kumar Goel	Wholetime Director	
Sh. Ishaan Bector	Wholetime Director	
Sh. Subhash Agarwal	Independent Director	
Sh. Nem Chand Jain	Independent Director	
Sh. Tarun Khanna	Nominee Director	
Sh. Rahul Goswamy	Nominee Director	
<b>CHIEF FINANCIAL OFFICER:</b>		
Sh. Parveen Kumar Goel		
<b>COMPANY SECRETARY:</b>		
Sh. Atul Sud		
<b>SHARE TRANSFER AGENTS</b>		
Skyline Financial Services Private Limited D-153 A, 1st Floor, Okhla Industrial Area, Phase - I   New Delhi-110 020. Tel.: 011 Direct no-011-41044923   Fax: +91 11 26812682   Web:www.skylinerta.com		
<b>AUDITORS</b>		
M/s. B S R & Co. LLP (ICAI Firm registration number 101248W/ W100022)		
<b>REGISTERED OFFICE</b>		
Theing Road, Phillaur-144410		
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*Baked with love. Just for you!*

## **Mrs. Bectors Food Specialites Limited**

Regd. Office: Theing Road, Phillaur-144410

Corporate office: - 8th Floor, Vatika Towers, Golf Course Road, Gurgaon

(CIN: U74899PB1995PLC033417)

Tel No. 01826- 225418 Fax No. 01826 – 222915 E-mail: cs.bis@cremica.in website: www.cremica.in

### **NOTICE OF 23<sup>RD</sup> ANNUAL GENERAL MEETING OF THE MEMBERS**

**NOTICE** is hereby given that the 23rd Annual General Meeting of the Members of **MRS. BECTORS FOOD SPECIALITIES LIMITED ('The Company')** will be held at shorter notice at the registered office of the Company situated at Theing Road, Phillaur, Distt. Jalandhar, Punjab – 144410 on Wednesday, 1<sup>st</sup> Day of August, 2018 at 5:00 PM to transact the following Business:

#### **ORDINARY BUSINESS**

**1. To receive, consider and adopt:**

(a) the audited standalone financial statement of the Company for the financial year ended March 31, 2018, the reports of the Board of directors and Statutory Auditors thereon: and

(b) the audited consolidated financial statement of the Company for the financial year ended March 31, 2018, and reports of the Statutory Auditors thereon:

2. To confirm the interim dividend of Re. 0.75/- per share paid during the year as the final dividend for the year ended 31.03.2018

3. To Appoint Director in place of Mr. Ishaan Bector, Director (DIN NO. 02906180) who retires by rotation and being eligible offers himself for reappointment.

4. To Appoint Director in place of Mrs. Rajni Bector, Director (DIN NO. 00108730) who retires by rotation and being eligible offers herself for reappointment.

5. To ratify the appointment of Statutory Auditor:

To Consider and if thought fit to pass, with or without modification(s), the following as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to Sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013 and the allied Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) the appointment of M/s. B S R & Co. LLP (ICAI Firm registration number 101248W/W100022), as the Statutory Auditors of the Company to hold office as such till the conclusion of 24th Annual General Meeting, be and is hereby ratified to hold office from the conclusion of the

23rd Annual General Meeting until the conclusion of the 24th Annual General Meeting to be held in the year 2019."

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to fix such remuneration as may be determined by the Board of Directors in consultation with the Statutory Auditors in connection with the audit and that the remuneration may be paid on a progressive billing basis to be agreed between the Statutory Auditors and the Board of Directors of the Company."

## **SPECIAL BUSINESS**

### **6. APPOINTMENT OF MR. RAJIV DEWAN (DIN No: 00007988) AS AN INDEPENDENT DIRECTOR OF THE COMPANY**

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 read with the rules made thereunder, relevant regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), and other applicable provisions, if any (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, permissions, as may be required Mr. Rajiv Dewan (DIN: 00007988) who was appointed as an Additional Director (Non-executive and Independent) on the Board of Directors of the Company w.e.f. 10<sup>th</sup> July 2018 and who holds office upto the date of this Annual General Meeting in terms of Section 161(1) of the Companies Act, 2013 ("the Act"), but who is eligible for appointment and has consented to continue to act as Non-Executive Independent Director of the Company and in respect of whom the Company has received a Notice in writing from a member under section 160 of the Act, proposing his candidature for the office of a Director of the Company be and is hereby appointed as Director of the Company to continue to act as Non-Executive Independent Director for a term of 5 (five) consecutive years from the date of his appointment i.e., 10.07.2018 and his office shall not be liable to retire by rotation."

**"RESOLVED FURTHER THAT**, Mr. Anoop Bector, Managing Director (Din no. 00108589) and/or Mr. Ishaan Bector, Wholtime Director (Din no. 02906180) be and are hereby severally authorized to do all the acts, deeds and things which are necessary to the appointment of Mr. Rajiv Dewan as an Independent Director of the Company."

### **7. RAISING OF CAPITAL THROUGH AN INITIAL PUBLIC OFFERING**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

**"RESOLVED THAT** in accordance with the provisions of Section 62(1)(c), the provisions of the memorandum of association of the Company and articles of association of the Company and any other applicable provisions of the Companies Act, 2013, along with the rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force, the "Companies Act, the Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, as amended ("SCRA"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)



Regulations, 2009, as amended ("**SEBIICDR Regulations**"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("**SEBI Listing Regulations**"), other applicable regulations and guidelines issued by the Securities and Exchange Board of India ("**SEBI**"), other applicable laws, regulations, guidelines, ordinances, policies, notifications, circulars or clarifications issued from time to time by the Government of India ("**Gol**"), Department of Industrial Policy and Promotion, Government of India ("**DIPP**"), the Reserve Bank of India ("**RBI**"), Department of Economic Affairs, Ministry of Finance, the Registrar of Companies, Punjab and Chandigarh ("**Registrar of Companies**"), the Department of Economic Affairs, Ministry of Finance, Government of India ("**DEA**") and the relevant stock exchanges where the equity shares of the Company of face value Rs. 10/- each (the "**Equity Shares**") are proposed to be listed (the "**Stock Exchanges**") (collectively the "**Applicable Laws**"), and the enabling provisions of the Memorandum of Association of the Company and the Articles of Association of the Company, and subject to the approval of relevant government, statutory, supervisory and/or regulatory authorities, including the DIPP, the SEBI, RBI, the Registrar of Companies, DEA and the Stock Exchanges, and such other approvals, permissions and sanctions, as may be necessary, consents from third parties (including lenders of the Company) and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, the consent, approval, authority and sanction of the members be and is hereby granted to create, issue, offer and allot Equity Shares for cash up to an aggregate of upto ₹ 10,000 million by way of a fresh issue of Equity Shares of the Company (the "**Fresh Issue**") or an offer for sale of Equity Shares ("**Offer for Sale**") by the shareholders of the Company ("**Selling Shareholders**"), or both in the course of the initial public offering of the Equity Shares (the "**Offer**") (provided that such number of additional Equity Shares to the extent of up to 10% of the issue size or such other extent as may be permitted under the SEBI ICDR Regulations may be issued and allotted as may be required for the purposes of rounding off to the nearest integer while finalising the basis of allotment, including the issue and allotment of Equity Shares to the stabilizing agent pursuant to the Green Shoe Option, if any, in terms of the SEBI ICDR Regulations), which shall include, without limitation, fresh Equity Shares issued and allotted in any private placement to selected investors as permitted under the applicable laws pursuant to any pre-IPO placement ("**Pre-IPO Placement**"), reservation of a certain number of Equity Shares, for any category or categories of persons as permitted under the applicable laws including eligible employees, discount to the issue price to retail individual bidders or eligible employees and a Green Shoe Option of up to a certain number of Equity Shares at a price to be determined by the book building process in terms of the SEBI ICDR Regulations or otherwise in accordance with Applicable Laws, at such premium or discount per Equity Share as may be fixed and determined by the Board in consultation with the book running lead managers ("**BRLMs**") and the Selling Shareholders in accordance with the SEBI ICDR Regulations, to any category of persons who are eligible investors, who may or may not be the shareholder(s) of the Company as the Board and the Selling Shareholders may, in consultation with the BRLMs decide, including anchor investors and qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations, foreign/ resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise), Hindu undivided families, employees working in India or abroad, non-resident Indians, registered foreign portfolio investors ("**FPIs**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended, alternative investment funds, venture capital funds, foreign venture capital investors, state industrial development corporations, insurance companies, insurance funds, provident funds, pension funds, national investment fund, insurance funds,

trusts/societies registered under the Societies Registration Act, 1860, development financial institutions, multilateral and bilateral financial institutions, bodies corporate, companies, private or public or other entities whether incorporated or not, authorities and to such other persons, including high net worth individuals, retail individual bidders or other entities, in one or more combinations thereof, or any other category of investors who are permitted to invest in Equity Shares as per Applicable Law, through an offer document, prospectus and/or an information memorandum, if any, and the decision to determine the category or categories of investors to whom the allotment/transfer shall be made to the exclusion of all other categories of investors and in such manner as the Board and the Selling Shareholders may in its discretion, deem fit, including in consultation with BRLMs, underwriters, placement agents and/or other advisors as may be appointed for the Offer on such terms as may be deemed appropriate by the Board.”

**“RESOLVED FURTHER THAT**, the Board may invite the existing shareholders of the Company to participate in the Offer by making an Offer for Sale in relation to such number of Equity Shares held by them, and which are eligible for the Offer for Sale in accordance with the SEBI ICDR Regulations, as the Board may determine in consultation with the BRLMs, subject to the receipt of consent of SEBI, GoI, RBI, the Registrar of Companies and/or such other approvals, permissions and sanctions of all other concerned regulatory authorities and departments, if and to the extent necessary, and subject to such conditions and modifications as may be prescribed in granting such approvals, permissions and sanctions, at a price to be determined by the book building process in terms of the SEBI ICDR Regulations, for cash at such premium per share as may be fixed and determined by the Company and Selling Shareholders in consultation with the BRLMs, to such category of persons as may be permitted or in accordance with the SEBI ICDR Regulations or other applicable law, if any, as may be prevailing at that time and in such manner as may be determined by the Board and the Selling Shareholders in consultation with the BRLMs and/or underwriters and/or the stabilizing agent and/or other advisors or such persons appointed for the Offer.”

**“RESOLVED FURTHER THAT**, the Equity Shares so allotted or transferred in the Offer shall be subject to the memorandum of association and the articles of association of the Company and shall rank *pari-passu* in all respects with the existing Equity Shares.”

**“RESOLVED FURTHER THAT**, the Equity Shares allotted/ transferred through the Offer be listed at one or more recognized stock exchanges in India.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized on behalf of the Company to delegate all or any of the powers herein conferred in such manner as it may deem fit for the purpose of giving effect to the above resolutions and any offer, issue, transfer and allotment of Equity Shares pursuant to the Offer, including but without limitation, to the following:

- (i) constituting a committee for the purposes of any issue, transfer, offer and allotment of Equity Shares, and other matters in connection with or incidental to the Offer, including determining the anchor investor portion and allocate such number of Equity Shares to Anchor Investors as may be decided by the Company and the Selling Shareholders in consultation with the BRLMs and in accordance with the SEBI ICDR Regulations and to constitute such other committees of the Board, as may be required under Applicable Laws, including as provided in the SEBI Listing Regulations;

- (ii) authorization of any director or directors of the Company or other officer or officers of the Company, including by the grant of power of attorney, to do such acts, deeds and things as such authorized person in his/her/its absolute discretion may deem necessary or desirable in connection with any issue, transfer, offer and allotment of Equity Shares;
- (iii) giving or authorizing any concerned person on behalf of the Company to give such declarations, affidavits, certificates, consents and authorities as may be required from time to time;
- (iv) appointing the BRLMs in accordance with the provisions of the SEBI ICDR Regulations and other Applicable Laws;
- (v) seeking, if required, any approval, consent or waiver from the Company's lenders, and/or parties with whom the Company has entered into various commercial and other agreements, and/or any/all concerned government and regulatory authorities in India, and/or any other approvals, consents or waivers that may be required in connection with any issue, transfer, offer and allotment of Equity Shares and approving and issuing advertisements in relation to the Offer;
- (vi) deciding with the Selling Shareholders and in consultation with the BRLMs the Offer size, the pricing of the Equity Shares, the Bid / Offer Opening Date, Bid/Offer Closing Date (including bid opening and bid closing dates for anchor investors), Discount (if any), Reservation (if any), other terms and conditions of the Offer and all other related matters, including the determination of the minimum subscription for the Offer, in accordance with Applicable Laws;
- (vii) taking on record the approval of the Offer for Sale;
- (viii) approval of the draft red herring prospectus ("DRHP"), the red herring prospectus ("RHP") and the prospectus ("Prospectus") and the preliminary and final international wrap (including amending, varying or modifying the same, or providing any notices, addenda, or corrigenda thereto, together with any summaries thereof as may be considered desirable or expedient) in relation to the Offer as finalized in consultation with the BRLMs and the Selling Shareholders, in accordance with Applicable Laws;
- (ix) withdrawing the DRHP or the RHP or not proceeding with the Offer at any stage in accordance with Applicable Laws and in consultation with the BRLM(s) and the Selling Shareholders;
- (x) seeking the listing of the Equity Shares on the Stock Exchanges, submitting the listing application to such Stock Exchanges and taking all actions that may be necessary in connection with obtaining such listing;
- (xi) appointing, in consultation with the BRLMs and the Selling Shareholders, the registrar and other intermediaries to the Offer, in accordance with the provisions of the SEBI ICDR Regulations and other Applicable Laws and entering into the required agreements with all intermediaries;
- (xii) finalization of and arrangement for the submission of the DRHP to be submitted to the SEBI and the Stock Exchanges for receiving comments, the RHP and the

Prospectus to be filed with the Registrar of Companies, and any corrigendum, addendum, amendments supplements thereto;

- (xiii) authorization of the maintenance of a register of holders of the Equity Shares;
- (xiv) finalization of the basis of allotment of the Equity Shares;
- (xv) acceptance and appropriation of the proceeds of the Fresh Issue in accordance with Applicable Laws; and
- (xvi) to do any other act and/or deed, to negotiate and execute any document(s), application(s), agreement(s), undertaking(s), deed(s), affidavits, declarations and certificates, and/or to give such direction as it deems fit or as may be necessary or desirable with regard to the Offer.

**“RESOLVED FURTHER THAT** the Board is hereby authorised to negotiate, finalize and execute all such agreements and arrangements as well as amendments, supplements, notices or addenda or corrigenda thereto in connection with the Offer, for appointment of BRLMs and in consultation with the Selling Shareholders for appointment of - the intermediaries, underwriters, escrow agents, registrar, bankers to the Offer, legal counsels, depository(ies), advertising agency, and all such persons or agencies as may be involved in or concerned with the Offer and to remunerate all such agencies in cash or otherwise, including by way of payment of commission, brokerage, fees, or reimbursement for expenses incurred in relation to the Offer”.

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board or any committee thereof , or any person authorized by it be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment, transfer and utilization of the proceeds and further to do all such acts, deeds, matters and things and to finalize and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit and to give such directions and/or instructions as it may from time to time decide and to accept and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions, including the premium to be charged on the shares, to vary the size of the issue as required by the SEBI, lead managers, banks or other authorities or agencies concerned or as the Board or any committee thereof or any person authorized by it may decide in its absolute discretion in the best interest of the Company without requiring any further approval of the members and to do all such acts, deeds, matters or things whatsoever, including settling any question, doubt or difficulty that may arise from time to time with regard to or in relation to raising of resources as authorized herein and that all or any of the powers conferred on the Board or any committee thereof vide this resolution may be exercised by the Board or such committee thereof as the Board may constitute in this behalf or any person authorized by it.”

**“RESOLVED FURTHER THAT** Mr. Anoop Bector, Managing Director (Din No. 00108589) and/or Mr Ishaan Bector, Whole-time Director (Din No. 02906180) be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution, including filing of the necessary forms with the Registrar of Companies.”

**“RESOLVED FURTHER THAT** certified copies of this resolution be provided to those concerned under the hands of a Director or Company Secretary wherever required.”

## **8. ADOPTION OF NEW ARTICLES OF ASSOCIATION**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

**"RESOLVED THAT**, the revised articles of association, in the form attached to the notice to the shareholders, be and are hereby approved and adopted as the articles of association of the Company in total exclusion and substitution of the Company's existing articles of association."

**RESOLVED FURTHER THAT**, Mr. Anoop Bector, Managing Director (Din No. 00108589) and/or Mr. Ishaan Bector, Whole-time Director (Din No. 02906180) be and are hereby authorized to take all steps for giving effect to the aforesaid resolution, including filing of the necessary forms with the Registrar of Companies."

## **9. INCREASE IN AUTHORISED SHARE CAPITAL AND ALTERATION IN THE CAPITAL CLAUSE OF MEMORANDUM OF ASSOCIATION**

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT**, pursuant to Section 61 and other applicable provisions of the Companies Act, 2013, the authorized share capital of the Company be and is hereby revised and increased from Rs.57,60,00,000 (Rupees Fifty Seven Crores Sixty Lakh only) divided into 5,76,00,000 (Five Crores Seventy Six Lakh) equity shares of Rs. 10/-(Rupees Ten) each, to Rs.57,85,00,000 (Rupees Fifty Seven Crores Eighty Five Lakh only) divided into 5,78,50,000 (Five Crores Seventy Eight Lakh Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten) each.

**"RESOLVED FURTHER THAT**, consequently, pursuant to Section 13 and other applicable provisions of the Companies Act, 2013, the existing clause V of the Memorandum of Association of the Company be and is hereby substituted by the following:

"V. The Share Capital of the Company is Rs. 57,85,00,000 (Rupees Fifty Seven Crores Eighty Five Lakh only) divided into 5,78,50,000 (Five Crores Seventy Eight Lakh Fifty Thousand) equity shares of Rs. 10/- (Rupees ten only) each"

**"RESOLVED FURTHER THAT** Mr. Anoop Bector, Managing Director (Din No. 00108589) and/or Mr. Ishaan Bector, Whole-time Director (Din No. 02906180) be and are hereby severally authorized to take all steps for giving effect to the aforesaid resolution including filing of the necessary forms with the Registrar of Companies."

## **10. IDENTIFICATION OF PROMOTERS AND PROMOTER GROUP**

To consider, and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT**, Mr. Anoop Bector, exercising control over the affairs of the Company, shall henceforth be identified as the promoter of the Company for all purposes,

regulatory, statutory, commercial or otherwise under all applicable laws, including without limitation, the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and the Securities and Exchange Board of India (Prohibition on Insider Trading) Regulations, 2015, each, as amended.”

**“RESOLVED FURTHER THAT**, the members of the Promoter Group (as defined under the ICDR Regulations) be identified accordingly and disclosed accordingly (along with the aforesaid Promoters) in all documents and filings made by the Company with any governmental authority or any other statutory or regulatory body, including disclosures in the DRHP/the red herring prospectus/the prospectus and other documents in relation to the proposed initial public offering of the Company.”

**“RESOLVED FURTHER THAT** Mr. Parveen Kumar Goel, Whole-time Director (Din no. 00007297) and/or Mr Ishaan Bector, Whole-time Director (Din no. 02906180) be and are hereby severally authorized to do all such acts and things that may be necessary or expedient to give effect to above resolution.”

**“RESOLVED FURTHER THAT**, certified copies of this resolution be provided to those concerned under the hands of a Director or Company Secretary wherever required.

**11. TO RE-APPOINT MR. PARVEEN KUMAR GOEL AS THE WHOLE-TIME DIRECTOR OF THE COMPANY FOR A PERIOD OF 3 YEARS**

To consider and if thought fit, to pass with or without modifications the following resolution as a **SPECIAL RESOLUTION**

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197 & 203, of the Companies Act 2013 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 consent of the members be and is hereby accorded for the re-appointment of Mr. Parveen Kumar Goel (DIN No.00007297) as the Whole-time Director (KMP) of the Company for another period of three years with effect from 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2021 on such terms and conditions and payment of remuneration and other perquisites/ benefits to Mr. Parveen Goel during the said period of three years as recommended by Nomination & Remuneration Committee of Directors and as set out in the Explanatory Statement annexed to the notice convening this meeting.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard.”

**12. TO GIVE AUTHORITY UNDER SECTION 180(1)(a) OF THE COMPANIES ACT, 2013 TO SELL, LEASE OR OTHERWISE DISPOSE OF, TO MORTGAGE/ CREATE CHARGES ON THE PROPERTIES OF THE COMPANY**

To consider and if thought fit, to pass with or without modifications the following resolution as a **SPECIAL RESOLUTION**

**“RESOLVED THAT** in supersession of all earlier resolutions passed in this behalf, the consent of the Company be and is hereby granted in terms of Section 180(1)(a) and all other applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) to the Board of Directors (hereinafter referred to as **“Board”** which term shall be deemed to include any committee which the Board may constitute for this purpose) to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner, and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/or immoveable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of business and concern of the Company in certain events of default, in favour of the Lender(s) upto an amount of Rs. 350 Crores, for securing the borrowings availed/to be availed by the Company by way of loan(s) (in foreign currency and/or rupee currency) and Securities (comprising fully/partly Convertible Debentures and/or Non-Convertible Debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/to be issued by the Company, from time to time, subject to the limits approved under Section 180(1)(c) of the Companies Act, 2013, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on repayment, remuneration of the Agent(s)/Trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the Loan Agreement(s)/Heads of Agreement(s), Debenture Trust Deed(s) or any other document, entered into/to be entered into between the Company and the Lender(s)/Agent(s) and Trustee(s), in respect of the said loan(s)/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the Lender(s)/Agent(s) and Trustee(s).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or its duly constituted committee be and is hereby authorised to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgages/charges as aforesaid.

**RESOLVED FURTHER THAT** Mr. Anoop Bector, Managing Director (Din No. 00108589) and/or Mr Ishaan Bector, Wholetime Director (Din No. 02906180) be and are hereby severally authorized to complete the necessary formalities in this regard, to digitally sign the E-forms, wherever required, and to take all necessary decisions and actions as they may deem fit in the best interest of the Company.”

**13. TO BORROW IN EXCESS OF THE PAID-UP CAPITAL AND FREE RESERVES UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** in supersession of all earlier resolutions passed in this behalf, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013 to the Board of Directors of the Company for borrowing from time to time any sum or sums of moneys on such terms and conditions and with or without security as the Board of Directors think fit which, together with moneys already borrowed by the Company (apart from temporary loans either obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 350.00 Crore including all divisions of the Company.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** Mr. Anoop Bector, Managing Director (Din No. 00108589) and/or Mr Ishaan Bector, Wholetime Director (Din No. 02906180) be and are hereby severally authorised to complete the necessary formalities in this regard, to digitally sign E-forms, wherever required, and to take all necessary decisions and actions as they may deem fit in the best interest of the Company.

#### **14. INCREASE IN FPI LIMIT**

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

**"RESOLVED THAT** pursuant to the applicable provisions of Foreign Exchange Management Act, 1999, as amended ("FEMA"), Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2017 as amended up to date, Master Direction, Foreign Investments in India, issued by Reserve Bank of India dated January 4, 2018 (updated as on April 10, 2018) read with the Consolidated Foreign Direct Investment Policy Circular of 2017, the Companies Act and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the [Department of Industrial Policy and Promotion], the Reserve Bank of India, Ministry of Finance, Government of India, Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions, approval of the shareholders of the Company be and is hereby granted for increasing the limit of investment by foreign portfolio investors, as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014, in the Equity Shares of the Company, including, without limitation, by acquisition in the Offer in accordance with the SEBI ICDR Regulations or direct purchase or acquisition from the open market under the Portfolio Investment Scheme under FEMA, from 24% to 49% of the paid-up equity share capital of the Company.

**"RESOLVED FURTHER THAT** Mr. Anoop Bector, Managing Director (Din no. 00108589) and/or Mr Ishaan Bector, Wholetime Director (Din no. 02906180) be and are hereby severally authorized to do all such acts, deeds matters and things as may be necessary, desirable or expedient for giving effect to the above resolution and make such filings with the regulatory authorities to effectively implement this resolution."



## 15. INCREASE IN NRI LIMIT

To consider, and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:-

**“RESOLVED THAT** pursuant to the applicable provisions of FEMA, Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2017 as amended up to date, the Companies Act, the current Master Direction, Foreign Investments in India, issued by Reserve Bank of India dated January 4, 2018 (updated as on April 10, 2018) read with Consolidated Foreign Direct Investment Policy Circular, 2017, and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions of the Reserve Bank of India, Ministry of Finance, Government of India, Ministry of Corporate Affairs, Government of India and other concerned authorities and subject to such conditions as may be prescribed by any of the said concerned authorities while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company, the approval of the shareholders of the Company be and is hereby granted for increasing the limit of investment by non-resident Indians in the equity shares of the Company, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended or direct purchase or acquisition from the open market under the Portfolio Investment Scheme under FEMA, upto 49% of the paid-up equity share capital of the Company.”

**“RESOLVED FURTHER THAT** Mr. Anoop Bector, Managing Director (Din No. 00108589) and/or Mr Ishaan Bector, Whole-time Director (Din No. 02906180) be and are hereby severally authorized to do all such acts, deeds matters and things as may be necessary, desirable or expedient for giving effect to the above resolution and make such filings with the regulatory authorities to effectively implement this resolution.”

**By order of the Board  
For Mrs.Bectors Food Specialities Limited**

Sd/-  
**(ANOOP BECTOR)  
MANAGING DIRECTOR**

DIN – 00108589  
ADDRESS: C-13, SARABHA NAGAR,  
LUDHIANA, PB. – 141001

Date: 10th July, 2018  
Place: Gurugram

## NOTES

**1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND TO VOTE ON A POLL INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company. Proxies in order to be effective, should be duly completed, stamped and must be deposited at the registered office of the Company before the time for commencement of the meeting.

2. The relative Explanatory Statement under Section 102 of the Companies Act, 2013 in respect of Item No. 6, 7, 8, 9, 10, 11, 12, 13, 14 and 15 of the Notice as set out above, is annexed hereto.

3. Copies of Notice of 23rd AGM along with attendance slip & proxy form are being sent by electronic mode only to the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

4. Members are requested to produce the attendance slip duly signed as per specimen signature recorded with the company for admission to the company hall.

5. Members who hold shares in the Dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the 23rd Annual General Meeting.

6. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

7. Members/Proxies are requested to bring to the meeting the Attendance slip duly filled in while attending the Annual General Meeting.

8. The Transfer of Unclaimed Dividend to Investor Education & Protection Fund of the Central Government as required in terms of Section 125 of the Companies Act, 2013, during the current Financial Year is not applicable.

9. The relevant records and documents connected with the businesses set out in the Notice are available for inspection at the Registered Office of the Company between 12.00 Noon and 3.00 P.M. on all working days up to the day of the Annual General Meeting and will also be available at the meeting.

10. This Annual General meeting of the Shareholders of the Company is being convened at a shorter notice. All the members are requested to give their consent.

11. The Attendance Slip, Proxy Form and Route Map of the Venue of the above mentioned meeting is enclosed herewith.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned under item nos. 6 to 15 of the accompanying Notice:

### **ITEM NO. 6**

In order to enhance the financial and operational performance of the Company and to strengthen its Top Management Team, the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Rajiv Dewan as an Additional Director (Non-Executive) as also an Independent Director, not being liable to retire by rotation, for a term commencing from 10th July 2018 to 9th July 2023, subject to the approval of the Members.

As per Section 161(1) of the Act, Mr. Dewan being an Additional Director, holds office upto the forthcoming AGM of the Company to be held on August 1, 2018 and is eligible to be appointed as a Director of the Company. The Company has received a notice in writing from a Member of the Company along with the deposit of requisite amount under Section 160(1) of the Act proposing the candidature of Mr. Dewan for the office of a Director of the Company. Mr. Dewan has consented to act as a Director of the Company.

In terms of Section 149 and other applicable provisions of the Act, Mr. Dewan, is eligible to be appointed as an Independent Director of the Company and has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

Mr. Dewan is a fellow member of the Institute of Chartered Accountants of India and is a practicing Chartered Accountant. He has a rich experience as a chartered accountant. He is currently a partner in R. Dewan & Co., Chartered Accountants, Ludhiana. In the past, he has also served as a director in various companies including JSW Vallabh Tinplate Private Limited, Punjab Communications Limited, Trident Aerospace Limited, Trinetra Technologies Limited, Trident Powercom Limited, Trident Brokers Limited, Trident Research Limited and Trident Brands Limited.

Considering the rich experience and vast knowledge of Mr. Dewan, his presence on the Board will be valuable and would be of immense benefit to the Company. Further, in the opinion of the Board, Mr. Dewan fulfills the conditions specified in the Act and the rules made thereunder and he is independent of the Management. Hence, it is proposed to appoint him as Non-Executive Independent Director of the Company, as per the provisions of the Section 149 of the Act and therefore recommend this resolution for your approval. Copy of the appointment Letter of Mr. Rajiv Dewan as Non-Executive Independent Director setting out the terms and conditions would be available for inspection without any fee to be paid by the members at the Registered Office of the Company during 12.00 Noon to 3.00 p.m. on any working day, excluding holidays.

Mr. Rajiv Dewan does not hold by himself or for any other person on beneficial basis, any shares in the Company.

The Board recommends the resolution as set out at Item No. 6 of the accompanying Notice for the approval by the Members of the Company by way of a Special Resolution.

None of the other Directors, Manager, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested in the proposed Resolution set out in Item No.6 of the Notice except Mr. Rajiv Dewan, being an appointee.

Ms. Dewan is not related to any other Director of the Company. The details of Mr. Dewan along with a brief resume is given in the Annexure to the Notice.

#### **ITEM NO. 7**

The Company intends to list its equity shares (the "**Equity Shares**") on one or more stock exchanges to enable the shareholders to have a formal market place for dealing with the Company's equity shares and proposes to create, offer, issue and allot equity shares of the Company of face value of Rs. 10/- each (the "**Equity Shares**"), on such terms, in such manner, at such time and at such price or prices and as may be discovered in accordance with applicable laws, including without limitation the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI ICDR Regulations**"), to various categories of investors including qualified institutional investors, retail individual investors, non-institutional investors, non-resident Indians, registered foreign portfolio investors and/ or eligible employees, as permitted under the SEBI ICDR Regulations and other applicable laws. Further, the Board may invite the existing members of the Company to participate in such an offering by making an offer for sale in relation to such number of Equity Shares held by them, and which are eligible for offer for sale in accordance with the SEBI ICDR Regulations, as the Board may in consultation with the book running lead managers (the "**BRLMs**") determine. The Equity Shares allotted shall rank in all respects *paripassu* with the existing Equity Shares.

The proposed offering may include a fresh issue of the Equity Shares by the Company (the "**Fresh Issue**") and an offer for sale of Equity Shares (the "**Offer for Sale**" together with the Fresh Issue, the "**Offer**") by certain existing shareholders of the Company (the "**Selling Shareholders**"). An existing shareholder seeking to offer either all or some of the Equity Shares which are eligible for offer for sale in accordance with the SEBI ICDR Regulations, may offer it for sale within the Offer for Sale for such price, as may be determined by the book building process, in accordance with the SEBI ICDR Regulations. The Selling Shareholders must convey their approval by way of a duly executed consent letter addressed to Atul Sud, Company Secretary and Compliance Officer to be sent to the registered office of the Company, by way of registered post, no later than 7.00 p.m. on July 25, 2018 and/or July 26, 2018 in accordance with the letters issued to respective selling shareholders.

The Selling Shareholders participating in the Offer will be required to comply with certain requirements and undertake certain activities, an indicative list of which is set forth below: In addition, the Selling Shareholders may be required to comply with additional requirements under applicable law or such other directions as may be specified by the Company, SEBI and other regulatory authorities.

(i) Eligibility:

In terms of SEBI ICDR Regulations, the Equity Shares offered in the Offer for Sale, subject to the prescribed exemptions, are required to have been held by each Selling Shareholder for a period of at least one year prior to filing of the DRHP with SEBI;

(ii) Dematerialization:

The Equity Shares forming part of the Offer for Sale are required to be fully paid up and held in dematerialized form. To avoid any delays further on in the process, the dematerialization of Equity Shares and credit into escrow account should be undertaken prior to conveying consent for participating in the Offer for Sale, in accordance with the Depositories Act, 1996, as amended and

the regulations made thereunder, read with the central depositories' respective byelaws of National Securities Depository Limited and Central Depository Services (India) Limited.

(iii) Lock-in:

Pursuant to the SEBI ICDR Regulations, the entire pre-Offer equity share capital of the Company, including the Equity Shares held by the Selling Shareholders will be locked-in for a period of one year from the date of allotment of the Equity Shares pursuant to the Offer, in accordance with SEBI ICDR Regulations, other than (i) the Equity Shares offered by way of the Offer for Sale and which are successfully allotted as part of the Offer for Sale, (ii) the Equity Shares, if any, allotted to employees under the ESOP Scheme prior to the Offer, (iii) Equity Shares held by venture capital funds, alternative investment funds of Category I or Category II and foreign venture capital investors, provided that such Equity Shares will be locked in for a period of one year from the date of purchase or acquisition by such entities. Further, the Equity Shares for minimum promoters' contribution will be locked in for a period of three years.

(iv) Proceeds and Expenses in relation to the Offer:

As per the SEBI ICDR Regulations and Companies Act, 2013, the proceeds of the Offer and related refunds and Offer related expenses are required to be borne by the Company and the respective Selling Shareholders in proportion to the number of Equity Shares offered by the Company and the Selling Shareholders through the Offer.

(v) Documentation:

The Selling Shareholders will have to provide duly executed consent and certificate, in relation to compliance and certain confirmations required under the SEBI ICDR Regulations and other applicable law, including in relation to clear title to the Equity Shares held by them and Offer expenses, and a power of attorney authorizing certain officials of the Company to act on their behalf in relation to the Offer.

In the event the Company does not receive any communication within the time and date prescribed above from the existing shareholders, the Company reserves the right to not proceed with the Offer.

Material information pertaining to the Offer is as follows:

(i) Offer Price:

The price at which the Equity Shares will be allotted through the Offer shall be determined and finalized by the Company and the Selling Shareholders, in consultation with the BRLMs in accordance with the SEBI ICDR Regulations, on the basis of the book building process.

(ii) The object(s) of the Offer are:

The proceeds of the offer for sale by the Selling Shareholders, will not be received by the Company.

(iii) Intention of Promoters/Directors/Key managerial personnel to subscribe to the Offer:

The Company has not made and will not make an offer of Equity Shares to any of the promoters, directors or key managerial personnel. However, the directors (other than directors who are also

promoters or a part of the promoter group) or the key managerial personnel may apply for the Equity Shares in the various categories under the Offer in accordance with the SEBI ICDR Regulations.

(iv) Whether a change in control is intended or expected:

No change in control is intended or expected as a result of the Offer.

The Board recommends the resolution for your approval. Additionally, to the extent the above requires amendments to be made in terms of the Companies Act, 2013 and the rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force, the "Companies Act, 2013"), the SEBI ICDR Regulations, any other law or if recommended by various advisors to the Company in connection with the Offer, the Board will make necessary amendments.

All the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) may be deemed to be concerned or interested in the proposed resolution to the extent shares may be subscribed for and allotted in their names.

#### **ITEM NO. 8**

In relation to the Offer of Equity Shares, the articles of association of the Company would also need to be amended accordingly to reflect the requirements of the stock exchanges with which the Company intends to list its Equity Shares and requirements of the Companies Act, 2013. Accordingly, the Board hereby recommends that the revised articles of association placed before the shareholders be approved and adopted.

The Board recommends the resolution for approval of the members of the Company.

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business.

#### **ITEM NO. 9**

Section 61 of the Companies Act, 2013 provides that a limited company having a share capital may, if so authorized by its articles of association, with the consent of its members in its general meeting, alter the conditions of its memorandum of association so as to increase its share capital by such amount as it thinks expedient by issuing new shares.

Article 43 and 44 of the articles of association empowers the Company to increase, consolidate, subdivide, reduce or otherwise alter its Authorized Share Capital, for the time being, and to divide the shares in the capital into several classes with rights, privileges or conditions, as may be determined.

For the purposes as stated hereinabove, it is recommended by the Board that the present Authorized Share Capital should be revised and increased from Rs.57,60,00,000 (Rupees Fifty Seven Crores Sixty Lakh only) divided into 5,76,00,000 (Five Crores Seventy Six Lakh) equity shares of Rs. 10/- (Rupees Ten) each, to Rs.57,85,00,000 (Rupees Fifty Seven Crores Eighty Five Lakh only) divided into 5,78,50,000 (Five Crores Seventy Eight Lakh Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten) each and Clause V of the Memorandum of Association should be amended accordingly.

The Board recommends the resolution for approval of the members of the Company.

None of the directors, key managerial personnel and relatives of directors and/or key managerial personnel (as defined in the Companies Act, 2013) are concerned or interested in the proposed resolution, except in the ordinary course of business.

#### **ITEM NO. 10**

Since the Company is considering an initial public offering of its equity shares, In this context, it is required to identify and disclose its Promoters and Promoter Group in terms of the SEBI ICDR Regulations as a part of the Draft Red Herring Prospectus ("DRHP") to be filed with SEBI and such other authorities or persons as may be required, pursuant to the compliances and disclosures required under the Companies Act, 2013, read with rules made thereunder (the "Companies Act, 2013"), the SEBI ICDR Regulations and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"), each as amended from time to time.

The Board of Directors in their meeting held on July 10, 2018 have identified Mr. Anoop Bector as the Company's 'Promoter' and no other person/ entity has been named as a 'Promoter' in any filing with a regulator and is of the opinion that there are no other individuals / entities that (i) have the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner; (ii) in accordance with whose advice, directions or instructions the Board of the Company is accustomed to act.

Mr. Anoop Bector may be deemed to be interested or concerned in the above matter to the extent of his holding in the company.

Your Directors recommend the resolution as an Ordinary Resolution for your approval under the Companies Act, 2013.

Save and except as above, none of other Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

#### **ITEM NO. 11**

Mr. Parveen Kumar Goel is holding office as Wholetime Director of the Company in terms of appointment approved by the members at Extra-ordinary general meeting of the company held on 31.03.2016. Appointment and remuneration of Mr. Parveen Kumar Goel was approved for a period of three years from w.e.f. 01.04.2016. In view of the overall growth of company under leadership of Mr. Parveen Kumar Goel the company has achieved extraordinary growth in performance of the company in a fiercely competitive environment, realized primarily through management interventions led by Mr. Parveen Kumar Goel. Significant improvements were noted in sales turnover, product mix, cost reduction, operational efficiencies and bottom line figures.

In view of the aforesaid facts, the Board of Directors of the Company at their Meeting held on 20th April, 2018 on the recommendations of the Nomination and Remuneration Committee had approved the re-appointment of Mr. Parveen Kumar Goel as the Whole-time Director (KMP) of the Company, liable to retire by rotation, for a period of three years with effect from 1<sup>st</sup> April, 2018 subject to the approval of the Shareholders

The Terms of re-appointment including remuneration as approved by the Nomination & Remuneration Committee and the Board subject to the approval of the Members to be obtained at this meeting are as follows:

**1. Period**

Three years commencing from 10th July, 2018 with the liberty to either party to terminate the appointment by serving one month's notice in writing or such shorter notice as may be mutually agreed between the Company and Mr. Parveen Goel or payment of an amount equivalent to one month's last drawn remuneration in lieu of said notice.

**2. Remuneration**

Subject to overall limit laid down under Section 197 & 198 of the Companies, 2013, Mr. Parveen Goel shall be entitled to receive from Company following remuneration:-

**(a) Salary:**

For each financial year, consolidated salary (including performance bonus) upto Rs. 80,00,000/-(Rupees Eighty Lacs Only) per annum with further liberty to the Board of Directors of the Company to alter or vary the said remuneration in the best interest of the Company as may be permissible under the applicable laws including Companies Act, 2013 and that the aggregate of the remuneration and perquisites in any financial year shall not exceed the limit from time to time under section 197, 198 and other applicable provisions of the Act and Rules made thereunder, read with Schedule V of the said Act or any statutory modification(s) or re-enactment thereof for the time being in force, or otherwise as may be permissible at law.

So long as Mr. Goel functions as Whole Time Director, he shall not be paid any fees for attending the meetings of the Board or any Committee(s) thereof of the Company.

**(b) Reimbursements**

In addition to the aforesaid salary, Mr. Parveen Goel will be entitled to reimbursements of all expenses actually and properly incurred by him in the course of legitimate business of the Company. Further, he will be entitled for Medical and other reimbursements and personal accident and other insurances as per the rules and policies of the Company.

The Board of Directors be and is hereby authorized to modify/amend the remuneration components within the overall limits of remuneration."

The following perquisites shall not be included in the aforesaid limits:

- i) Contribution to Provident Fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income – tax Act, 1961 (43 of 1961).
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
- iii) Encashment of leave at the end of the tenure.



The above may also be treated as an abstract of terms of appointment and Memorandum of interest under Section 190 of the Companies Act, 2013.

Your Directors recommend the resolution as a Special Resolution for your approval under the Companies Act, 2013.

Save and except as above, none of the other Directors or Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The details of Mr. Goel along with a brief resume is given in the Annexure to the Notice

#### **ITEM NO. 12**

Since the borrowings of the Company are generally required to be secured by way of creation of mortgage and/or charge and/or hypothecation and/or pledge and/or assignments and/or lien on all or any other movable and/or immovable properties of the Company both present and/or future. The members of the Company at the Extra-ordinary General Meeting held on 30th June, 2014, had accorded by way of special resolution their approval to the Board of Directors of the Company for securing the borrowings and financial assistance not exceeding Rs. 200 crores (Rupees Two Hundred Crores) only. Now, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013, the consent of the shareholders is sought for authorising the Board to create mortgage and/or charge and/or hypothecation and/or pledge over the property of the Company, both present and future to secure the borrowings or financial assistance upto an aggregate amount not exceeding Rs. 350.00 Crores (Rupees Three Hundred Fifty Crores) only.

Your Directors recommend the resolution as a Special Resolution for your approval under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

#### **ITEM NO. 13**

The members of the Company, pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting held on 30th day of June, 2014, had accorded by way of special resolution their approval to the Board of Directors of the Company, for borrowing monies on behalf of the Company, from time to time up to an aggregate amount of Rs. 200.00 Crores (Rupees Two Hundred Crores) only, notwithstanding the monies to be borrowed, together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed from the aggregate of the paid up share capital of the Company and its free reserve not set apart for specific purpose. However, having regard to Company's requirement of funds for its growth plans, consent of the shareholders is sought for increasing the said borrowing limit from Rs. 200.00 Crores (Rupees Two Hundred Crores) to Rs. 350.00 Crores (Rupees Three Hundred Fifty Crores) only.

Your Directors recommend the resolution as a Special Resolution for your approval under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

**ITEM NO. 14**

The Company is required to apply to regulatory bodies to enhance the limit of investment by Foreign Portfolio Investors. Pursuant to applicable provisions of Foreign Exchange Management Act, 1999, as amended ("**FEMA**"), Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2017 as amended up to date, Master Direction, Foreign Investments in India, issued by Reserve Bank of India dated January 4, 2018 (updated as on April 10, 2018) read with the Consolidated Foreign Direct Investment Policy Circular of 2017, the Companies Act, 2013 and the rules made thereunder as amended, and all other applicable acts, rules, regulations, provisions and guidelines (including any statutory modifications or re-enactments thereof for the time being in force) the limit upto which the investment by foreign portfolio investors can be done is upto 24%. It is proposed that the Company should apply to regulatory bodies to get the limit enhanced to 49%, if it is so required.

Your Directors recommend the resolution as a Special Resolution for your approval under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

**ITEM NO. 15**

It has been proposed to enhance the limit of investment by NRIs upto 49% so that Non Resident Indians can invest in IPO.

Your Directors recommend the resolution as a Special Resolution for your approval under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel of the Company and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

**By order of the Board  
For Mrs.Bectors Food Specialities Limited**

**Sd/-  
(ANOOP BECTOR)  
MANAGING DIRECTOR**

**DIN – 00108589  
ADDRESS: C-13, SARABHA NAGAR,  
LUDHIANA, PB. – 141001**

Date: 10th July, 2018  
Place: Gurugram

## Details of the Director seeking appointment / re-appointment at the Annual General Meeting

[Pursuant to Paragraph 1.2.5 of Secretarial Standard on General Meetings]

Particulars	Mr. Rajiv Dewan	Mr. Parveen Kumar Goel
Date of Birth	30 <sup>th</sup> November, 1961	21 <sup>st</sup> August, 1963
Date of first Appointment as Director	10 <sup>th</sup> July 2018	2 <sup>nd</sup> April 2007
Qualifications	He is a fellow member of the Institute of Chartered Accountants of India	He holds a bachelors' degree in commerce from Punjab University and a qualified chartered accountant from the Institute of Chartered Accountants of India
Expertise in specific functional area	He is a fellow member of the Institute of Chartered Accountants of India and is a practicing Chartered Accountant. He possesses rich and varied experience in tax planning, management consultancy, business restructuring, capital market operations, SEBI related matters and other corporate laws. He is currently partner in R. Dewan & Co., Chartered Accountants, Ludhiana and also Independent Director of Trident Limited.	He is a Whole-Time Director of our Company. He holds a bachelors' degree in commerce from Punjab University. He is a qualified chartered accountant from the Institute of Chartered Accountants of India. He is currently the chief financial officer of our Company. He has been associated with our Company since April 2, 2007.
Directorships held in other body corporate as on 31 <sup>st</sup> March 2018	Trident Limited	Mrs. Bector's English Oven Limited; Mrs. Bectors Cremica Dairies Private Limited
Membership / Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31 <sup>st</sup> March 2018	Trident Limited Audit Committee: Chairman Stakeholders Relationship Committee: Chairman	Nil
Number of equity shares held in the Company as on 30 <sup>th</sup> June 2018	Nil	Nil
Relationship with other Directors and Key Managerial Personnel	None	None
Remuneration Last Drawn from the Company	NIL	Rs. 49,10,000/- only (For the year 2017-18)
No of meetings of the Board attended during the year	NIL	7 (Seven)

## **BOARD REPORT**

Dear Members,

Your Directors have pleasure in presenting this 23<sup>rd</sup> Annual report on the affairs of the Company together with the Audited Statement of Accounts for the year ended on 31<sup>st</sup> March, 2018.

### **1. Financial Summary or performance of the company**

#### **1A. Standalone Financial Summary or performance of the company:**

Particulars	(In Rs. Mn.)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Revenue from operations (Net)	6533.31	6015.11
Other Income	35.91	23.53
<b>Total Income</b>	<b>6569.22</b>	<b>6038.64</b>
<b>Less: Expenses</b>	<b>5797.05</b>	<b>5411</b>
<b>Profit before Financial Expenses, Depreciation and Taxation</b>	<b>772.17</b>	<b>627.64</b>
Less: Financial expenses(Finance Cost)	55.29	38.64
Less: Depreciation and amortisation	244.11	220.41
<b>Profit before Taxation</b>	<b>472.77</b>	<b>368.59</b>
Less : Tax Expense (Deferred & Current)	152.25	115.36
<b>Profit for the year</b>	<b>320.52</b>	<b>253.23</b>
Add: Other Comprehensive Income / (loss) for the year	1.71	(1.56)
Total comprehensive income for the year	322.23	251.67
<b>Earnings Per Share</b>		
Basic	5.60	4.42
Diluted	5.59	4.42

#### **1B. Consolidated Financial Summary or performance of the company:**

Particulars	(In Rs. Mn.)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Revenue from operations (Net)	6939.65	6386.52
Other Income	17.90	21.54
<b>Total Income</b>	<b>6957.55</b>	<b>6408.06</b>
<b>Less: Expenses</b>	<b>6096.23</b>	<b>5688.86</b>
<b>Profit before Financial Expenses, Depreciation and Taxation</b>	<b>861.32</b>	<b>719.2</b>
Less: Financial expenses(Finance Cost)	57.78	45.02
Less: Depreciation and amortization expense	272.93	249.67
Add: Profit before share of equity accounted investees and tax share of net profit of associates accounted for using the equity method	0.17	0.31
<b>Profit before Taxation</b>	<b>530.78</b>	<b>424.82</b>

Less : Tax Expense (Deferred & Current)	170.30	134.01
<b>Profit for the year</b>	<b>360.48</b>	<b>290.81</b>
Add: Other Comprehensive Income / (loss) for the year	1.75	(1.65)
Total comprehensive income for the year	<b>362.23</b>	<b>289.16</b>
<b>Earnings Per Share</b>		
Basic	6.30	5.08
Diluted	6.29	5.08

## 2. Indian Accounting Standard

The Ministry of Corporate Affairs (MCA) vide its notification dated 16<sup>th</sup> February, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of Companies. The Company has adopted Indian Accounting Standards (Ind AS) and the financial statements have been prepared as per the Indian Accounting standard Rules, 2015, as prescribed under Section (133) of the Companies Act, 2013 read with relevant Rules issued thereunder and the other Accounting Principles generally accepted in India

## 3. Operations

On Stanalone Basis the Company has reported revenue from operations of ₹6533.31 Mn. for the financial year 2017-2018 as compared to ₹6015.11 Mn. in the previous financial year 2016-2017, showing an increase of 8.61% over the previous year. The Net Profit for the year under review amounted to ₹ 320.52 Mn. as compared to ₹253.23 Mn. in the previous year, showing an impressive increase of 26.57%.

On Consolidated basis the Company has reported revenue from operations of ₹6939.65 Mn. for the financial year 2017-2018 as compared to ₹6386.52 Mn. in the previous financial year 2016-2017, showing an increase of 8.66% over the previous year. The Net Profit for the year under review amounted to ₹ 360.48 Mn. as compared to ₹289.16 Mn. in the previous year, showing an impressive increase of 24.66%.

## 4. Transfer to reserves

The Company has not transferred any amount to reserves.

## 5. Dividend

Your Company in the month of March, 2018 declared an Interim Dividend of Re.0.75 per equity share of face value of INR 10 each amounting to Rs.42.95 Mn. for the current Financial Year 2017-2018 to the shareholders, who were on the register of members of the Company as on the closing hours of business on 16th March, 2018, being the record date fixed by the Board of Directors for this purpose. The dividend distribution tax was Rs.5.21 Mn. and accordingly, the total outflow of the Company amounted to Rs.48.16 Mn. The Board of Directors recommend this interim dividend paid as the final dividend for the Financial Year 2017-2018.

To use the financial resources for the future growth of the company, your directors do not recommend any other dividend for financial period 2017-18.

**6. Material Changes between the date of the Board report and end of financial year.**

There have been no material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report.

**7. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.**

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

**7. Subsidiary Company/Joint Venture/Associate Company.**

At the close of financial year 2017-18, the company has two subsidiary companies viz.,

- i. Bakebest Foods Private Limited
- ii. Mrs Bector's English Oven Limited

The company also has one associate company viz., Cremica Agro Foods Limited as on 31<sup>st</sup> March 2018.

As required under the provisions of section 129(3) read with Companies (Accounts) Rules, 2014, a consolidated financial statement of the company and its subsidiaries has been prepared and attached to the standalone financial statement of the company. The consolidated financial statement has been prepared in accordance with the relevant accounting standards.

A separate statement containing the salient features of the financial statement of subsidiaries for the financial year 2017-18, in form AOC-1, (Annexure- D) has been attached along with the financial statement of the company. A copy of separate audited financial statements in respect of the subsidiaries shall be provided upon request by a shareholder.

**8. Statutory Auditor & Audit Report:**

M/s B S R & Co. LLP Chartered Accountants, (Firm Registration No.101248WW-100022) were appointed by the shareholders in the 20th Annual General Meeting as Statutory Auditors of the Company to hold office for the period of four years from Financial year 2015-16 to 2018-2019 i.e. (from conclusion of this (20th Annual General Meeting) till (24th Annual General meeting) subject to ratification by shareholders at each Annual General Meeting. The resolution is therefore placed at this annual general meeting to ratify their appointment. The Company has received a certificate from the statutory auditors to the effect that their re-appointment, if made, would be within the limits prescribed.

There are no qualifications or observations or remarks made by the Auditors in their Report.

**9. Change in the nature of business:**

As required to be reported pursuant to Section 134(3)(q) read with Rule 8(5) (ii) of Companies (Accounts) Rules, 2014, There is no change in the nature of business carried on by company during the financial year 2017-18.

**10. Details of directors and key managerial personnel;**

1. Mr. Anoop Bector is the Managing Director and the key Managerial personnel of the Company.
2. Mr. Parveen Kumar Goel is the Chief Financial officer and Whole-time Director of the Company.
3. Mr. Ishaan Bector is the Whole-time Director of the Company.
4. Mrs Rajni Bector is the non-executive director on the Board of the Company.
5. Mr. Nem Chand Jain (DIN 02894923) and Mr. Subhash Agarwal (DIN 02782473) are Independent directors on the Board of the Company in compliance with provision of sub section 4 of the Companies Act 2013 read with rule 4 of the Companies (Appointment and Qualification of directors) Rules 2014.
6. Mr. Tarun Khanna and Mr. Rahul Goswami are the Nominee Directors on the Board of the Company.
7. Mr. Dharamvir Bector (Din no. 00108654) ceased as director of the Company w.e.f 26.12.2017 due to his unfortunate death.
8. Mrs. Rajni Bector and Mr. Ishaan Bector Directors of the Company shall retire by rotation at Annual General Meeting of the Company pursuant to the provisions of Articles of Association of the company, and being eligible, offers themselves for re-appointment.
9. Mr. Atul Sud continues to be the Company Secretary of the Company and have been also appointed as compliance officer post closure of the financial year.

**11. Deposits:**

**(In Rupees)**

Deposits accepted during the year(including renewed during the year)	Nil
Deposits remained unpaid or unclaimed as the end of the year	Nil
Default in repayment of deposits or payment of interest thereon during the year and if so number of such cases and the total amount involved ( i) at the beginning of the year; (ii) maximum during the year (iii) at the end of the year	Nil
Deposits which are not in compliance with requirement of chapter V of the Companies Act 2013	Nil

**12. Conservation of energy, technology absorption, foreign exchange earnings and outgo:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 is attached herewith as Annexure –A

### **13. Corporate Social Responsibility:**

As on the close of the financial year 2018, the Corporate Social Responsibility (CSR) Committee of the Board comprised of one Executive Non-Independent Director, namely, Mr. Anoop Bector (Managing Director) as Chairman and two Independent Directors, namely Mr. Nem Chand Jain and Mr. Subhash Agarwal.

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy.

The Committee's composition and terms of reference are in compliance with the provisions of the Companies Act, 2013.

The Committee met 4 times during the year i.e., on 11.05.2017, 14.07.2017, 10.11.2017 and 05.03.2018 and recommended to the board a list of activities relating to cleanliness, Education and promoting health care, poverty and malnutrition which has been stipulated in schedule VII of the Companies Act 2013 and to spend at least two percent of the average net profits of the Company made during the three immediately preceding financial years.

#### **Average Net Profit of the Company for last three Financial Years.**

Average Net Profit of the Company for last three financial years is Rs.442.71/- Mn. (Rupees Four hundred and forty two Millions Seven Lakh ten thousand only) calculated according to provisions of section 198 of the Companies Act 2013

#### **Prescribed CSR Expenditure (2% of the amount as specified above)**

Prescribed CSR Expenditure is Rs.8.85/- Mn.(Rupees Eight Millions Eight Lakh Fifty Thousand Only).

#### **Details of CSR Spent during the Financial Year.**

During the year under review, the company has spent Rs. 1.53 Millions on the beautification of the chowk in front of RakhBagh and Rs.1.27 Millions on donating Washing Machines in Civil Hospital. The Company was not able to spend the full amount of two percent of the average net profit of the last three financial years as recommended under the CSR Rule. CSR Committee met Four times during the period under review and made a policy to provide scholarship to poor students and for the eradication of poverty for eligible persons. However, the company could not implement the policy due to non-availability of implementing agency, the company is in a better position now to implement its CSR policy effectively. However, the Company is already paying all its taxes on time whereby it is contributing to the society.



**14. Number of meeting of the Board:**

During the year 2017-18, the Board of Directors met seven times on 11.05.2017, 30.06.2017, 14.07.2017, 05.09.2017, 20.11.2017, 05.03.2018 and 16.03.2018.

**15. Directors' Responsibility Statement:**

Pursuant to the requirement under section 134(3)(C) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2018 and of the profit and loss of the company for that period;

(iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) the directors had prepared the annual accounts on a going concern basis; and

(vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**16. Declaration by Independent Directors**

The Independent directors furnished a declaration that they meet the criteria of Independence as provided in sub section 6 of the section 149 of the Companies Act 2013 at Board meeting held on 11<sup>th</sup> day of May 2017.

**17. Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178;**

The Board of directors has constituted Nomination and Remuneration Committee of the Board consisting of Mr. Nem Chand Jain (Independent Director) as Chairman, Mr. Subhash Agarwal (Independent Director) as Member and Mr. Tarun Khanna (Nominee Director)- Member, in terms of 178 of the Companies Act 2013 read with rule 6 of the Companies (Meeting of Board and its Power) Rules 2014. The Committee does directors Performance evaluation.

The Company considers human resources as its invaluable assets. Policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and other employees has been formulated in terms of the provisions of the Companies Act, 2013 in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to

harmonise the aspirations of human resources consistent with the goals of the Company objective and purpose of the policy

The objectives and purpose of this policy are:

- a. To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a Director (Executive and Non-Executive) and recommend to the Board policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- b. To formulate the criteria for evaluation of performance of all the Directors on the Board;
- c. To devise a policy on Board diversity; and
- d. To lay out remuneration principles for employees linked to their effort, performance and achievement relating to the Company's Goals.

A Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, and independence of a director recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of directors attached herewith as Annexure –C.

#### **18. Board Evaluation**

The Nomination and Remuneration Committee of the Company had approved a Performance Evaluation policy, which was also approved & adopted by the Board of directors. The key features of this policy have also been included in the report. The policy provides for evaluation of the Board and the individual directors, including the Chairman of the Board and Independent Directors.

Subsequent to the year under review, the evaluation for the period 2017-18, was completed as per the policy adopted in compliance with the applicable provisions of the Act. The Board's assessment was discussed with the full Board evaluating, amongst other things, the full and common understanding of the roles and responsibilities of the Board, contribution towards development of the strategy and ensuring robust and effective risk management, understanding of the operational programmes being managed by the Company, receipt of regular inputs, receipt of reports by the Board on financial matters, budgets, operations and services, timely receipt of information with supporting papers, regular monitoring and evaluation of progress towards strategic goals and operational performance, number of board meetings, Committee structures and functioning etc.

The members concluded that the Board was operating in an effective and constructive manner.

#### **19. Particulars of Employee:**

There are two employees of the Company who have received remuneration exceeding the limit as stated in rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 i.e., employees who have received remuneration in excess of Rs. Eight Lacs and Fifty Thousand per month or Rs. One Crore Two Lacs per annum.

Name of the employee	Age	Qualification	Experience (in yrs. )	Nature of employment	Designation	Remuneration for the year ( Rs. )	Date of Appointment as director	Previous Employment
Mr. Anoop Bector	56	B.Com	29	Permanent	Managing Director	2,64,60,000	19.09.1995	He was appointed as Managing Director in Cremica Agro Foods Ltd on 06.09.1989 and has a rich experience in the family business of Food processing.
Mr. Ishaan Bector	29	Bachelor's degree in Arts from Michigan State University	7	Permanent	Whole-time Director	1,25,90,000	15.02.2016	NIL

**20. Extract of the annual return in form MGT-9:**

Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules 2014 is attached with this report as Annexure – G

**21. Secretarial Audit Report:**

M/s. Anuj Bansal & Associates, Company Secretaries Jalandhar has been appointed to conduct Secretarial Audit of the Company pursuant to section 204 of the Companies Act 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. A report submitted by them is attached herewith as Annexure –F. There was no qualification, reservation or adverse remark in the Report of the Secretarial Auditor.

**22. Related Party Transactions:**

Details of related party transactions in Form AOC-2 pursuant to section 134 of the Companies Act 2013 read with rule 8(2) of the Companies (Accounts) Rules 2014 attached herewith as Annexure –E. Further the Complete set of related party transactions are also mentioned in the Note No. 47 of the Notes to Financial Statements.

**23. Share Capital and provision of money by Company for purchase of its own shares by trustees or employees for the benefit of employees:**

Your Company has not issued any equity shares with differential rights, sweat shares, employee stock options and made any provision of money for purchase of its own shares by trustees or employees for the benefit of employees.

**24. Audit Committee and Vigil Mechanism**

As required under Section 177 of the Companies Act, 2013 and rule 6 of the Companies (Meeting of Board and its Powers) Rules 2014, the Board of Directors have already constituted Audit committee, which as of the close of the financial year under review comprised of Mr. Nem Chand Jain, Independent Director as Chairman, Mr. Anoop Bector, Managing Director as Member and Mr. Subhash Agarwal, Independent Director as Member.

The committee held four meetings during the year under review.

The Board of directors established a vigil mechanism to redress the genuine concerns/grievances of the employee and directors of the Company. Mr. Joginder Singh, Factory Manager has been designated to hear the grievances of the employees and directors of the Company; however offences of serious nature may be brought to the attention of the Chairman of the Audit Committee of the Company who shall after hearing the concerned person award appropriate punishment to the offender.

**25. Risk Management Policy**

The Company has a Risk Management Policy with an objective to formalize the process of identification of potential risk and adopt appropriate risk mitigation measures through a risk management structure. The Risk Management Policy is a step taken by the Company towards strengthening the existing controls. The Business of the Company solely depends upon the agricultural produce which is highly seasonal and this is a major element of risk which may threaten the existence of the Company.

**26. Disclosure regarding Issue of Equity Shares with Differential Rights**

The company under the provision of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 has not issued any equity shares with differential rights.

**27. Disclosure regarding issue of Sweat Equity Shares**

The company under the provision Section 54 read with Rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014 has not issued any sweat equity shares.

**28. Disclosure regarding issue of Employee Stock Options**

There is no issue of employee stock option during the year.

The Board of directors, shall, inter alia, disclose in the Directors' Report for the year, the details as provided in rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014.

Particulars	Details	
Options granted	141,742 as on July 10, 2018	
	Date	Number of Grants
	30 <sup>th</sup> June, 2017	70871

	14 <sup>th</sup> July, 2017 (increased due to bonus issue in the ratio of 1:1)	70871																				
	Total	141742																				
The Pricing Formula	As per Black Scholes Method																					
Exercise Price (as of the date of grant of options)	Rs. 174.62																					
Vesting Period	Employees Stock Option Plan- 2017 (Grant 1):  2 years and 9 months service from grant date <table><tr><td>Vesting Date</td><td>No. of Shares</td></tr><tr><td>1<sup>st</sup> July, 2018</td><td>42952</td></tr><tr><td>1<sup>st</sup> April, 2019</td><td>21472</td></tr><tr><td>1<sup>st</sup> April, 2020</td><td>21478</td></tr><tr><td>Total</td><td>85902</td></tr></table>  Employees Stock Option Plan- 2017 (Grant 2):  3 years and 9 months service from grant date: <table><tr><td>Vesting Date</td><td>No. of Shares</td></tr><tr><td>1<sup>st</sup> April, 2019</td><td>18606</td></tr><tr><td>1<sup>st</sup> April, 2020</td><td>18628</td></tr><tr><td>1<sup>st</sup> April, 2021</td><td>18606</td></tr><tr><td>Total</td><td>55840</td></tr></table>		Vesting Date	No. of Shares	1 <sup>st</sup> July, 2018	42952	1 <sup>st</sup> April, 2019	21472	1 <sup>st</sup> April, 2020	21478	Total	85902	Vesting Date	No. of Shares	1 <sup>st</sup> April, 2019	18606	1 <sup>st</sup> April, 2020	18628	1 <sup>st</sup> April, 2021	18606	Total	55840
Vesting Date	No. of Shares																					
1 <sup>st</sup> July, 2018	42952																					
1 <sup>st</sup> April, 2019	21472																					
1 <sup>st</sup> April, 2020	21478																					
Total	85902																					
Vesting Date	No. of Shares																					
1 <sup>st</sup> April, 2019	18606																					
1 <sup>st</sup> April, 2020	18628																					
1 <sup>st</sup> April, 2021	18606																					
Total	55840																					
Total Options vested (excluding forfeited/ lapsed/ cancelled/ and including excised options) till 10 <sup>th</sup> July, 2018	42,952																					
Options forfeited/lapsed/cancelled till 10 <sup>th</sup> July, 2018	NIL																					
Options exercised till 10 <sup>th</sup> July, 2018	NIL																					
Total number of shares arising out of exercise of options as on 10 <sup>th</sup> July, 2018	Existing Equity Shares: 57,267,622 Add: Options granted: 141,742 Total No. of shares 57,409,364																					
Variations in terms of options	No Variation till date																					
Money realized by exercise of options	NIL																					
Total number of options in force (including vested options, excluding exercised options) as on July 10, 2018	141,742																					
Employee wise details of options granted to;-  (i) key managerial personnel;	<table><tr><td rowspan="2">Name of Employee</td><td colspan="3">Options</td></tr><tr><td>Granted</td><td>Exercised</td><td>Outstanding</td></tr><tr><td>Mr. Parveen</td><td>17,180</td><td>-</td><td>17,180</td></tr></table>		Name of Employee	Options			Granted	Exercised	Outstanding	Mr. Parveen	17,180	-	17,180									
Name of Employee	Options																					
	Granted	Exercised	Outstanding																			
Mr. Parveen	17,180	-	17,180																			

(ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.	Kumar Goel			
	Name of Employee	Options		
		Granted	Exercised	Outstanding
	Mr. Manoj Verma	28,634	-	28,634
	Mr. Vishal Malik	22,908	-	22,908
(iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	Mr. Parveen Kumar Goel	17,180	-	17,180
	Mr. Neeraj Agarwal	17,180	-	17,180

NIL
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**28. Voluntary Revision of Financial Statements or Board's Report**

The Company is complying with the provisions of Section 129 or 134 of Companies Act, 2013, so there was no voluntary revision done by the company during financial year 2017-18.

**29. Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements**

Pursuant to Section 134 (3)(q) read with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, and ICAI guidance note on adequacy on internal financial controls with reference to financial statements – it is stated that there is adequate internal control system in the Company. The Company has an effective and reliable internal control system commensurate with the size of its operations. The internal control system provides for well-documented policies and procedures that are aligned with global standards and processes.

**30. Receipt of any commission by MD / WTD from a Company or for receipt of commission / remuneration from it Holding or subsidiary**

Neither the Company nor its Holding or Subsidiary Company had paid any Commission to the Directors of the Company for the Financial Year 2017-18.

**31. Statement Indicating the Manner in which Formal Annual Evaluation has been made by the Board of its own Performance, its Directors, and that of its Committees**

In line with the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation of the Board as a whole, its Committees, the Chairman and the Directors. A structured questionnaire was circulated to the Board Members in this connection. The feed back from the Directors was summarized and ideas for further improving effectiveness of the Board processes, etc. were discussed.

**32. Fraud Reporting**

There was no fraud committed by company during the year.

**33. Particulars of Loan, Guarantees and Investments (LGSI) under Section 186.**

The Company has not given any loans, or made any investments, or provided any guarantees, or security as specified under section 185 and 186 of the Act.

**34. Internal Auditors and Internal financial control**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the 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 disclosures.

Pursuant to the provisions of section 138 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, the Company has appointed Grand Thornton India LLP, Gurgaon, India as Internal Auditors for financial year 2017-18 to conduct internal audit and internal financial controls audit for the financial year 2017-2018.

The Company has an Internal Audit Department to test the adequacy and effectiveness of Internal Control Systems laid down by the management and to suggest improvement in the systems. Internal Audit Reports are discussed with the management and are reviewed by the Audit Committee of the Board. During the year under review, Company's Internal Controls were tested by M/s Genikon Services Pvt. Ltd. and no reportable weakness in the system was observed.

**35. Cost Auditors**

In terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, appointment of Cost Auditor is not applicable to our company.

**36. Secretarial Standards**

The Secretarial Standards SS-1 and SS-2 issued and notified by the Institute of Company Secretaries of India as amended / replaced from time to time have been complied with by the Company during the financial year under review.

**38. Acknowledgments:**

Your Directors take this opportunity to place on record their appreciation and sincere gratitude to all associates for their valuable support and look forward to their continued co-operation in the years to come. Your Directors acknowledge the support and co-operation received from the employees and all those who have helped in the day to day management.

**For and on behalf of the Board of Directors  
For Mrs. Bector's Food Specialties Limited**

**Sd/-  
(Subhash Agarwal)  
Chairman  
(DIN:02782473)**

**Place: Gurgaon  
Date: 10.07.2018**

**ADDRESS: HNO. 400/1 Rani Jhansi  
Road, Civil Lines  
Ludhiana 141001 PB IN**



## Annexure –A

Particulars of energy conservation, technology absorption and foreign exchange earnings and outgo required under Rule 8 of the Companies (Accounts) Rules 2014 are provided below

The Company operates in a safe and environmentally responsible manner for the long- term benefit of all stake holders. The Company is committed to take effective measures to conserve energy and drive energy efficiency in operations.

### A. CONSERVATION OF ENERGY

(i) Following steps have been taken for conservation of energy.

- a) Replacement of florescent lamps with LED Lights in all plants/ units has been initiated
- b) In-house training for energy conservation to the plant members and employees
- c) Air pressure reduction in plants to reduce compressed air energy cost.
- d) Installations of Wind ventilators on sheds of different units.

(ii) Following steps taken by the Company for utilizing alternate source of energy.

The Company is exploring the option of installing solar panels for generation of electricity at all plant locations

### B. TECHNOLOGY ABSORPTION

(i) **The efforts made towards technology absorption:**

The company is motivated to continuously work for the process and technology development on need basis. The team undertakes specific time – bound programmes to improve technology which are tried on pilot scale / lab to achieve desired results and then up scaled at the manufacturing level. The Team works in close co-ordination with other outside agencies to ensure smooth transfer of technology. Appropriate documents are created for quality control and food safety.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(In Million)		
Particulars	2017-2018	2016-2017
Total Foreign Exchange Received (F.O.B. Value of Export)	1927.96	1536.04
Total Foreign Exchange used	455.54	95.55

**For and on behalf of the Board of Directors  
For Mrs. Bectors Food Specialties Limited**

**Sd/-  
(Subhash Agarwal)  
Chairman  
DIN: 02782473**

**Place: Gurugram  
Date: 10.07.2018**

**HNO. 400/1 Rani Jhansi Road, Civil Lines.  
Ludhiana 141001 PB IN**

## ANNUAL REPORT ON CSR ACTIVITIES

**1. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY, INCLUDING OVERVIEW OF PROJECTS OR PROGRAMS PROPOSED TO BE UNDERTAKEN AND A REFERENCE TO THE WEB-LINK TO THE CSR POLICY AND PROJECTS OR PROGRAMS**

Our philosophy is to undertake socially useful programmes for welfare and sustainable development of the Community at large. Our initiatives include those aimed to promoting health care including preventive health care for benefits of different segments of society and in particular in taking care of deprived, underprivileged persons having health constraints.

Driving with these initiatives the CSR Committee of the Board has recommended to the board a list of activities relating to promoting health care, poverty and malnutrition which has been stipulated in schedule VII of the Companies Act 2013 and to spend at least two percent of the average net profits of the Company made during the three immediately preceding financial years.

**2. COMPOSITION OF THE CSR COMMITTEE.**

Mr. Anoop Bector (Chairman and Managing Director)  
Mr. Subhash Agarwal (Independent Director) and  
Mr. Nem Chand Jain (Independent Director)

**3. AVERAGE NET PROFIT OF THE COMPANY FOR LAST THREE FINANCIAL YEARS.**

Average Net Profit of the Company for last three financial years Rs. 442.71/- Mn. (Rupees Four hundred and forty two Millions seven lakh ten thousand only) calculated according to provisions of section 198 of the Companies Act, 2013.

**4. PRESCRIBED CSR EXPENDITURE (TWO PER CENT OF THE AMOUNT AS IN ITEM 3 ABOVE)**

Prescribed CSR Expenditure is Rs. 8.85/- Mn. (Rupees Eight Millions eight lakh fifty thousand Only).

(1) Sr. No.	(2) CSR Project or activity identified.	(3) Sector in which the Project is covered.	(4) Projects or programs (1)Local area or other (2)Specify the State and district where projects or programs were undertaken.	(5) Amount outlay(bu dget) project or programs wise	(6) Amount spent on the projects or programs Sub Heads: (1)Direct expenditure on projects or programs. (2)Overheads	(7) Cumulative expenditure upto to the reporting period.	(8) Amount spent: Direct or through implem nting agency
1.	Beautification of Chowk in front of RakhBagh and	Ensuring Environmental Sustainability	1. Local Area 2. State- Punjab, Ludhiana	4.5 Millions	1.54 Millions	1.54 Millions	Direct

	its maintenance.						
2.	Donation of Washing Machines in Civil Hospital	Promoting health care including preventive health care and sanitation	1. Local Area 2. State- Punjab, Ludhiana	1.28 Millions	1.28 Millions	2.82 Millions	Direct

#### 5. DETAILS OF CSR SPENT DURING THE FINANCIAL YEAR.

- (a) Total amount spent for the financial year: Rs. 2.82 Millions  
(b) Amount unspent, if any: Rs. 6.03 Millions  
(c) Manner in which the amount spent during the financial year is detailed below.

#### 6. IN CASE THE COMPANY HAS FAILED TO SPEND THE TWO PERCENT OF THE AVERAGE NET PROFIT OF THE LAST THREE FINANCIAL YEARS OR ANY PART THEREOF, THE COMPANY SHALL PROVIDE THE REASONS FOR NOT SPENDING THE AMOUNT IN ITS BOARD REPORT

During the year under review, the company has spent Rs. 1.53 Millions on the beautification of the chowk in front of Rakh Bagh. The total cost of the project of beautification of the chowk is about 45 Lakhs. The project is under process. The remaining amount has been spent on the chowk in the current financial year. An amount of Rs. 37.22 Lakhs has already been spent on the project till 31.03.2018. The Company was not able to spend the full amount of two percent of the average net profit of the last three financial years as recommended under the CSR Rule. CSR Committee met 4 times during the period under review and made a policy to provide scholarship to poor students and for the eradication of poverty for eligible persons. However the company could not implement the policy as it was not able to demarcate the associations and the areas where it should spend the money and due to Non Availability of Suitable Implementing Agency, the company is in a better position now to implement its CSR policy effectively.

#### 7. A RESPONSIBILITY STATEMENT OF THE CSR COMMITTEE THAT THE IMPLEMENTATION AND MONITORING OF CSR POLICY, IS IN COMPLIANCE WITH CSR OBJECTIVES AND POLICY OF THE COMPANY.

The CSR Committee confirms that implementation and monitoring of CSR Policy is in compliance with CSR policy of the Company framed pursuant to the provisions of the Companies Act, 2013 and rules made thereunder.

**For and on behalf of the Board of Directors  
For Mrs. Bectors Food Specialties Limited**

**Sd/-  
(Subhash Agarwal)  
Chairman  
DIN: 02782473**

**Place: Gurugram  
Date: 10.07.2018**

**HNO. 400/1 Rani Jhansi Road,  
Civil Lines, Ludhiana 141001 PB IN**

## **Annexure -C**

Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, and independence of a director recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of directors.  
**Constitution of the Nomination and Remuneration Committee**

The Board has already constituted the "Nomination and Remuneration Committee" of the Board on March 19<sup>th</sup> 2015. This is in line with the requirements under the New Act. The Board has authority to reconstitute this Committee from time to time.

Policy for appointment including criteria for determining qualifications, positive attributes, and independence of a director of Director, KMPs and Senior Management

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to MBFSL, ability to contribute to MBFSL's growth. Independence of directors are decided on the basis of definition of independent director contained in sub section 6 of section 149 of the Companies Act 2013.

### **Policy relating to the remuneration for Directors, KMPs and other employees**

The remuneration / compensation / commission etc. to Directors will be determined by the Committee and recommended to the Board for approval. The remuneration and commission to be paid to the Managing Director shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managing Director. Where any insurance is taken by the Company on behalf of its Managing Director and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration. The remuneration and reward structure for employees depends upon their qualification and experience. The Committee would determine the remuneration of the Directors and formulate guidelines for remuneration payable to the employees.

**For and on behalf of the Board of Directors  
For Mrs. Bectors Food Specialties Limited**

**Sd/-  
(Subhash Agarwal)  
Chairman  
DIN: 02782473**

**Place: Gurugram  
Date: 10.07.2018**

**HNO. 400/1 Rani Jhansi Road,  
Civil Lines, Ludhiana 141001 PB IN**

**ANNEXURE- D****Form AOC-1**

(Pursuant to first provision to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of  
subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

**Subsidiary 1****(In Million)**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Bakebest Foods Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company i.e. 31.03.2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Since the Company is Indian Company, this clause is not applicable
4.	Share capital	181.50
5.	Reserves & surplus	90.10
6.	Total assets	299.14
7.	Total Liabilities	27.54
8.	Investments	Nil
9.	Turnover	413.13
10.	Profit before taxation	76.10
11.	Provision for taxation	18.05
12.	Profit after taxation	58.05
13.	Proposed Dividend	Nil
14.	% of shareholding	100%

**Subsidiary2****(In Million)**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Mrs Bector's English Oven Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company i.e 31.03.2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Since the Company is Indian Company, this clause is not applicable
4.	Share capital	0.50
5.	Reserves & surplus	(0.01)
6.	Total assets	0.51

7.	Total Liabilities	0.02
8.	Investments	Nil
9.	Turnover	Nil
10.	Profit before taxation	0.01
11.	Provision for taxation	0.00
12.	Profit after taxation	0.01
13.	Proposed Dividend	Nil
14.	% of shareholding	100

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (In Million)**

Name of associates/Joint Ventures	Associate- Cremica Agro Foods Limited
1. Latest audited Balance Sheet Date	31.03.2018
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	673506
Amount of Investment in Associates/Joint Venture	6735060
Extend of Holding%	44.95
3. Description of how there is significant influence	Mrs.Bectors Food specialities Limited controls atleast 20% of total voting power of Cremica Agro Foods Limited
4. Reason why the associate/joint venture is not consolidated	Controlling Right is not there
5. Net worth attributable to shareholding as per latest audited Balance Sheet	38.82 million
6. Profit/Loss for the year	
i. Considered in Consolidation	0.17 million
ii. Not Considered in Consolidation	-

**For and on behalf of the Board of Directors  
For Mrs. Bectors Food Specialties Limited**

**Sd/-  
(Subhash Agarwal)  
Chairman**

**DIN: 02782473**

**HNO. 400/1 Rani Jhansi Road, Civil Lines.  
Ludhiana 141001 PB IN**

**Place: Gurugram  
Date: 10.07.2018**

## Annexure-E

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

### **Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangements or transactions at arm's length basis

#### **(A) Related Party Transactions with Bakebest Foods Private Limited**

(a) Name(s) of the related party and nature of relationship	Bakebest Foods Private Limited hereinafter referred as BBFPL(a private company which is 100% wholly owned subsidiary of the company)		
(b) Nature of contracts/arrangements/transactions	a) Sale of Raw material, Finished Goods and other material relating to food manufacturing b) Purchase of, Raw material, Finished Goods and other material relating to food manufacturing. C) Rent paid for taking portion of premises for purpose of Go down d) Rent received by giving office on rent e) To grant Loan		
(c) Duration of the contracts/arrangements/transactions	Continuous Basis		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value (in Rs)as follows		
	Sale to BBFPL	Raw Materials, finished goods and Fixed Assets for food production	Upto Rs 5 million
	Purchase from BBFPL	Raw Materials and finished goods and other material relating to food manufacturing	Upto Rs 5 million
	Rent Paid to BBFPL	Godown	Rs0.06 million
	Rent Received from BBFPL	Office	Rs0.06 million
(e) Justification for entering into such contracts or arrangements or transactions	BBFPL is a company which deals in Breads and Buns Manufacturing and supply products to giants like Mcdonalds.		
(f) Date(s) of approval by the board	28.11.2016		

**(C) Related Party Transactions with Ishaan Bector**

(a) Name(s) of the related party and nature of relationship	Ishaan Bector, Relative (son) of Mr. Anoop Bector, Managing Director		
(b) Nature of contracts/arrangements/transactions	Unsecured Loan Received		
(c) Duration of the contracts/arrangements/transactions	Contract		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value paid to him (in Rs)as follows		
	Unsecured Loan Repaid	Appointed as Whole time Director	Rs. 12.13 Million
	Interest paid on Unsecured Loan		Rs. 0.82 Million
(e) Justification for entering into such contracts or arrangements or transactions	Mr. Ishaan Bector is Well- Qualified young professional, has done his MBA from Top Business School of Country and is capable of Handling bakery business of company		
(f) Date(s) of approval by the board	28.11.2016		

**(D) Related Party Transactions with Anoop Bector**

(a) Name(s) of the related party and nature of relationship	Availing of rental services and Unsecured Loan from Mr. AnoopBector property. Mr. AnoopBector is managing director of the company		
(b) Nature of contracts/arrangements/transactions	Rental Services Unsecured Loan Received		
(c) Duration of the contracts/arrangements/transactions	Contract for one year		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value upto (in Rs)as follows		
	Property at rent, rent paid to Mr. AnoopBector	(Interest as Mr. AnoopBector is Managing Director	Rs.4.20 million
	Borrow Money		Rs. 30.70 million
	Unsecured Loan Repaid		Rs. 27.73 million
	Interest paid		Rs. 0.49 million
(e) Justification for entering into such contracts or arrangements or transactions	The property is situated in posh colony and is used for residence of directors		



(f) Date(s) of approval by the board	28.11.2016
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**(E) Related Party Transactions with Anoop Bector, HUF**

(a) Name(s) of the related party and nature of relationship	Anoop Bector HUF , (Substantial Interest as karta) of Mr. Anoop Bector, Managing director		
(b) Nature of contracts/arrangements/transactions	Rental services		
(c) Duration of the contracts/arrangements/transactions	Contract		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value paid to him (in Rs) as follows		
	Property at rent, rent paid to Mr. Anoop Bector	(Substantial Interest as karta) of Mr. AnoopBector, Managing director	Rs 3 Million
(e) Date(s) of approval by the board	28.11.2016		

**(F) Related Party Transactions with Dharamvir Bector**

(a) Name(s) of the related party and nature of relationship	Availing of rental services from Mr. Dharamvir Bector. Mr. Dharamvir Bector is Chairman and Non-Executive director of the company		
(b) Nature of contracts/arrangements/transactions	a) Rental Services b) Borrow money to meet working capital requirements of the Company		
(c) Duration of the contracts/arrangements/transactions	Contract for one year		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value (in Rs)as follows		
	Property at rent, rent paid	Mr. Dharamvir Bector is Chairman and Non- Executive director of the company	Rs 0.09 Million
	Interest paid		Rs. 0.02 Million
(e) Justification for entering into such contracts or arrangements or transactions	Property at GT Road, In order to meet the working capital requirements of the Company		
(f) Date(s) of approval by the board	28.11.2016		

**(G) Related Party Transactions with Mrs. Rajni Bector, Director**

(a) Name(s) of the related party and nature of relationship	RajniBector, Director and Relative (spouse) of Mr. Dharamvir Bector, Chairman		
(b) Nature of contracts/arrangements/transactions	Borrow Money from RajniBector		
(c) Duration of the contracts/arrangements/transactions	Contract – One Year		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value actually received (in Rs)as follows		
	Unsecured Loan Repaid	Director and Relative (spouse) of Managing Director	Rs. 1.63 Million
	Interest Paid		Rs. 0.07 Million
(e) Justification for entering into such contracts or arrangements or transactions	In order to meet the working capital requirements of the Company		
(f) Date(s) of approval by the board	28.11.2016		

**(J) Related Party Transactions with MrsBector's English Oven Limited**

(a) Name(s) of the related party and nature of relationship	<u>MrsBector's English Oven Limited</u> (a Limited company in which directors hold more than 2% shares)					
(b) Nature of contracts/arrangements/transactions	Rental services					
(c) Duration of the contracts/arrangements/transactions	Contract for one year					
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value received as rent (in Rs)as follows <table><tr><td>Property given at rent</td><td>directors hold more than 2% shares)</td><td>Rs 0.01 Million</td></tr></table>			Property given at rent	directors hold more than 2% shares)	Rs 0.01 Million
Property given at rent	directors hold more than 2% shares)	Rs 0.01 Million				
(e) Justification for entering into such contracts or arrangements or transactions	The property taken on rent by MrsBector's English Oven Limitedfor the registered office of the Company					
(f) Date(s) of approval by the board	28.11.2016					

**(J) Related Party Transactions with Cremica Agro Foods Limited**

(a) Name(s) of the related party and nature of relationship	<u>Cremica</u> Agro Foods Limited (a Limited company which is an Associate of Mrs. Bectors Food Specialities Limited)
(b) Nature of contracts/arrangements/transactions	Rental services

(c) Duration of the contracts/arrangements/transactions	Contract for one year		
(d) Salient terms of the contracts or arrangements or transactions including the value, if any	Contracts or arrangements or transactions are at arm's length basis having value received as rent (in Rs) as follows		
	Property given at rent	Associate of Mrs. Bectors Food Specialities Limited	Rs 0.01 Million
(e) Justification for entering into such contracts or arrangements or transactions	The property taken on rent by <u>Cremica</u> Agro Foods Limited for the registered office of the Company		
(f) Date(s) of approval by the board	28.11.2016		

**For and on behalf of the Board of Directors  
For Mrs. Bectors Food Specialties Limited**

**Sd/-  
(Subhash Agarwal)  
Chairman  
DIN: 02782473**

**Place: Gurugram  
Date: 10.07.2018**

**HNO. 400/1 Rani Jhansi Road,  
Civil Lines, Ludhiana 141001 PB IN**

\*Please note that besides above the directors have been paid remunerations as per mentioned in MGT-9

# ANUJ BANSAL & ASSOCIATES



**PRACTICING COMPANY SECRETARIES**

Ref. No. ....

Dated .....

Ref:ABA/MBFSL/SAR/2018

Date: 10.07.2018

## **Form No. MR-3 Secretarial Audit Report**

(For the Financial Year Ending 31.3.2018)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Board of Directors  
**Mrs. Bectors Food Specialities Limited,**  
Theing Road, Phillaur,  
Distt. Jalandhar-144410  
Punjab India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mrs. Bector Food Specialities Limited, having registered office at Theing Road, Phillaur, Distt. Jalandhar-144410 Punjab India, Corporate Identification No. U74899PB1995PLC033417 (hereinafter called the Company).

Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the **audit period ended on 31.03.2018**, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

Office : SCO-61, 2nd Floor, Near Hotel Umed Ganga, Opp. PIMS Hospital, Chhotti Baradari-2, Jalandhar

Tel. : (O) 0181-4622464 ; (M) 98140-32331, 9814323338

Email : advisors.india@hotmail.com (Official); anujraibansal@gmail.com (Personal)



1. We have examined the books, papers, minute books, forms and returns filed and their records maintained by ("The Company") for the period ended on 31.3.2018 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- III. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- IV. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are not applicable to the Company being the unlisted entity:-

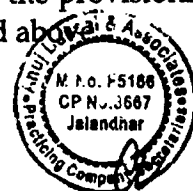
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- g. Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited; and
- h. Listing Obligation and Disclosure Requirements Regulation, 2015.

- VI. As informed to us, the other laws specifically applicable to the Company have been complied with. In this regard, we have relied on the information/records produced by the Company during the course of Audit on test check and randomly basis and limited to that extent only for the following acts:

- Food Safety & Standards Act, 2006
- The Factories Act, 1948.
- The Payment of Wages Act, 1936.
- The Minimum Wages Act, 1948.
- Employees Provident Fund and Misc. Provisions Act, 1952.
- Employers State Insurance Act, 1948.
- The Payment of Bonus Act, 1965.
- The Environment (Protection) Act, 1986.
- Electricity Act 2003.
- Payment of Gratuity Act, 1972.
- Water (Prevention & Control of Pollution) Act 1974 and rules thereunder.
- Air (Prevention & Control of Pollution) Act 1981 and rules thereunder.

We have also examined compliance with the applicable clauses of the following, wherever applicable:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.



**2. We further report that the Company has, in our opinion, complied with provisions of Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Memorandum and Articles of Association of the Company, with regard to:**

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- c) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- d) Notice of Board meetings and Committee meetings of Directors;
- e) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- f) The Annual General Meeting held on 05.09.2017 including the provisions related to extension of time;
- g) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- h) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- i) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- j) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- k) Appointment and remuneration of Auditors and Cost Auditors;
- l) Transfers and transmissions of the Company's shares and issue and dispatch of duplicate certificates of shares;
- m) Declaration and payment of dividends;
- n) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs, if any;
- o) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- p) Investment of the Company's funds including investments and loans to others;
- q) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- r) Directors' report;
- s) Related Party Transactions.
- t) Contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act.



**3. We further report that:**

- a. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at reasonable gap in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- d. The Company has obtained all necessary approvals under the various provisions of the Act; and
- e. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, Depositories Act, and any other Act against/on the Company, its Directors and Officers.
- f. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being Independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding, being the Unlisted Public Company.

5. The Company has complied with the provisions of the Depositories Act, 1996 and the Bye laws framed thereunder by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.

**6. We further report that:**


- a. the Company is **not required to comply (being the Unlisted Public Company)** with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited;
- b. the Company is **not required to comply (being the Unlisted Public Company)** with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;
- c. the Company is **not required to comply (being the Unlisted Public Company)** with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the said Regulations;

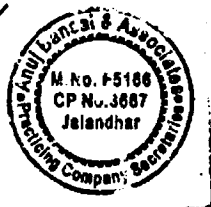
7. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.



8. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Anuj Bansal & Associates**  
**Practicing Company Secretaries**

  
**Anuj Rai Bansal**  
B.Com, FCS, LLB  
M.No. 5166  
C.P.No. 3667



Date: 10<sup>th</sup> Day of July, 2018.  
Place: Jalandhar.

**Note: This report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.**



**'Annexure A'**

(Forming Integral Part of Secretarial Audit Report for the financial year ending 31.3.2018)

To  
The Members,  
**Mrs.Bectors Food Specialities Limited,**  
Theing Road, Phillaur,  
Distt. Jalandhar-144410  
Punjab India

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc. which forms the integral part to express our opinion in Form MR-3.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis as the Secretarial Auditors.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Anuj Bansal & Associates**  
**Practicing Company Secretaries**

Anuj Rai Bansal  
B.Com, FCS, LLB  
M.No. 5166  
C.P.No. 3667



Date: 10<sup>th</sup> Day of July, 2018.  
Place: Jalandhar.

**ANNEXURE-G****FORM MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31<sup>st</sup> MARCH, 2018**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	<b>U74899PB1995PLC033417</b>
ii.	Registration Date	<b>15/09/1995</b>
iii.	Name of the Company	<b>MRS.BECTORS FOOD SPECIALTIES LIMITED</b>
iv.	Category/Sub-Category of the Company	<b>Company limited by shares / Indian non- Government company</b>
v.	Address of the Registered office and contact details	<b>Theing Road, Phillaur, Distt. Jalandhar-144410, Punjab, India Contact No. (+91-1826)225418, 222826 Fax No. (+91-1826)222915</b>
vi.	Whether Listed Company	<b>No</b>
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Skyline Financial .services Private Limited, Address: - D-153 A  Ist Floor   Okhla Industrial Area, Phase - I   New Delhi-110 020. Tel.: 011 26812682,83</b>

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr.No.	Name and Description of main products/ services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	<b>Manufacture of Bakery Products which includes Biscuits, Breads etc.</b>	1071	100%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S NO	Name and address of company	CIN/GLN	Holding/Subsidiary/Associate	% of share held	Applicable section
1.	Bakebest Foods Private Ltd, Theing Road, Phillaur	U15412PB2009PTC033 442	Subsidiary	100	2(87)(ii)
2.	Mrs. Bectors English oven Limited, Theing Road, Phillaur	U15412PB2013PLC037 958	Subsidiary	100	2(87)(ii)
3.	Cremica Agro Foods Limited, B-XXXIII Jalandhar Bye pass, Ludhiana	L15146PB1989PLC009 676	Associate	44.94	2(6)

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
1) Indian									
a) Individual/ HUF	11424337	Nil	11424337	39.90	22848674	Nil	22848674	39.90	Nil
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(A)(1):-	11424337	Nil	11424337	39.90	22848674	Nil	22848674	39.90	Nil
2) Foreign									
g) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Other-Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
j) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
k) Any Other....	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(A)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>B. Public Shareholding</b>									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

g) FIIs	13385488	Nil	13385488	46.75	26770976	Nil	26770976	46.75	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(B)(1)	13385488	Nil	13385488	46.75	26770976	Nil	26770976	46.75	Nil
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	3823986	Nil	3823986	13.35	7647972	Nil	7647972	13.35	Nil
c) Others(Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total(B)(2)	3823986	Nil	3823986	13.35	7647972	Nil	7647972	13.35	Nil
TotalPublicShareholding (B)=(B)(1)+ (B)(2)	17209474	Nil	17209474	60.10	34418948	Nil	34418948	60.10	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	28633811	Nil	28633811	100.00	57267622	Nil	57267622	100.00	

## ii.Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Anoop Bector	11424337	39.90	Nil	22848674	39.90	Nil	Nil
	<b>Total</b>	11424337	39.90	Nil	22848674	39.90	Nil	Nil

## iii.Change in Promoters' Shareholding (please specify, if there is no change)

r. no	Shareholder Name	Shareholding at the beginning of the year		Change in Shareholding			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the	Date	No. of shares Increase/(Decrease)	Reason	No. of shares	% of total shares of the company

### iii.Change in Promoters' Shareholding (please specify, if there is no change)

Sl. no	Shareholder Name	Shareholding at the beginning of the year		Change in Shareholding			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	No. of shares Increase/(Decrease)	Reason	No. of shares	% of total shares of the company
1	Anoop Bector	11424337	39.90	14.07.2017	11424337	Bonus Issue		
	<b>at the end of year</b>				<b>11424337</b>		<b>22848674</b>	<b>39.90</b>

### V. INDEBTEDNESS

(In Million)

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	556.7	34.64	Nil	591.34
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	3.00	Nil	Nil	3.00
<b>Total (i+ii+iii)</b>	<b>559.70</b>	<b>34.64</b>	<b>Nil</b>	<b>594.34</b>
Change in Indebtedness during the financial year				
- Addition	759.68	Nil	Nil	759.68
- Reduction	Nil	9.52	Nil	9.52
<b>Net Change</b>	<b>759.68</b>	<b>(9.52)</b>	<b>Nil</b>	<b>750.16</b>
Indebtedness at the end of the financial year				
i) Principal Amount	1315.71	25.12	Nil	1340.83
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	3.67	Nil	Nil	3.67
<b>Total (i+ii+iii)</b>	<b>1319.38</b>	<b>25.12</b>	<b>Nil</b>	<b>1344.50</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager  
(In Million)**

Sr. No.	Particulars of Remuneration	Name of MD/WTG/ Manager			Total Amount
		Anoop Bector	Parveen Kumar Goel	Ishaan Bector	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.46	4.92	12.59	43.97
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as% of profit - Others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
6.	Total(A)	26.46	4.92	12.59	43.97

**B. Remuneration to other Directors:**

**1. Independent Directors**

**(In Million)**


Sl. No.	Particulars of Remuneration	Name of Director		Total Amount
		Nem Chand Jain	Subhash Agarwal	

		Rajni Bector	
	<u>Other Non-Executive Directors</u>		
	• Fee for attending board committee meetings	Nil	Nil
	• Commission	Nil	Nil
	• Others, (Consultancy Fees)	Nil	Nil
	<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>
	<b>Total (B) = (1+2)</b>		<b>0.18</b>
	<b>Total Managerial Remuneration</b>		<b>44.15</b>

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD**  
(In Million)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary Atul Sud	Total
1.	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.67	0.67
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	- Commission as % of profit - others, specify...	Nil	Nil
5.	Others, please specify	Nil	Nil
6.	<b>Total</b>	<b>0.67</b>	<b>0.67</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OFFENCES:**

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/Compounding fees imposed	Authority[RD /NCLT/Court]	Appeal made. If any(give details)
A.Company					
Penalty					
Punishment					
Compounding					
B.Directors					
Penalty					
Punishment					
Compounding					
C.OtherOfficersin Default					
Penalty					
Punishment					
Compounding					

**For and on behalf of the Board of Directors  
For Mrs. Bectors Food Specialties Limited**

**Sd/-  
(Subhash Agarwal)  
Chairman  
DIN: 02782473**

**Place: Gurugram  
Date: 10.07.2018**

**HNO. 400/1 Rani Jhansi Road,  
Civil Lines, Ludhiana 141001 PB IN**



# B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

Telephone: + 91 124 719 1000  
Fax: + 91 124 235 8613

## INDEPENDENT AUDITOR'S REPORT

To the Members of Mrs. Bectors Food Specialities Limited

### 1. Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Mrs. Bectors Food Specialities Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Standalone Ind AS 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, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') 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 judgments 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.

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

### 3. 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 thereunder.

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.

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

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.

**4. 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 of the state of affairs of the Company as at 31 March 2018, its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**5. 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 "Annexure A" a statement on the matters specified in paragraphs 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 Statement of Cash Flows 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 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", and
- 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 disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements- Refer Note 42(a) to the 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 disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed. Refer Note 53 to the standalone Ind AS financial statements.

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



Raj Goyal  
Partner  
Membership No. 094549

Place: Gurugram  
Date: 10 July 2018

**Annexure A referred to in our Independent Auditors' Report to the Members of Mrs. Bectors Food Specialities Limited for on the standalone Ind AS financial statements the year ended 31 March 2018, we report that:**

- (i) (a) According to information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets (property, plant and equipment and intangible assets).
- (b) According to information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified every year. In accordance with the programme, all fixed asset were verified during the year. In our opinion, the periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets. As informed to us, no discrepancies have been noticed on such verification.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable properties are held in the name of the Company except for the following:-

S. No	Type of Immovable property	Location of Immovable Property	Gross block of property as on 31 March 2018 (Rs. in millions)	Net block of property as on 31 March 2018 (Rs. in millions)
1	Freehold land	Tahliwal, Himachal Pradesh.	3.07	3.07
2	Building	Noida, Uttar Pradesh	4.82	4.52

- (ii) According to information and explanations given to us, the inventories, except goods in transit, have been physically verified by the management during the year. For goods in transit in respect of purchase and sales of material, all material is substantially received or delivered until the date of issuance of this report. In our opinion, the frequency of such verification is reasonable. Further, as informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company had granted loan to a company covered in the register required under section 189 of the Companies Act, 2013 which has been fully repaid during the year. In respect of the loan:
- a) The terms and conditions of the grant of such loan, in our opinion, prima facie, were not prejudicial to the Company's interest.
- b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, interest was compounded annually and no repayment schedule was stipulated as the loan was repayable on demand. Accordingly paragraph 3(iii) (b) of the Order is not applicable to the Company in respect of repayment of interest and principal amount.

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- c) There is no overdue amount for more than ninety days in respect of the loan granted to the party covered in the register maintained under section 189 of the Act.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed for the maintenance of cost records under section 148 (1) of the Act for any goods sold or services rendered by the company. Accordingly para 3 (vi) of the Order is not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employee's state insurance, income-tax, sales tax, goods and service tax (GST), service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, to the extent applicable have generally been regularly deposited with the appropriate authorities, though there have been slight delays in deposit of income-tax, value added tax, provident fund and the employee state insurance in few cases though not serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employee's state insurance, income tax, sales tax, service tax, goods and service tax (GST), duty of customs, duty of excise, value added tax, cess and other material statutory dues, to the extent applicable were in arrears as on 31 March 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, service tax, duty of excise, duty of customs, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute, except as mentioned below:

Name of the Statute	Nature of Dues	Amount disputed* (Rs. in millions)	Period to which amount relates	Forum where dispute is pending
Punjab Value Added Tax Act, 2005	Sales tax	2.37	2008-09	Deputy Excise and Taxation Commissioner, Ludhiana
Punjab Value Added Tax Act, 2005	Sales tax	3.75	2009-10	Deputy Excise and Taxation Commissioner, Ludhiana
Punjab Tax on Entry of Goods into Local Area Act, 2000	Entry tax	1.69	2011-12	Punjab and Haryana High Court, Chandigarh

Name of the Statute	Nature of Dues	Amount disputed* (Rs. in millions)	Period to which amount relates	Forum where dispute is pending
Himachal Pradesh Tax on Entry of Goods into local area Act, 2010	Entry tax	0.54 7.57 8.73 7.44 15.15 11.70 7.10 1.02	2010-11 2011-12 2012-13 2013-14 2014-15 2015-16 2016-17 2017-18	High Court of Himachal Pradesh
Himachal Pradesh Value Added Tax Act, 2005	Sales tax	3.01	2005-06	Vat Tribunal of Himachal Pradesh
Uttar Pradesh Value Added Tax Act, 2008	Sales tax	1.91	2013-14	Deputy Excise and Taxation Commissioner, Gautam Budh Nagar
Income Tax Act, 1961	Income Tax	5.73 0.00 0.13 1.83	2007-08 (A.Y.) 2010-11 (A.Y.) 2011-12 (A.Y.) 2013-14 (A.Y.)	Income Tax Appellate Tribunal, Chandigarh
Income Tax Act, 1961	Income Tax	0.18	2015-16 (A.Y.)	Commissioner of Income Tax (Appeals), Ludhiana

\*amount as per demand orders including interest and penalty, wherever indicated in order.

- (viii) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to its bankers or to any financial institutions. The Company did not have any outstanding dues to any debenture holder.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and the term loans were applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the managerial remuneration has been paid or provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and on the basis of our examination of records of the Company, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone Ind AS financial statements, as required by the applicable accounting standards.

**B S R & Co. LLP**

- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of Order is not applicable.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or persons connected with them. Accordingly para 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

Place: Gurugram  
Date: 10 July 2018

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

  
**Rajiv Goyal**  
*Partner*  
Membership No.: 094549

**“Annexure B” referred to in our Independent Auditor’s report to the Members of Mrs. Bectors Food Specialities Limited on the standalone Ind AS financial statements the year ended 31 March 2018**

**Report on 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 with reference to financial statements of **Mrs. Bectors Food Specialities Limited** (“the Company”) as of 31 March 2018 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 with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 Act.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements 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

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

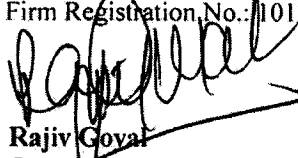
**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on 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.

Place: Gurugram  
Date: 10 July 2018

For B S R & Co. LLP  
Chartered Accountants  
Firm Registration No.: 101248W/W-100022  
  
Rajiv Goyal  
Partner  
Membership No.: 094549

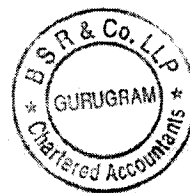
**Mrs. Bectors Food Specialities Limited**

**Balance sheet as at 31 March 2018**

(All amounts are in rupees million, unless otherwise stated)

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	2,289.14	1,897.55	1,481.56
Capital work-in-progress	4	920.79	117.84	193.95
Intangible assets	5	17.81	17.13	18.94
Intangible assets under development		-	5.55	-
Investments in subsidiaries	6	182.00	182.00	182.00
Investment accounted for using the equity method	7	17.48	17.48	17.48
<b>Financial assets</b>				
(i) Loans	8	31.63	32.66	24.15
(ii) Other financial assets	9	9.68	0.21	3.22
Non-current tax assets (net)	10	27.03	25.72	15.77
Other non-current assets	11	66.15	108.21	86.97
<b>Total non-current assets</b>		<b>3,561.71</b>	<b>2,404.35</b>	<b>2,024.04</b>
<b>Current assets</b>				
Inventories	12	344.20	262.74	314.21
<b>Financial assets</b>				
(i) Investments	13	0.18	48.26	102.70
(ii) Trade receivables	14	672.42	565.97	441.31
(iii) Cash and cash equivalents	15	51.81	127.74	65.68
(iv) Bank balances other than (iii) above	16	48.06	58.90	44.56
(v) Loans	17	-	4.37	36.08
(vi) Other financial assets	18	97.34	100.41	69.33
Other current assets	19	148.32	62.68	66.27
<b>Total current assets</b>		<b>1,362.33</b>	<b>1,231.07</b>	<b>1,140.14</b>
<b>Total assets</b>		<b>4,924.04</b>	<b>3,635.42</b>	<b>3,164.18</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	20	572.68	286.34	286.34
Other equity	21	1,979.78	1,988.06	1,770.85
<b>Total equity</b>		<b>2,552.46</b>	<b>2,274.40</b>	<b>2,057.19</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	22	956.93	356.65	176.25
Provisions	23	30.79	30.63	20.28
Deferred tax liabilities (net)	24	58.66	54.46	54.49
Other non-current liabilities	25	137.48	34.38	35.04
<b>Total non-current liabilities</b>		<b>1,183.86</b>	<b>476.12</b>	<b>286.06</b>

*[Handwritten signature]*



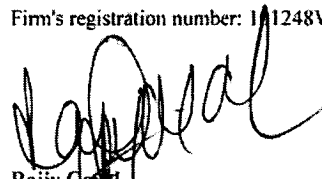
**Mrs. Bectors Food Specialities Limited**  
**Balance sheet as at 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	Note	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings	26	262.73	165.59	191.83
(ii) Trade payables	27			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		375.87	356.47	245.57
(iii) Other financial liabilities	28	295.65	118.68	132.38
Other current liabilities	29	100.67	118.56	128.55
Provisions	30	126.80	112.96	94.25
Current tax liabilities (net)	31	26.00	12.64	28.35
<b>Total current liabilities</b>		<b>1,187.72</b>	<b>884.90</b>	<b>820.93</b>
<b>Total liabilities</b>		<b>2,371.58</b>	<b>1,361.02</b>	<b>1,106.99</b>
<b>Total equity and liabilities</b>		<b>4,924.04</b>	<b>3,635.42</b>	<b>3,164.18</b>

Significant accounting policies 2  
The accompanying notes form an integral part of the financial statements

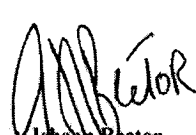
As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
Firm's registration number: 111248W/W-100022

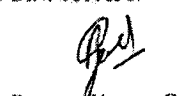
  
Rajiv Goel  
Partner  
Membership No.: 094549

For and on behalf of the Board of Directors of  
Mrs. Bectors Food Specialities Limited

  
Anoop Bector  
Managing Director  
DIN:-00108589

  
Ishaan Bector  
Director  
DIN:-02906180

  
Atul Sud  
Company Secretary

  
Parveen Kumar Goel  
Executive Director and CFO  
DIN:- 00007297

Place: Gurugram  
Date: 10 July 2018

Place: Gurugram  
Date: 10 July 2018

**Mrs. Bectors Food Specialities Limited**  
**Statement of profit and loss for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Income</b>			
Revenue from operations	32	6,533.31	6,015.11
Other income	33	35.91	23.53
<b>Total income</b>		<b>6,569.22</b>	<b>6,038.64</b>
<b>Expenses</b>			
Cost of materials consumed	34	3,576.48	3,300.58
Purchase of stock-in-trade	35	126.39	105.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(70.38)	23.03
Excise duty		33.30	139.68
Employee benefits expense	37	867.84	768.68
Finance costs	38	55.29	38.64
Depreciation and amortisation expense	39	244.11	220.41
Other expenses	40	1,263.42	1,073.31
<b>Total expenses</b>		<b>6,096.45</b>	<b>5,670.05</b>
<b>Profit before tax</b>		<b>472.77</b>	<b>368.59</b>
<b>Tax expense:</b>			
Current tax		148.96	114.55
Deferred tax		3.29	0.81
		152.25	115.36
<b>Profit for the year (A)</b>		<b>320.52</b>	<b>253.23</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plans		2.61	(2.39)
Income tax relating to remeasurement of defined benefit plans		(0.90)	0.83
<b>Total other comprehensive income/ (loss) for the year (B)</b>		<b>1.71</b>	<b>(1.56)</b>
<b>Total comprehensive income for the year (A + B)</b>		<b>322.23</b>	<b>251.67</b>
<b>Earnings per equity share</b>			
Nominal value of Rs. 10 (previous year Rs. 10)]	41		
Basic		5.60	4.42
Diluted		5.59	4.42

Significant accounting policies 2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

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

Rajiv Goyal  
Partner  
Membership No.: 094549

Place: Gurugram  
Date: 10 July 2018

For and on behalf of the Board of Directors of  
Mrs. Bectors Food Specialities Limited

Anoop Bector  
Managing Director  
DIN: -00108589

Parveen Kumar Goel  
Executive Director and CFO  
DIN: - 00007297

Place: Gurugram  
Date: 10 July 2018

Ishtan Bector  
Director  
DIN: -02906180

Atul Sod  
Company Secretary



**Mrs. Bectors Food Specialities Limited**  
**Statement of cash flows for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	472.77	368.59
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	244.11	220.41
Provision for doubtful debts and advances	4.64	7.56
Profit on sale of investments	(0.67)	(2.26)
Net change in fair value of financial assets at FVTPL	0.06	(3.30)
Bad debts written off	3.39	0.83
Dividend income	18.15	-
Net loss/(profit) on sale of fixed assets	2.44	1.70
Employee share-based payment expense	3.99	-
Interest expense	55.29	38.64
Interest income	(5.94)	(8.41)
<b>Operating profit before working capital changes</b>	<b>798.24</b>	<b>623.76</b>
Movement in working capital		
Decrease in Loans	5.40	23.20
(Increase) in other financial assets	(6.28)	(29.25)
(Increase)/Decrease in other assets	(85.64)	3.39
(Increase)/Decrease in inventories	(81.46)	51.47
(Increase) in trade receivables	(114.48)	(133.05)
Increase in provisions	16.61	26.67
Increase/(Decrease) in other liabilities	(18.25)	(5.30)
Increase in trade payables	19.40	110.90
Increase/(Decrease) in other financial liabilities	12.36	(44.87)
<b>Cash generated from operations</b>	<b>\$45.90</b>	<b>\$27.13</b>
Income tax paid	(136.91)	(140.28)
<b>Net cash from operating activities (A)</b>	<b>408.99</b>	<b>486.93</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (including capital work in progress and capital advances)	(1,181.14)	(567.47)
Purchase of intangible assets (including intangible assets)	(0.81)	(7.81)
Proceeds from sale of fixed assets (including capital work in progress)	3.62	8.00
Net proceeds of investments	48.69	60.00
Net redemption/(investments) in bank deposits (having original maturity of more than three months)	10.84	(11.34)
Dividend received on other investments	(18.15)	-
Interest received	5.82	6.58
<b>Net cash used in investing activities (B)</b>	<b>(1,131.13)</b>	<b>(512.84)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds/(repayments) from/to non-current borrowings*	642.55	205.49
Proceeds/(repayments) from/to current borrowings	97.14	(26.24)
Interest paid	(54.52)	(37.48)
Dividend paid on equity shares (including dividend distribution tax)	(38.96)	(54.59)
<b>Net cash from/(used) in financing activities (C)</b>	<b>646.21</b>	<b>87.18</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(75.93)</b>	<b>62.06</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>127.74</b>	<b>65.68</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>51.81</b>	<b>127.74</b>

\* Also refer note 22 (c) for reconciliation of liabilities from financing activities.

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
Firm's registration number: 101246W/W-100022

Rajiv Goyal  
Partner  
Membership No. 094549

Place: Gurugram  
Date: 10 July 2018

For and on behalf of the Board of Directors of  
Mrs. Bectors Food Specialities Limited

Anoop Bector  
Managing Director  
DIN: -00108589

Anoop Bector  
Director  
DIN: -02906180

Atul Sud  
Company Secretary

Parveen Kumar Goel  
Executive Director and CFO  
DIN: - 09007297

Place: Gurugram  
Date: 10 July 2018

**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

**1. Reporting entity**

Mrs. Bectors Food Specialities Limited referred to as "the Company" is domiciled in India. The Company's registered office is at Theing Road, Phillaur-144410, Punjab, India. The Company is engaged in the business of manufacturing and distribution of food products. The Company caters to both domestic and export markets.

**2. Significant Accounting Policies**

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

**a) Basis of preparation**

The financial statements of the Company comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Company is provided in Note 52.

These financial statements were authorised for issue by the Company's Board of Directors on 10 July 2018.

*i) Functional and presentation currency*

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest millions, upto two places of decimal, unless otherwise stated.

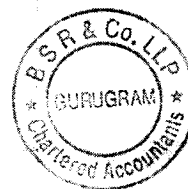
*ii) Basis of measurement*

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

- Defined benefit liability/(assets): Fair value of the plan assets less present value of defined benefit obligations
- Certain financial assets and liabilities (including derivative instruments): measured at fair value
- Share-based payments: measured at fair value of share based payments.

**Fair value measurement**

Fair value is the price that would be received from sale of 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 –



**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

- In the principal market for the asset or liability, or
- 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 to/ by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized 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-

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

*iii) Use of judgments and estimates*

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

*Judgements*

Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- Note 50 - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding;
- Note 44 - classification of leases into finance and operating lease;
- Note 44 - leases: whether an arrangement contains lease.

*Assumptions and estimation uncertainties*

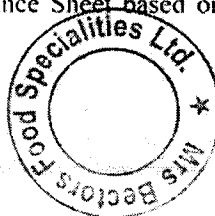
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included below:

- Note 3 & 5 - useful life and residual value of property, plant and equipment and intangible assets;
- Note 47 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 49 - fair value of share based payments;
- Note 42 - recognition and measurement of provisions and contingencies;
- Note 50 - impairment of financial assets;
- Note 50 - Fair value measurement of financial instruments.

*iv) Current versus non-current classification*

A number of the Company's accounting policies and **liabilities as current and non-current**

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





**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and 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 treated as current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- 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 liabilities are classified as non-current liabilities.

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

**b) Property, plant and equipment**

**i. Recognition and measurement**

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

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

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

Major machinery spares parts are classified as property, plant and equipment when they are expected to be utilised over more than one period. Other spares are carried as inventory and recognised in the Statement of Profit and Loss as and when consumed.

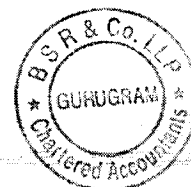
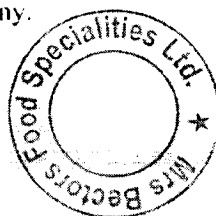
Any gain or loss on disposal of property, plant and equipment is recognised in Statement of Profit and Loss.

**ii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (Refer note 52).

**iii. Subsequent Measurement**

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



**iv. Depreciation**

Depreciation on property, plant and equipment is calculated on a straight line basis using the rates based on the useful lives prescribed as per Part C of schedule II, of the Companies Act 2013 except in case of certain plant and equipment such as moulds, crates and pallets where the management has assessed useful life as 3 years based on internal technical evaluation.

Leasehold land is amortised pro-rata over the lease period on a straight line basis.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

**c) Intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Estimated useful life of the software is considered as 5 years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

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 the Statement of Profit and Loss when the asset is derecognised.

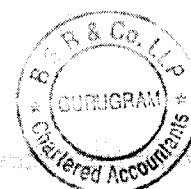
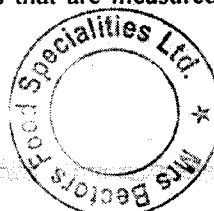
*Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**d) Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a



**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Statement of Profit and Loss.

**e) Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**f) Employee benefits**

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

*Share-based payment transactions*

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

*Post-employment benefits*

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

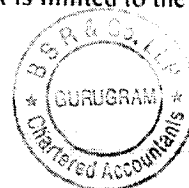
Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

*Gratuity*

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets

The Plan is funded with Insurance Company in form of insurance policy. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the



**Mrs. Bectors Food Specialities Limited**

**Notes to the financial statements for the year ended 31 March 2018**

present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.

*Other long term employee benefits*

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets, if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur.

**g) Revenue**

**a) Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Sales include excise duty and are net of sales tax, goods and services tax and other applicable taxes

**b) Rendering of services**

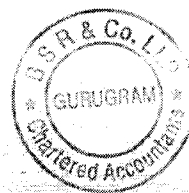
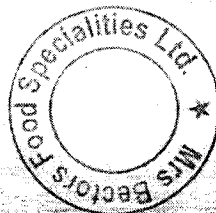
Revenue in respect of sale of services is recognised on an accrual basis in accordance with the terms of the relevant agreements.

**c) Interest income**

Interest income or expense 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. Interest income is included under the head "other income" in the Statement of Profit and Loss

**d) Dividend income**

Dividend income is recognised when the Company's right to receive the dividend is established which is generally when shareholders approve the dividend.



**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

**h) Government grants and subsidies**

The Company recognises an unconditional government grant in the Statement of Profit and Loss as other income when the grant becomes receivable. Other government grants are initially recognised as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognised in the Statement of Profit and Loss as other income on a systematic basis over the useful life of the asset.

Grants that compensate the Company for expenses incurred are recognised in Statement of Profit and Loss on systematic basis in the periods in which the expenses are recognised.

**i) Inventories**

Raw materials, stores and spares are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. 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 inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Goods in transit are valued at cost excluding import duties. Cost of raw materials, components and stores and spares is determined on weighted average cost basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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

The Company has a policy for writing off the inventory of finished goods which is more than 90 days old at year end.

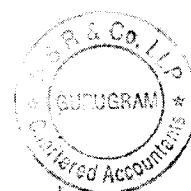
**j) Provisions, contingent liabilities and contingent assets**

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

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 pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the financial statements but disclosed where an inflow of economic benefit is probable.



**k) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

**1) Financial assets**

*i) Initial recognition and measurement*

The Company initially recognises financial assets on the date on which they are originated. The Company recognises the financial assets on the trade date, which is the date on which the Company becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss

*ii) Classifications and subsequent measurement*

Classifications

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

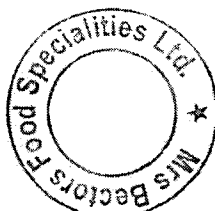
In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

*Debt instrument at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value through Profit and Loss (FVTPL):

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.



**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

*Debt instrument at fair value through Other Comprehensive Income (FVOCI)*

A financial asset is measured at FVOCI only if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from Expected Credit Losses (ECL) impairment are recognised in the profit or loss.

*Debt instrument at fair value through Profit and Loss (FVTPL)*

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

*Equity instruments*

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value.

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and Loss.

Investments in tax free bonds and fixed deposits are measured at amortised cost.

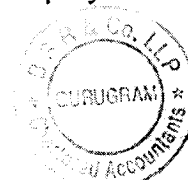
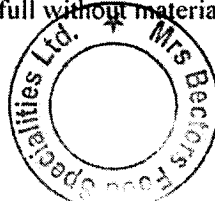
*iii) Reclassification of financial assets*

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets.

*iv) Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a Company 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



**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

'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

*v) Impairment of financial assets*

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

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

**2) Financial liabilities**

*i) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit and loss, amortised cost, as appropriate.

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

*ii) Classification and subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

Financial Liabilities measured at amortised cost

After initial recognition, financial liabilities are amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial Liabilities at fair value through profit or loss

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

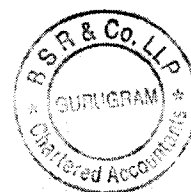
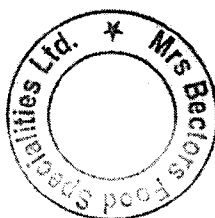
Gains or losses on liabilities held for trading are recognised in the profit or loss.

*iii) Derecognition of financial liabilities*

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

**3) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet when 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 offset criteria').





**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

**4) Derivative financial instruments**

The Company holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

**1) Income taxes**

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

**i. Current tax**

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

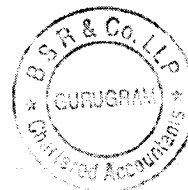
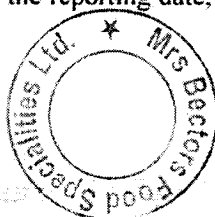
Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance Sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.



**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**m) Leases**

*Determining whether an arrangement contains a lease:*

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

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

*Where the Company is the Lessee:*

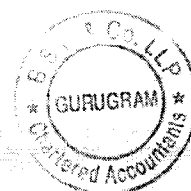
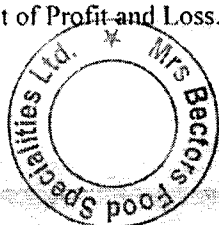
Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset based on internal technical evaluation or the useful life envisaged in Part C of Schedule II of the Companies Act, 2013. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Part C of Schedule II of the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

*Where the Company is the lessor:*

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Company apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.



## **Mrs. Bectors Food Specialities Limited**

### **Notes to the financial statements for the year ended 31 March 2018**

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Statement of Profit and Loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Statement of Profit and Loss.

#### **n) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Company have been identified as being the Chief operating decision maker by the management of the Company. Refer note 43 for segment information presented.

#### **o) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

#### **p) Standards issued but not yet effective**

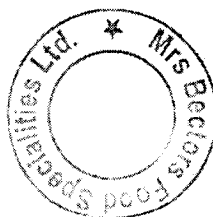
##### **Ind AS 115- Revenue from contract with customers**

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contracts with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard from 1 April 2018 and is in the process of identifying the impact if any.

##### **Ind AS 21, The Effects of Changes in Foreign Exchange Rates**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.



3. Property, plant and equipment

Particulars	Gross Block				Depreciation				Net Block	
	As at 1 April 2016	Additions	Disposals/ Adjustments during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year	Disposals/ Adjustments during the year	As at 31 March 2017	As at 1 April 2016	As at 31 March 2017
<b>Own assets</b>										
Freehold land	80.27	85.62	-	165.89	-	-	-	-	80.27	165.89
Leasehold improvements	2.43	-	-	2.43	-	1.45	-	1.45	2.43	0.98
Buildings	469.70	188.47	-	658.17	-	20.06	-	20.06	469.70	638.11
Plant and machinery	805.34	324.18	3.48	1,127.04	-	176.02	0.11	175.91	805.34	951.13
Furniture and fixtures	20.87	6.42	-	27.29	-	3.14	-	3.14	20.87	24.15
Vehicles	45.34	25.66	1.11	69.89	-	10.19	0.09	10.10	45.34	59.79
Office equipment	7.02	3.17	-	10.19	-	2.80	-	2.80	7.02	7.39
Computer	5.90	2.13	-	8.18	-	2.08	-	2.08	5.99	6.10
<b>Assets on financial lease **</b>										
Leasehold land	44.60	-	-	44.60	-	0.59	-	0.59	44.60	44.01
<b>Total</b>	<b>1,481.56</b>	<b>636.71</b>	<b>4.59</b>	<b>2,113.68</b>	<b>-</b>	<b>216.33</b>	<b>0.20</b>	<b>216.13</b>	<b>1,481.56</b>	<b>1,897.55</b>

Particulars	Gross block				Depreciation				Net Block	
	As at 31 March 2017	Additions	Disposals/ Adjustments during the year	As at 31 March 2018	As at 31 March 2017	Charge for the year	Disposals/ Adjustments during the year	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018
<b>Own assets</b>										
Freehold land	165.89	4.58	-	170.47	-	-	-	-	165.89	170.47
Leasehold improvements	2.43	-	1.34	1.09	1.45	0.89	1.35	0.99	0.98	0.10
Buildings	658.17	166.00	-	824.17	20.06	24.42	-	44.48	638.11	779.69
Plant and machinery	1,127.04	359.30	8.56	1,477.78	175.91	193.12	2.89	366.14	951.13	1,111.64
Furniture and fixtures	27.29	1.48	0.10	28.67	3.14	3.37	0.03	6.48	24.15	22.19
Vehicles	69.89	1.83	0.43	73.29	10.10	11.17	0.15	21.12	59.79	52.17
Office equipment	10.19	1.59	0.02	11.76	2.80	2.45	0.01	5.24	7.39	6.52
Computer	8.18	2.44	0.03	10.39	2.08	2.28	-	4.36	6.10	6.23
<b>Assets on financial lease**</b>										
Leasehold land	44.60	96.84	-	141.44	0.59	0.72	-	1.31	44.01	140.13
<b>Total</b>	<b>2,113.68</b>	<b>636.06</b>	<b>10.45</b>	<b>2,739.26</b>	<b>216.13</b>	<b>238.42</b>	<b>4.43</b>	<b>450.12</b>	<b>1,897.55</b>	<b>2,289.14</b>

a) Refer note 22 and 26 for charge created on property, plant and equipment

b) Freehold land includes land having gross block amounting to Rs. 3.07 (31 March 2017 Rs. 3.07 and 1 April 2016 Rs. 3.07) in the state of Himachal Pradesh, pending to be registered in the name of Company

c) Building includes Flat at Noida having gross block amounting to Rs. 4.82 (31 March 2017 Rs. 4.82 and 1 April 2016 Rs Nil) and written down value amounting to Rs. 4.52 (31 March 2017 Rs. 4.66 and 1 April 2016 Rs Nil) pending to be registered in the name of the company.

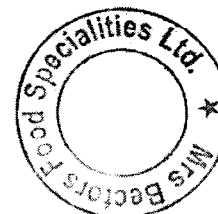
d) Vehicles includes motor cars having gross block amounting to Rs. 0.03 (31 March 2017 Rs. 0.03 and 1 April 2016 Rs 0.03) and written down value amounting to Rs. 0.03 (31 March 2017 Rs. 0.03 and 1 April 2016 Rs 0.03) are pending to be registered in the name of the Company

e) Refer note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

f) Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation rate relating to general borrowings was ranging approximately between 8.39% to 10.43% for the year ended 31 March 2018, 31 March 2017.

g) Refer note 52 for reconciliation of deemed cost as considered by the Company pursuant to transition provision under Ind AS 101.

\*\* Refer Note 22(b).



Mrs. Bectors Food Specialities Limited  
Notes to the financial statements for the year ended 31 March 2018  
(All amounts are in rupees million, unless otherwise stated)

4. Capital work-in-progress

Particulars	As at 1 April 2016	Additions	Capitalised during the year	As at 31 March 2017	As at 31 March 2017	Additions	Capitalised during the year	As at 31 March 2018
Capital work in progress*	193.95	395.30	471.21	117.84	117.84	1,251.54	448.59	920.79

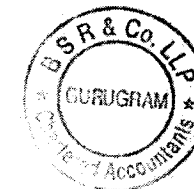
5. Intangible assets

Particulars	Gross block				Amortisation				Net block	
	As at 1 April 2016	Additions	Deletions	As at 31 March 2017	As at 1 April 2016	Charge for the year	Deletions	As at 31 March 2017	As at 1 April 2016	As at 31 March 2017
Computer software	18.94	2.26	-	21.20	-	4.07	-	4.07	18.94	17.13
Total	18.94	2.26	-	21.20	-	4.07	-	4.07	18.94	17.13

Particulars	Gross block				Amortisation				Net block	
	As at 1 April 2017	Additions	Deletions	As at 31 March 2018	As at 1 April 2017	Charge for the year	Deletions	As at 31 March 2018	As at 1 April 2017	As at 31 March 2018
Computer software's	21.20	6.36	-	27.56	4.07	5.68	-	9.75	17.13	17.81
Total	21.20	6.36	-	27.56	4.07	5.68	-	9.75	17.13	17.81

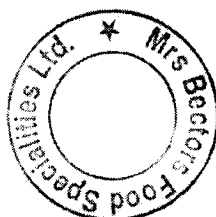
a) Refer note 52 for reconciliation of deemed cost as considered by the Company pursuant to transition provision under Ind AS 101.

*Detail of preoperative expenses included in CWIP	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Opening for the year	21.52	19.97	-
Additions as per statement of profit and loss during the year			
- Interest and processing charges	29.12	16.05	5.68
- Bank charges	0.50	-	-
- Power & fuel	2.72	2.31	2.66
- Insurance	0.54	-	-
- Employee benefits expense	7.02	9.68	11.42
- Communication costs	0.12	0.35	-
- Legal & professional expense	5.64	3.10	-
- Rates & taxes	7.58	2.82	-
- Rent	0.02	1.84	-
- Travelling and conveyance	3.71	5.76	2.68
- Miscellaneous expenses	0.28	-	-
Subtotal	57.25	41.91	22.44
Less - Expense off during the year	2.65	-	-
Less - Capitalised to respective fixed assets	23.14	40.36	2.47
At 31 March 2018	52.98	21.52	19.97



Mrs. Bectors Food Specialities Limited  
Notes to the financial statements for the year ended 31 March 2018  
(All amounts are in rupees million, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>6 Investments in subsidiaries</b>			
Unquoted equity shares at cost			
18,150,000 (31 March 2017: 18,150,000 and 1 April 2016: 18,150,000) equity shares of Rs 10/- each fully paid up of Bakebest Foods Private Limited	181.50	181.50	181.50
50,000 (31 March 2017: 50,000 and 1 April 2016: 50,000) equity shares of Rs 10/- each fully paid up of Mrs. Bectors English Oven Limited	0.50	0.50	0.50
	<b>182.00</b>	<b>182.00</b>	<b>182.00</b>
Aggregate value of unquoted investments	182.00	182.00	182.00
Aggregate amount of impairment in value of investments	Nil	Nil	Nil
<b>7 Investment accounted for using the equity method</b>			
Investment in associate			
Unquoted investment in equity share at cost			
673,506 (31 March 2017: 673,506 and 1 April 2016: 673,506) equity shares of Rs.10/- each fully paid up of Cremica Agro Foods Limited *	17.48	17.48	17.48
	<b>17.48</b>	<b>17.48</b>	<b>17.48</b>
Aggregate value of unquoted investments	17.48	17.48	17.48
Aggregate amount of impairment in value of investments	Nil	Nil	Nil
* Considered as unquoted since the stock exchange on which the investment was listed is closed.			
<b>8 Non-current loans</b> (Unsecured, considered good)			
Security deposits	31.63	32.66	24.15
	<b>31.63</b>	<b>32.66</b>	<b>24.15</b>
<b>9 Other non-current financial assets</b>			
Deposits with maturity of more than 12 months			
Margin money deposits*	9.68	0.21	3.22
	<b>9.68</b>	<b>0.21</b>	<b>3.22</b>
*Margin money deposits with carrying amount of Rs.9.68 (31 March 2017 Rs. 0.21, 1 April 2016 Rs. 3.22) are subject to first charge to secure the Company's inland letter of credit and bank guarantees.			
<b>10 Non-current tax assets (net)</b>			
Advance income tax (net of provision for tax of Rs. 574.16 (31 March 2017 Rs. 575.43, 1 April 2016 Rs. 280.54)	27.03	25.72	15.77
	<b>27.03</b>	<b>25.72</b>	<b>15.77</b>
<b>11 Other non-current assets</b>			
Capital advances	66.15	108.21	86.97
	<b>66.15</b>	<b>108.21</b>	<b>86.97</b>



**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>12 Inventories</b> <i>(valued at the lower of cost and net realisable value)</i>			
Raw material and packing material	138.50	130.92	155.93
Work-in-progress	1.59	1.70	1.37
Finished goods - Manufactured goods (including stock in transit Rs. 85.20 (31 March 2017 Rs. 40.87, 1 April 2016 Rs.65.02))	174.24	114.90	139.32
Stock in trade (including stock in transit Rs. 11.88 (31 March 2017 Rs. Nil, 1 April 2016 Rs. Nil))	11.88	0.73	-
Stores and spares	17.99	14.49	17.59
	<b>344.20</b>	<b>262.74</b>	<b>314.21</b>

The write-down of inventories to net realisable value during the year amounted to Rs. 1.47 (31 March 2017 Rs. 1.32, 1 April 2016 Rs.0.10).

The write-down are included in changes in inventories of finished goods and work-in-progress.

During the year, inventories amounting to Rs. 0.29 (31 March 2017 Rs. 0.30) provided as free samples were recognised as expense in the statement of profit and loss.

**13 Investments**

**Investments in equity instruments at fair value through profit and loss**

**Quoted**

1,700 (31 March 2017: 1,700, 1 April 2016: 1,700) equity shares of Bank of India

0.18 0.24 0.16

**Investments in mutual funds at fair value through profit and loss**

**Unquoted**

Nil (31 March 2017: 18,813, 1 April 2016: 43,066) equity shares of SBI Premier Liquid Fund

- 48.02 102.54

**0.18 48.26 102.70**

**Quoted**

Aggregate book value/ market value

0.18 0.24 0.16

**Unquoted**

Aggregate book value/ market value

- 48.02 102.54

**14 Trade receivables**

Unsecured and considered good

672.42 565.97 441.31

Doubtful

10.39 7.00 0.56

Less: allowance on doubtful receivables\*

(10.39) (7.00) (0.56)

**672.42 565.97 441.31**

\* The Company's exposure to credit & currency risk and loss allowances related to trade receivables are disclosed in note 50 on financial instruments.

**15 Cash and cash equivalents**

Balances with banks

49.63 126.65 64.56

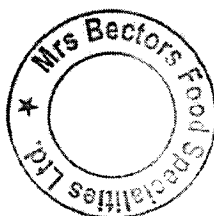
In current account#

2.18 1.09 1.12

Cash on hand

**51.81 127.74 65.68**

#Includes debit balance of working capital facility availed from HDFC Bank Limited and State Bank of India amounting to Rs. Nil (31 March 2017 Rs. 23.64, 1 April 2016 Rs. Nil) and Rs. 0.00 respectively (31 March 2017 Rs. 0.00, 1 April 2016 Rs. Nil).



**Mrs. Bectors Food Specialities Limited**  
**Notes to the financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>16 Bank Balances other than cash and cash equivalents above</b>			
Deposits due to be matured within 12 months of the reporting period	-	3.00	-
Margin money deposit*	48.06	55.90	44.56
	<b>48.06</b>	<b>58.90</b>	<b>44.56</b>

\*Margin money deposits with carrying amount of Rs. 48.06 (31 March 2017 Rs. 55.90, 1 April 2016 Rs. 44.56) are subject to first charge to secure the Company's inland letter of credit and bank guarantees.

**17 Current loans**  
*(unsecured, considered good)*

Loans to related parties*	-	4.37	36.08
	<b>-</b>	<b>4.37</b>	<b>36.08</b>

\* refer note 48 on transactions with related parties.

**18 Other current financial assets**  
*(unsecured, considered good)*

Forward exchange contracts used for hedging	6.52	24.16	11.11
Export incentives receivable *	85.01	70.37	54.37
Interest accrued but not due on fixed deposits with banks	1.70	1.82	-
Other advances	4.11	4.06	3.85
	<b>97.34</b>	<b>100.41</b>	<b>69.33</b>

\* The Company has accrued following export incentives of Rs. 156.33 (31 March 2017 Rs. 110.00 and 1 April 2016 Rs. 83.78) and has also written off incentives of Rs. Nil (31 March 2017 Rs. 0.34 and 1 April 2016 Rs. Nil).

a) Incentive under Merchandise Exports from India Scheme of Rs. 107.95 (31 March 2017 Rs. 72.13 and 1 April 2016 Rs. 62.61)

b) Incentive under Duty Drawback of Rs. 0.21 (31 March 2017 Rs. 0.55 and 1 April 2016 Rs. 9.00)

c) Duty Free Import Authorization of Rs. 48.17 (31 March 2017 Rs. 37.32 and 1 April 2016 Rs. 12.17)

**19 Other current assets**

Advances recoverable in cash or kind	43.95	26.67	22.25
Less: provision for doubtful advances recoverable in cash or kind	(0.94)	(1.14)	(0.09)
Balances with statutory/government authorities	105.31	37.15	44.11
	<b>148.32</b>	<b>62.68</b>	<b>66.27</b>



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Mrs. Bectors Food Specialities Limited  
 Notes to financial statements for the year ended 31 March 2018  
 (All amounts are in rupees million, unless otherwise stated)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>20 Equity share capital</b>			
Authorised			
57,600,000 (as at 31 March 2017, 57,267,622 and as at 1 April 2016: 34,150,000) equity shares of Rs. 10/- each	576.00	572.68	341.50
Issued, subscribed and paid-up			
57,267,622 (as at 31 March 2017, 28,633,811 and as at 1 April 2016: 28,633,811) equity shares of Rs. 10/- each	572.68	286.34	286.34
	<u>572.68</u>	<u>286.34</u>	<u>286.34</u>

**a. Terms and rights attached to equity shares**

(i) The Company has issued one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.

(ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

**b. Reconciliation of number of shares outstanding at the beginning and end of the year:**

Particulars	Number of Shares	Amount
Outstanding as at 1 April 2016	28,633,811	286.34
Shares issued during the year	-	-
Outstanding as at 31 March 2017	<u>28,633,811</u>	<u>286.34</u>
Bonus shares issued during the year	28,633,811	286.34
Outstanding as at 31 March 2018	<u>57,267,622</u>	<u>572.68</u>

**c. Details of shareholders holding more than 5% shares in the Company:**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs.10 each fully paid						
Anoop Bector	22,848,674	39.90%	11,424,537	39.90%	10,743,105	37.52%
GW Crown Pte Limited	11,170,496	19.51%	5,585,248	19.51%	5,585,248	19.51%
Linus Private Limited	13,120,790	22.91%	6,560,395	22.91%	6,560,395	22.91%

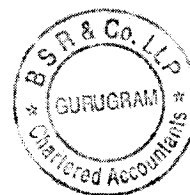
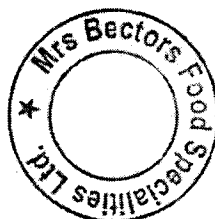
**d. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**  
 During the five-year period immediately preceding 31 March 2018 (31 March 2017), 21,287,939 equity shares of Rs 10 each have been allotted as fully paid as per approved composite scheme of amalgamation and arrangement

	31 March 2018 Numbers of shares	31 March 2017 Numbers of shares	31 March 2016 Numbers of shares	31 March 2015 Numbers of shares	31 March 2014 Numbers of shares	31 March 2013 Numbers of shares
Equity shares allotted as fully paid bonus shares by capitalisation of securities premium	28,633,811	-	-	-	-	-
Shares allotted as per approved composite scheme of amalgamation and arrangement	-	-	-	21,287,939*	-	-
	<u>28,633,811</u>	<u>-</u>	<u>-</u>	<u>21,287,939</u>	<u>-</u>	<u>-</u>

\* Note - As per approval of Honorable High Court for the scheme of amalgamation and arrangement under section 391 to 394 of Companies Act, 1956, with effect from appointed date 10 September 2014, the Company had cancelled 22,469,418 shares and had issued 21,287,939 shares for consideration other than cash.

**e. Shares reserved for issue under options**

Information relating to Company's option plan, including details of options issued, exercised, and lapsed during the financial year and options outstanding at the end of the reporting period, is given in note 49.



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**Mrs. Bectors Food Specialities Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	As at 31 March 2018	As at 31 March 2017
<b>21 Other equity</b>		
<b>a Capital reserve</b>		
Balance at the beginning of the year	14.37	14.37
Less: Movement during the year	-	-
Balance at the end of the year	<u>14.37</u>	<u>14.37</u>
<b>b Securities premium</b>		
Balance at the beginning of the year	530.17	530.17
Less: Bonus shares issued	(286.34)	-
Balance at the end of the year	<u>243.83</u>	<u>530.17</u>
<b>c Surplus/deficit in the statement of profit &amp; loss</b>		
Balance at the beginning of the year	1,445.08	1,226.31
Add: Profit for the year	328.53	253.23
Less: Interim dividend	(42.95)	(28.63)
Less: Dividend distribution tax on interim dividend	(5.21)	(5.83)
Balance at the end of the year	<u>1,719.45</u>	<u>1,445.08</u>
<b>d Remeasurement of defined benefit plans</b>		
Balance at the beginning of the year	(1.56)	-
Addition during the year	1.71	(1.56)
Balance at the end of the year	<u>0.15</u>	<u>(1.56)</u>
<b>e Share options outstanding account</b>		
Balance at the beginning of the year	-	-
Employee stock option expense	3.99	-
Balance at the end of the year	<u>3.99</u>	<u>-</u>

**Nature and purpose of other reserves**

**Capital reserve**

Capital reserve is on account of the business combination transaction as per the Court Scheme dated 10 September 2014.

**Securities premium**

Securities premium account is used to record the premium on issue of shares. During the current year, Bonus shares have been issued by utilizing securities premium in accordance with provisions of the Companies Act, 2013.

**Remeasurement of defined benefit plans**

Remeasurement of defined benefit plans represents the following as per Ind AS 19, Employee Benefits:

- (a) actuarial gains and losses
- (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and
- (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

**Share option outstanding account**

The share option outstanding account is used to recognize the grant date fair value of options issued to employees under the employee stock option scheme.

**Dividends**

The following dividends were declared by the Company during the year:

Re: 0.75 per equity share (31 March 2017: Re: 1)

Dividend distribution tax on dividend to equity shareholders

Balance at the end of the year

42.95	28.63
5.21	5.83
<u>48.16</u>	<u>34.46</u>



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	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>22 Non-current borrowings</b>			
Term loans (Refer note (a))			
From banks (Secured)	1,035.14	376.11	198.26
Vehicle loans (Refer note (a))			
From banks (Secured)	5.90	9.04	6.86
From Others (Secured)	5.11	8.27	-
Loans from related parties (unsecured)*****	25.12	34.64	16.41
Long term maturities of finance lease obligations (secured) (Refer note (b) below)	9.80	-	-
<b>Total non current borrowings</b>	<b>1,081.07</b>	<b>428.06</b>	<b>221.53</b>
Less: Current maturities of long term debt	(121.17)	(69.10)	(44.01)
Less: Interest accrued but not due on borrowings	(2.97)	(2.31)	(1.27)
<b>Non current borrowings as per balance sheet</b>	<b>956.93</b>	<b>356.65</b>	<b>176.25</b>

(a) Terms and conditions of outstanding borrowings are as follows:

Particulars	ICICI Bank*	State Bank of India**	HDFC Bank***	Vehicle loans****
<b>Principal amount</b>				
As at 31 March 2018	501.65	25.98	504.60	10.95
As at 31 March 2017	-	52.55	321.35	17.21
As at 1 April 2016	-	131.22	65.81	6.81
<b>Year of maturity</b>	2025-26	2018-19	2025-26	2021-22
<b>Term of repayment</b>	monthly basis	monthly/quarterly basis	monthly basis	monthly basis
<b>Nominal Interest rate</b>	8.25% - 8.35%	9.20% - 10.80%	8.25% - 9.15%	8.51% - 9.66%

\* The term loan of ICICI Bank Ltd. is secured by exclusive charge on all moveable and immovable fixed assets (PPE) of Rajpura plant including land, building, plant and machinery excluding land save and except those financed by other financial organisations. These loans are further secured by exclusive charge by way of hypothecation of the entire stocks and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables of the Rajpura plant.

\*\* The term loan of State Bank of India is secured by first charge by way of hypothecation on entire fixed assets (PPE) of the Company (other than Greater Noida and Rajpura) including equitable mortgage (first charge by way of EM) of factory land and building situated at Theing Road, Phillaur, District Jalandhar, Punjab. Further term loans are also secured by leasehold rights (first charge by way of EM) of land and building situated at Plot No 13, Phase I & II, Industrial Area, Tahlival, District Una, Himachal Pradesh.

These loans are further secured by second charge on current assets of the Company (other than Greater Noida and Rajpura) and first charge by way of EM of property situated at Wakin Kuthewal Gujra, Humbran-Laddowal Road, Tehsil & Distt. Ludhiana

These facilities are also secured by personal guarantee of Mr. Anoop Bector.

\*\*\* The term loan of HDFC Bank Ltd. is secured by first charge by way of hypothecation on entire fixed assets (PPE) of the Greater Noida unit. These loans are further secured by way of collateral security of equitable mortgage of factory land measuring 18,720 Sqm situated at 11-A, Udyog Vihar, Greater Noida.

\*\*\*\* Vehicle loans taken from banks and others are secured by hypothecation of respective vehicles.

\*\*\*\*\* Unsecured loans from directors and their relatives carry interest @ 8.00% p.a. These loans are subordinate to the term loans from banks and are permitted to be repaid only with the prior approval of the banks. Refer note 48 on transactions with related parties

**Term Loans**

Name of the lender	Penalty Clause	Prepayment
State Bank of India	Non-payment of interest /installment: 1% on the entire outstanding for the period of default. flat penalty (penal interest) of Rs 1000/-for each day of delay beyond due date of payment.	2% of the pre-paid amount
ICICI Bank	Default interest Rates in respect of Domestic term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate + 2% p.a. payable monthly, from the due date till such time the overdue amount is paid. Default interest Rates in respect of International term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate + 2% p.a. payable monthly, from the due date till such time the overdue amount is paid.	

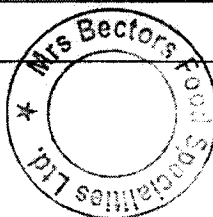
(b) Finance lease obligations

Finance lease obligations relates to land purchased for business purposes during the year ended 31 March 2018. The amount includes rentals and premium payable over the lease term. The imputed finance cost on the liability were determined based on the effective interest rate method.

Finance lease obligations are payable as follows:

Particulars	Future minimum lease payments	31 March 2018* Interest element of MLP	Present value of minimum lease payments
Within less than one year	0.81	0.81	0.74
Between one and five years	3.24	3.24	2.44
After more than five years	28.27	65.47	6.52

\*The Company had no obligation under finance lease as at 31 March 2017 and 1 April 2016



(c) Net debt reconciliation

The following sections sets out an analysis of net debt and the movements in net debt for each of the period presented:

	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	51.81	127.74
Current borrowings	(262.73)	(165.59)
Non-current borrowings	(1,078.10)	(425.75)
Interest on borrowings	(3.67)	(3.00)
Net debt	<u>(1,292.69)</u>	<u>(466.60)</u>

	Other assets		Liabilities from financing activities			
	Cash and cash equivalents	Finance lease obligations	Non-Current borrowings	Current borrowings	Interest on borrowings	Total
Net debt as at 31 March 2017	127.74	-	(425.75)	(165.59)	(3.00)	(466.60)
Cash flows	(75.93)	-	(642.55)	(97.14)	-	(815.62)
Interest expense	-	(0.10)	-	-	(55.29)	(55.39)
Interest paid	-	-	-	-	54.52	54.52
Other non-cash movements	-	-	-	-	-	-
- Acquisitions	-	(9.70)	-	-	-	(9.70)
- Fair value adjustments	-	-	-	-	0.10	0.10
Net debt as at 31 March 2018	51.81	(9.80)	(1,068.30)	(262.73)	(3.67)	(1,292.69)

	Other assets		Liabilities from financing activities			
	Cash and cash equivalents	Finance lease obligations	Non-Current borrowings	Current borrowings	Interest on borrowings	Total
Net debt as at 1 April 2016	65.68	-	(220.26)	(191.83)	(1.84)	(348.25)
Cash flows	62.06	-	(205.49)	26.24	-	(117.19)
Interest expense	-	-	-	-	(38.64)	(38.64)
Interest paid	-	-	-	-	37.48	37.48
Other non-cash movements	-	-	-	-	-	-
- Acquisitions	-	-	-	-	-	-
- Fair value adjustments	-	-	-	-	-	-
Net debt as at 31 March 2017	127.74	-	(425.75)	(165.59)	(3.00)	(466.60)

23 Provisions

Provision for employee benefits

Compensated absences (refer note 47)

Gratuity (refer note 47)

	11.70	11.19	8.54
	19.09	19.44	11.74
	<u>30.79</u>	<u>30.63</u>	<u>20.28</u>

24 Income Tax

A. Amounts recognised in profit or loss

Current tax expense

Current year

Tax adjustment for earlier years

For the year ended  
31 March 2018

For the year ended  
31 March 2017

Deferred tax credit

Changes in recognised temporary differences

Effect of changes in tax rate

Total Tax Expense

	150.23	115.95
	(1.27)	(1.40)
	<u>148.96</u>	<u>114.55</u>
	3.11	0.81
	0.18	-
	<u>3.29</u>	<u>0.81</u>
	<u>152.25</u>	<u>115.36</u>

B. Amounts recognised in Other Comprehensive Income

	For the year ended 31 March 2018			For the year ended 31 March 2017		
	Before tax	Tax Income/ (Expense)	Net of tax	Before tax	Tax Income/ (Expense)	Net of tax
Defined benefit plan	2.61	(0.90)	1.71	(2.39)	0.83	(1.56)
	<u>2.61</u>	<u>(0.90)</u>	<u>1.71</u>	<u>(2.39)</u>	<u>0.83</u>	<u>(1.56)</u>

C. Reconciliation of effective tax rate

Profit before tax from continuing operations

Tax using the Company's domestic tax rate

Tax effect of:

Non-deductible expenses

Non-taxable income

Tax-exempt income

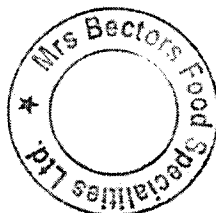
Tax incentives

Changes in estimates related to earlier years

Others

Tax expense

	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Rate	Amount	Rate	Amount
	34.61%	472.77	34.61%	368.59
		<u>165.62</u>		<u>127.56</u>
	0.29%	1.36	0.54%	2.00
	0.00%	-	0.00%	-
	-1.70%	(6.28)	0.00%	-
	0.00%	-	-4.02%	(14.81)
	-1.95%	(7.17)	0.38%	1.40
	0.20%	0.75	-0.22%	(0.79)
	<u>32.21%</u>	<u>152.26</u>	<u>31.30%</u>	<u>115.36</u>



**D. Movement in deferred tax balances**

	As at 31 March 2017	Recognized in P&L	Recognized in OCI	As at 31 March 2018
<b>Deferred Tax Liability</b>				
Property, plant and equipment	114.61	19.21	-	133.82
Investments in mutual funds at fair value through profit and loss	2.21	(2.18)	-	0.03
Forward exchange contracts used for hedging	6.50	(6.50)	-	-
Other items	0.76	2.63	-	3.39
<b>Sub- Total (a)</b>	<b>124.08</b>	<b>13.16</b>	<b>-</b>	<b>137.24</b>
<b>Deferred Tax Assets</b>				
Provisions - employee benefits	15.34	2.26	(0.90)	16.90
Allowances on doubtful receivables and advances	2.82	1.14	-	3.96
Others	51.26	6.46	-	57.72
<b>Sub- Total (b)</b>	<b>69.62</b>	<b>9.86</b>	<b>(0.90)</b>	<b>78.58</b>
<b>Net Deferred Tax Liabilities (a)-(b)</b>	<b>54.46</b>	<b>3.30</b>	<b>0.90</b>	<b>58.66</b>

	As at 1 April 2016	Recognized in P&L	Recognized in OCI	As at 31 March 2017
<b>Deferred Tax Liability</b>				
Property, plant and equipment	105.49	9.12	-	114.61
Investments in mutual funds at fair value through profit and loss	2.42	(0.21)	-	2.21
Forward exchange contracts used for hedging	2.96	3.44	-	6.50
Other items	1.49	(0.73)	-	0.76
<b>Sub- Total (a)</b>	<b>111.46</b>	<b>12.62</b>	<b>-</b>	<b>124.08</b>
<b>Deferred Tax Assets</b>				
Provisions - employee benefits	11.75	2.96	0.83	15.54
Allowances on doubtful receivables and advances	0.23	2.59	-	2.82
Others	44.99	6.26	-	51.26
<b>Sub- Total (b)</b>	<b>56.97</b>	<b>11.81</b>	<b>0.83</b>	<b>69.62</b>
<b>Net Deferred Tax Liabilities (a)-(b)</b>	<b>54.49</b>	<b>0.81</b>	<b>(0.83)</b>	<b>54.46</b>

**25 Other non-current liabilities**

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Deferred Income</b>			
Government grants	137.48	34.38	35.04
	<b>137.48</b>	<b>34.38</b>	<b>35.04</b>

The Company has been awarded grants under Export Promotion Capital Goods Scheme (EPCG), Agricultural and Processed Food Products Export Development Authority (APEDA), Technology Upgradation, Establishment, Modernisation of Food Processing Industries under NMFP and Scheme for Integrated Cold Chain and Value Addition Infrastructure. The grants received in 2017-18, amounted to Rs 113.41 (during 2016-17 Rs 9.55 and during periods upto 1 April 2016 Rs 64.98 having net value of Rs 43.70) were conditional upon fulfilment of export obligations in case of EPCG purchase of specified plant and machinery in a specified region and for other grants received. The amount received under grants is now recognised as deferred income and is being amortised over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

**26 Current borrowings**

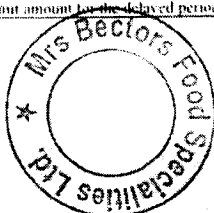
Loans from banks (repayable on demand) (secured)*	262.73	165.59	191.83
	<b>262.73</b>	<b>165.59</b>	<b>191.83</b>

\* The working capital limits of State Bank of India (SBI) are secured against entire current assets (existing and future) of the Company (other than Greater Noida and Rajpuria). These loans are further secured by second charge on entire fixed assets (PPE) of the Company (other than Greater Noida and Rajpuria) and first charge by way of EM of property situated at Wazirpur Kirti Bhawan, Humbram-Laddowal Road, Tehsil & Distt. Ludhiana.

These facilities are also secured by personal guarantee of Mr. Anoop Bector. The facilities availed from SBI carries floating rate of interest @ MCLR + 0.25% to 1.25% ranging from 8.15% to 9.15% per annum (previous year 8.15% to 10.30% per annum)

The Company has also taken the working capital limits from HDFC Bank Ltd. which are secured against pari-passu charge on entire current assets (existing and future) of Noida Unit. The facilities availed from HDFC Bank carries floating rate of interest @ MCLR + 0.10% i.e. 8.25% per annum (previous year 9.00% to 9.05% per annum). (Refer Note 15 cash and cash equivalents)

Name of the lender	Penalty Clause
State Bank of India	The Company will maintain adequate net working capital at all times to meet margin requirements and in case of shortfall in NWC/excess borrowings, the Bank will charge penal interest @ 1.00% p.a. over and above the normal interest rate applicable. In case of non compliance of current stipulations within the stipulated period, penal rate of interest @ 1% p.a. over and above the normal interest rate will be charged on entire outstanding for the period of delay. Irregularity in fund based Limits @ 2% p.a. on the entire outstanding for the period of irregularity on the irregular portion for the period of irregularity. However, in case the account is continuously irregular for the period beyond 60 days, penal rate of interest will be charged on the entire outstanding from the 61st day onwards. Non-submission of renewal data including Audited Balance Sheet: Listed Companies if not submitted within 7 months- Rs 10,000/- per month of delay. For others, if not submitted within 9 months of delay-Rs 10,000/- per month
ICICI Bank	In such event of default, bank is at liberty to recall all the facility extended to the company. 1% (The rate will be over and deemed to be an event of above the interest rate of the default for all other facility facility) on the limit amount for the delayed period will be charged for the company for the default period



**Mrs. Bectors Food Specialities Limited**

Notes to financial statements for the year ended 31 March 2018

(All amounts are in rupees million, unless otherwise stated)

**27 Trade payables**

Trade payables  
to micro and small enterprises\*  
to others\*\*

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
375.87	356.47	245.57
375.87	356.47	245.57

\*The Company has during the year, not received any intimation from any of its suppliers regarding their status under the MSMED Act. Based on the above facts, there are no dues to parties registered under MSMED Act. Further, disclosures required under MSMED Act is given under note 45.

\*\*Includes dues to related parties (refer note 48)

**28 Other financial liabilities**

Current maturities of long-term debt  
Interest accrued but not due on borrowings  
Payables towards capital goods  
Unpaid dividends  
Security and other trade deposits  
Forward exchange contracts used for hedging

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
121.17	69.10	44.01
3.67	3.00	1.84
139.94	37.27	18.05
9.20	-	14.30
16.77	9.31	54.18
4.90	-	-
295.65	118.68	132.38

**29 Other current liabilities**

Deferred income  
Government grants (Refer note 25)  
Advances from customers  
Statutory dues  
Dividend distribution tax payable  
Employee payable\*\*

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
10.15	9.79	8.66
15.81	22.35	33.58
14.82	31.38	30.42
-	-	5.83
59.89	55.04	50.06
100.67	118.56	128.55

\*\*Includes dues to related parties (refer note 48)

**30 Provisions**

Provision for employee benefits: (refer note 47)  
Compensated absences  
Gratuity  
Others:  
Provision for Litigation (refer note (a))  
Provision for Sales return (refer note (b))

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
1.11	1.32	0.96
1.89	1.56	1.29
117.65	103.98	85.39
6.15	6.10	6.61
126.80	112.96	94.25

**a) Provision for litigation\***

Balance at the commencement of the year  
Add: Provision made during the year  
Less: Provision utilised/reversed during the year  
Balance at the end of the year

As at 31 March 2018	As at 31 March 2017
103.98	85.39
13.67	23.32
-	4.73
117.65	103.98

\*refer note 42A(d) for details of pending litigation

**b) Provision for sales return**

Balance at the commencement of the year  
Add: Provision made during the year  
Less: Provision utilised/reversed during the year  
Balance at the end of the year

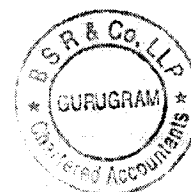
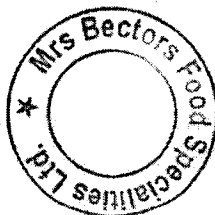
As at 31 March 2018	As at 31 March 2017
6.10	6.61
6.15	6.10
(6.10)	(6.61)
6.15	6.10

This represents provision made for possible sales returns by the customers for sales made by the Company, as estimated on the basis of past trends.

**31 Current tax liabilities (net)**

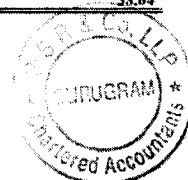
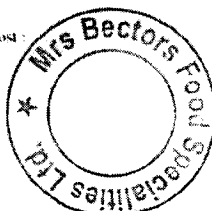
Income tax [net of advance tax Rs. 305.71 (31 March 2017 Rs. 168.83 and April 2016 Rs. 333.46)]

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
26.00	12.64	28.35
26.00	12.64	28.35



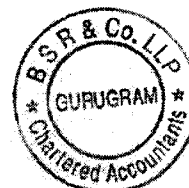
**Mrs. Bectors Food Specialities Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>32 Revenue from operations</b>		
Sale of products (including excise duty to the extent applicable)	5,844.33	5,377.44
Sale of services		
Job work income	407.54	407.70
<b>Total (A)</b>	<b>6,251.87</b>	<b>5,785.14</b>
<b>Other operating revenue</b>		
Export incentives (refer note 18)	156.33	110.00
Net gain on account of foreign exchange fluctuations	55.23	45.67
Others	69.88	74.30
<b>Total (B)</b>	<b>281.44</b>	<b>229.97</b>
<b>Total revenue from operations (A + B)</b>	<b>6,533.31</b>	<b>6,015.11</b>
<b>33 Other Income</b>		
Interest income from financial assets at amortized cost	4.14	4.76
Interest income from others	1.80	3.65
Gain on sale of investments (net)	0.67	2.26
Net change in fair value of financial assets measured at fair value through profit and loss	-	3.30
Government grants (Refer note 25)	9.97	9.08
Dividend income	18.15	-
Other miscellaneous income	1.18	0.48
	<b>35.91</b>	<b>23.53</b>
<b>34 Cost of materials consumed</b>		
Inventory at the beginning of the year	130.92	155.93
Add: Purchases (net)	3,584.06	3,275.57
Less: Inventory at the end of the year	138.50	130.92
	<b>3,576.48</b>	<b>3,300.58</b>
<b>35 Purchase of stock in trade</b>		
Purchases	126.39	105.72
	<b>126.39</b>	<b>105.72</b>
<b>36 Changes in inventories of finished goods, stock-in-trade and work in progress</b>		
<b>Opening inventories</b>		
Finished goods	114.90	139.32
Work-in-progress	1.70	1.37
Stock-in-trade	0.73	-
<b>Total (A)</b>	<b>117.33</b>	<b>140.69</b>
<b>Closing inventories</b>		
Finished goods	174.24	114.90
Work-in-progress	1.59	1.70
Stock-in-trade	11.88	0.73
<b>Total (B)</b>	<b>187.71</b>	<b>117.33</b>
Decrease/(Increase) in excise duty on change in inventories of finished goods (C)	-	(0.33)
<b>Total (A-B+C)</b>	<b>(70.38)</b>	<b>23.03</b>
<b>37 Employee benefits expense</b>		
Salaries and wages	795.35	711.74
Contribution to provident and other funds (refer note 17)	44.47	37.12
Employee share-based payment expense (refer note 19)	3.99	-
Staff welfare expenses	24.03	19.82
	<b>867.84</b>	<b>768.68</b>
<b>38 Finance cost</b>		
Interest expense on financial liabilities measured at amortised cost:		
Loan from banks	44.86	50.70
Others	10.43	7.91
	<b>55.29</b>	<b>58.61</b>



**Mrs. Bectors Food Specialities Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>39 Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment	238.43	216.34
Amortisation on intangible assets	5.68	4.07
	<b>244.11</b>	<b>220.41</b>
<b>40 Other expenses</b>		
Rent (refer note 44)	37.42	30.76
Rates and taxes	7.32	6.95
Power and fuel	291.42	268.55
Repair and maintenance:		
Plant and machinery	47.53	33.78
Buildings	13.41	9.13
Others	3.45	3.80
Travelling and conveyance	76.95	69.28
Payment to auditor (refer note (a) below)	5.71	4.09
Legal and professional fees	14.66	20.93
Printing and stationery	3.31	3.30
Net change in fair value of financial assets measured at fair value through profit and loss	0.06	-
Advertisement and sales promotion	135.76	102.02
Consumption of stores and spare parts	24.89	24.60
Commission and brokerage	6.01	6.61
Communication costs	9.76	7.73
Director's remuneration	38.66	34.26
Freight and forwarding	501.72	405.63
Insurance	8.22	8.20
Loss on sale/write off of property, plant and equipment (net)	2.44	1.70
Allowances on trade receivable and other advances	4.64	7.56
Bank charges	4.28	3.90
Expenditure on Corporate social responsibility (refer note 55)	2.81	2.18
Miscellaneous expenses	22.99	16.35
	<b>1,263.42</b>	<b>1,073.31</b>
<b>(a) Payment to auditors</b>		
As auditor		
Statutory audit	5.20	3.60
Certification	0.20	0.20
Reimbursement of expenses	0.31	0.29
	<b>5.71</b>	<b>4.09</b>
<b>41 Earning per share (EPS)</b>		
<b>A. Basic earnings per share</b>		
i. Profit (loss) for basic earning per share of Rs. 10 each		
Profit for the year	320.52	253.23
ii. Weighted average number of equity shares for (basic)		
Balance at the beginning of the year	28.63	28.63
Effect of issue of bonus shares	28.63	28.63
	<b>57.26</b>	<b>57.26</b>
<b>Basic Earnings per share (face value of Rs 10 each)</b>	<b>5.60</b>	<b>4.42</b>
<b>B. Diluted earnings per share</b>		
i. Profit (loss) for diluted earning per share of Rs. 10 each		
Profit for the year	320.52	253.23
ii. Weighted average number of equity shares for (diluted)		
Balance at the beginning of the year	28.63	28.63
Effect of issue of bonus shares	28.63	28.63
Effect of employee stock options	0.06	-
	<b>57.32</b>	<b>57.26</b>
<b>Diluted Earnings per share (face value of Rs. 10 each)</b>	<b>5.59</b>	<b>4.42</b>





42. Contingent liabilities, contingent assets and commitments

	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
<b>A. Contingent Liabilities</b>			
On the basis of current status of above-mentioned individual cases and as per legal advice obtained by the Group, wherever applicable, the Group is confident that the outcome in the above cases would be in the favour of the Group and is of view that no provision is required in respect of these cases.			
a. Claims against the Company not acknowledged as debts (The Company expects a favorable outcome against all the cases)			
i) Income Tax related matters	2.14	1.99	6.03
ii) Relating to Income tax demand on certain disallowance for AY 2010-11	-	0.03	0.03
iii) Relating to Income tax demand on certain disallowance for AY 2011-12	0.13	0.13	0.31
iv) Relating to Income tax demand on certain disallowance for AY 2013-14	1.82	1.82	5.69
v) Relating to Income tax demand on certain disallowance for AY 2015-16	0.18	-	-
ii) Sales tax related matters	3.01	4.92	3.01
i) Sales Tax demand for assessment year 2005-06 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	3.01	3.01	3.01
ii) Sales Tax Demand for assessment year 2013-14 on account of pending C forms and F forms to be deposited with the sales tax department of Uttar Pradesh	-	1.91	-
iii) Civil matters	9.10	9.10	-
i) Stamp duty case for the plot taken on 99 years lease in Noida	9.10	9.10	-
b. In respect of bank guarantees			
Guarantees given by the Company	7.43	3.30	1.66
c. Others			
Differential amount of Customs Duty payable by the Company in case of non fulfilment of export obligation against the import of capital goods made at concessional rate of duty. Based on the past sales performance and the future sales plan, management is quite hopeful to meet out the obligations by executing the required volume of exports in future.	91.07	4.95	11.74
Impact of bonus due to retrospective amendment in the Payment of Bonus Act, 1965 for the financial year 2014-15 since matter is sub-judicious in similar case	10.27	10.27	10.27
d. Other pending litigations			
(a) The Company had obtained a stay against Himachal Pradesh Government order levying entry tax @ 2% on all goods entering the state. The same was reduced to 1% with effect from 13 July 2011 and then increased to 2% with effect from 1 March 2014. The Hon'ble High Court had stayed the matter. The estimated amount of entry tax upto 31 March 2018 of Rs. 99.87 (31 March 2017 Rs. 89.52, 1 April 2016 Rs. 72.34) (including interest of Rs. 40.62 (31 March 2017 Rs. 36.19, 1 April 2016 Rs. 20.23)) has been provided in the books of accounts. The Company had provided a bank guarantee for an amount of Rs. 29.45 (31 March 2017 Rs. 24.45, 1 April 2016 Rs. 29.25) in this regard.			
(b) The Company had obtained a stay against Punjab VAT Act levying entry tax on Furnace Oil on the basis of High Court judgment delivered on the same point in another case which is pending before Supreme Court. The estimated amount of tax and interest thereon upto 31 March 2018 of Rs. 5.61 (31 March 2017 Rs. 3.30, 1 April 2016 Rs. 3.00) (including interest of Rs. 1.92 (31 March 2017 Rs. 1.61, 1 April 2016 Rs. 1.31)) has been provided in the books of accounts.			
(c) A demand of Rs. 2.37 and Rs. 2.75 related with FY 2008-09 and FY 2009-10 respectively is pending with DETC, Ludhiana. The matter is related with input tax credit claimed by assessee on purchase of HSD. The Company has demanded to start the proceeding without depositing the 25% of amount demanded. The department has rejected the appeal of the Company. The Company filed the writ petition in High Court and the High court had accepted the contention of assessee & remanded the case back to DETC, Ludhiana. The Company has created the provision in books for amount demanded and has also accrued the interest on amount demanded @ 1.5% per month. Therefore the provision for an amount of Rs. 4.49 (31 March 2017 Rs. 4.07, 1 April 2016 Rs. 3.64) and Rs. 7.75 (31 March 2017 Rs. 7.07, 1 April 2016 Rs. 6.40) includes an interest of Rs. 2.13 (31 March 2017 Rs. 1.70, 1 April 2016 Rs. 1.27) and Rs. 3.99 (31 March 2017 Rs. 3.52, 1 April 2016 Rs. 2.64) respectively.			
(d) A demand of Rs. 1.91 for assessment year 2013-14 on account of pending C forms and F forms raised by Deputy Commissioner, Gautam Budh Nagar Noida, Uttar Pradesh pending to be deposited with the sales tax department has been provided for in the books of accounts.			
<b>B. Contingent Assets</b>			
The Company does not have any contingent assets as at 31 March 2018, 31 March 2017 and 1 April 2016.			
<b>C. Commitments</b>			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 121.87 (as on 31 March 2017 Rs. 283.92 and 1 April 2016 Rs. 141.54).			
Apart from the commitments disclosed above, the Company has no major financial commitments other than those in the nature of regular business operations.			

43. Segment information

Basis for segmentation

Segment information is presented in respect of the Company's key operating segments. The operating segments are based on the Company's management and internal reporting structure.

Operating Segments

The Company's Board of directors have been identified as the Chief Operating Decision Maker (CODM), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, finance, merger and acquisition and expansion of any new facility.

In the opinion of the Board, there is only one reportable segment ('Revenue from food products'). Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Company.

Entity wide disclosures

A. Information about products and services

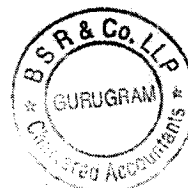
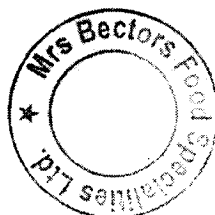
i) Revenue comprises:	31 March 2018	31 March 2017
Revenue from food products*	6,251.87	5,785.14
<b>Total</b>	<b>6,251.87</b>	<b>5,785.14</b>

\*excludes other operating revenues

B. Information about geographical areas

The geographical information analyses the Company's revenues by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Company's consolidated revenues and receivables by geographical market, regardless of where the goods were produced.

i) Revenue from external customers:	31 March 2018	31 March 2017
Within India	1,188.46	1,170.07
Outside India	2,063.41	1,605.17
<b>Total</b>	<b>6,251.87</b>	<b>5,785.14</b>



iii) Receivables	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Within India	536.76	341.77	283.77
Outside India	335.66	224.20	157.54
Total	872.42	565.97	441.31

iii) Non-current assets

The Company has common non-current assets for producing goods/ providing services to domestic and overseas markets. Hence, separate figures for other assets/ additions to fixed assets have not been furnished

C. Information about major customers (from external customers)

During the year ended 31 March 2018, Company does not have transactions with any single external customer having 10% or more of its revenue. (Rs. 626.60 for the year ended 31 March 2017).

44. Leases

Operating lease

i. Leases as lessee:

The Company has entered into operating leases for residential and warehouse premises for a period ranging from 1-5 years. Terms of the lease include term for renewal and non-cancellation. Lease rental amounting to Rs. 12.76 (31 March 2017 Rs. 7.93) have been charged to the Statement of Profit and Loss during the year.

	As at 31 March 2018	As at 31 March 2017
Commitments for minimum lease payments excluding applicable taxes in relation to the above lease arrangements are payable as follows:		
Within one year	17.14	8.13
Later than one year but not later than five years	35.37	26.97
Later than five years	-	-
	52.51	35.10

ii. Leases as lessor

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. job work arrangement. Under Ind AS, any arrangement (even if not legally structured as lease) which convey right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17. Leases

The Company has identified certain job-work arrangements to be in the nature of operating lease and accordingly these have been classified as operating lease arrangement. As a result of this during the year the Company has booked lease income amounting to Rs. 46.66 (Rs. 45.60 for the year ended 31 March 2017). There is a contingency attached to the future lease income and are therefore can not be ascertained

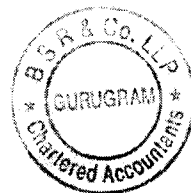
45. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Company as under

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Principal amount remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-	-
The amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure, under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

46. Transfer Pricing

The Company had entered into specified domestic transactions with related parties. During the current year, the transactions with specified related parties falls below the limit, therefore the provisions of section 92-92F of the Income Tax Act, 1961 are not applicable to the Company

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41 Employee benefits  
The Company contributes to the following post-employment defined benefit plans.

(i) Defined Contribution Plans:

Provident fund

The Company makes contributions towards provident fund for employees. The Company's contribution to the Employees Provident Fund is deposited to the government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The contribution payable to the plan by the Company is at the rate specified under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss (included in note 37-employee benefits expense):

Particulars	For the year ended	
	31 March 2018	31 March 2017
Contribution to provident fund	31.08	38.29

(ii) Defined benefit plan:

Gratuity

The Company operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service, at the time of retirement/exit. This scheme is funded by the plan assets.

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India and State bank of India Life Insurance. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to no ceiling. Vesting occurs upon completion of 5 years of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the total obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at		
	31 March 2018	31 March 2017	1 April 2016
Net defined benefit liability			
Liability for gratuity	20.97	21.00	13.03
Total employee benefit liabilities	20.97	21.00	13.03
Non-current	19.09	19.14	11.74
Current	1.88	1.86	1.29

B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

Particulars	31 March 2018			31 March 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset) liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset) liability
Balance as at 1 April	52.84	31.83	21.01	41.77	28.74	13.03
Included in Profit or Loss						
Current service cost	9.44		9.44	9.11		9.11
Interest cost (income)	3.94	2.40	1.54	3.34	2.30	1.04
Past service cost	0.60		0.60			
	14.98	2.40	12.58	12.45	2.30	10.15
Included in OCI						
Remeasurement loss (gain)						
- financial assumption	(1.32)	(9.18)	(1.14)	3.07	(9.21)	1.24
- demographic adjustments	(1.53)		(1.53)	(0.84)		(0.84)
- experience adjustments	(2.83)	(6.13)	(2.67)	2.18	(8.31)	2.39
Other						
Expected return		6.00	(6.00)		1.00	(1.00)
Contributions paid by the employee						
Benefits paid	(3.49)		(3.49)	(3.77)		(3.77)
	(3.49)	6.00	(9.49)	(6.77)	1.00	(4.77)
Balance as at 31 March	61.62	40.05	21.57	51.63	31.04	20.59

During the current year, the gratuity arrangements were adjusted to reflect new legal requirements in the country regarding gratuity limits. As a result of the plan amendment, the Company's defined benefit obligation increased by Rs. 9.60 (31 March 2017: nil). A corresponding past service cost was recognised in the Statement of Profit and Loss during the current year.

C. Plan assets

Plan assets comprise of the following

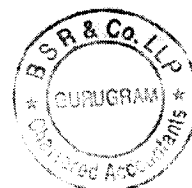
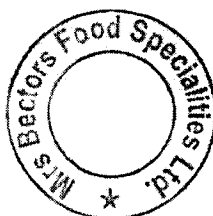
Investments with Life Insurance Corporation  
Investments with SBI life insurance

	As at		
	31 March 2018	31 March 2017	1 April 2016
Investments with Life Insurance Corporation	81.93%	81.93%	83.09%
Investments with SBI life insurance	18.05%	18.05%	16.91%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, insurance plan, life policy and other relevant factors on long term basis as provided in relevant accounting standard.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

On an annual basis, an asset-liability matching study is done by the Company whereby the Company contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.



**Mrs. Bectors Food Specialities Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Unsecured loans taken from</b>		
- Anoop Bector	36.70	27.50
- Ishant Bector	-	19.95
- Dharamvir Bector	-	5.40
- Rajni Bector	-	7.00
<b>Unsecured loans repaid to</b>		
- Anoop Bector	27.73	29.70
- Ishant Bector	12.13	2.79
- Dharamvir Bector	-	5.40
- Rajni Bector	1.63	5.50
<b>Finance cost on loans taken</b>		
- Anoop Bector	9.49	1.23
- Ishant Bector	0.82	0.62
- Dharamvir Bector	0.02	0.03
- Rajni Bector	0.07	0.08
<b>Other income from</b>		
- Bakebest Foods Private Limited	0.16	2.18
<b>Others</b>		
<b>Rent paid</b>		
- Dharamvir Bector	0.09	0.09
- Anoop Bector	4.20	4.20
- Bakebest Foods Private Limited	0.06	0.06
- Anoop Bector HUF	3.00	3.00
<b>Consultancy Charges Paid</b>		
- Subhash Agarwal	0.63	0.73
<b>Rent received</b>		
- Bakebest Foods Private Limited	0.06	0.06
- Mrs. Bectors English Oven Limited	0.01	0.01
- Cremica Agro Foods Limited	0.01	-
<b>Contributions to provident and other funds</b>		
- Rashmi Bector	0.73	0.60
- Neha Gupta	0.42	0.10
<b>Expenses incurred by the Company on behalf of</b>		
- Bakebest Foods Private Limited	-	0.04
<b>Interim dividend paid</b>		
- Anoop Bector	0.13	11.92
- Ishant Bector	2.79	1.19
- Anoop Bector HUF	3.00	3.00
- Rashmi Bector	0.91	0.61
- Naveen Bector	1.19	0.79
<b>Dividend received</b>		
- Bakebest Foods Private Limited	19.15	-
<b>Salary paid</b>		
- Rashmi Bector	6.54	5.40
- Neha Gupta	3.60	0.89

\* Transactions are net of Sales Tax (Service Tax/GST) wherever applicable.

**II Related party balances as at the year end:**

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Outstanding balances</b>			
<b>Trade and other payables</b>			
- Bakebest Foods Private Limited	0.01	-	-
- Anoop Bector	0.31	0.38	0.48
- Ishant Bector	0.62	0.52	0.12
- Parveen Kumar Goyal	0.30	0.22	0.18
- Rashmi Bector	0.50	0.15	0.11
- Neha Gupta	0.19	0.14	-
- Rajni Bector	0.09	-	-
- Dharamvir Bector	-	0.09	0.08
<b>Unsecured loans</b>			
- Ishant Bector	6.34	17.73	-
- Anoop Bector	17.87	14.48	15.56
- Rajni Bector	0.91	2.17	0.60
- Dharamvir Bector	-	0.24	0.25
<b>Advances and other receivables</b>			
- Bakebest Foods Private Limited	-	1.57	36.09
- Cremica Agro Foods Limited	4.07	4.06	8.06
- Mrs. Bectors English Oven Limited	-	0.01	0.01
<b>Non current investments</b>			
- Bakebest Foods Private Limited	181.50	181.50	181.50
- Mrs. Bectors English Oven Limited	9.50	0.50	0.50
- Cremica Agro Foods Limited	17.48	17.48	17.48

**I Personal Guarantees of Directors and relatives of Directors for loans obtained from the banks**  
**Personal Guarantees of Mr. Anoop Bector are towards outstanding loans obtained from the banks (Refer note 22)**

All transactions were made on normal commercial terms and conditions and at arm's length price



Mrs. Bectors Food Specialities Limited  
Notes to financial statements for the year ended 31 March 2018  
(All amounts are in rupees million, unless otherwise stated)

**B. Key Managerial Personnel (KMP)**

Anoop Bector	Managing Director
Ishaan Bector	Director
Parveen Kumar Goch	Executive Director

**C. Relatives of key management personnel having transactions with the Company**

	Dharamvir Bector*	Rajni Bector	Ishaan Bector	Anoop Bector
Father			Anoop Bector	Dharamvir Bector
Mother			Rashmi Bector	Rajni Bector
Spouse	Rajni Bector	Dharamvir Bector	Neha Gupta	Rashmi Bector
Brother			Savir Bector	Ajay Bector Akshay Bector
Son	Ajay Bector Anoop Bector Akshay Bector	Ajay Bector Anoop Bector Akshay Bector		Ishaan Bector Savir Bector

\* Deceased on 26 December 2017

**D. Related entities of KMP**

Partnership firms  
Sunshine Foods

Public/Private Limited Companies  
Mrs. Bectors Creams Dairies Private Limited

Hindu Undivided Family  
Dharamvir and Sons (HUF)  
Anoop Bector (HUF)

**E. Independent Directors**

Nem Chand Jain	Director w.e.f. 19 February 2017
Subhash Aggarwal	Director till 15 November 2016
Archana Bhargava	

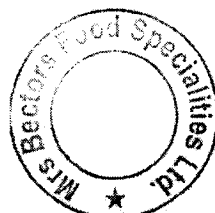
**F. Key management personnel compensation**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Short-term employee benefits	44.73	80.27
Post-employment defined benefits	1.06	2.76
Director sitting fees	0.18	0.12
Employer share based payment	0.56	-
<b>Total compensation</b>	<b>46.53</b>	<b>83.15</b>

**G. Transactions with related parties at commercial terms\***

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities. A number of these entities transacted with the Company during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis. The aggregate value of the Company's transactions relating to key management personnel and entities over which they have control or significant influence is as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Purchase of finished goods -Bakebest Foods Private Limited	0.12	0.14
Sale of goods -Bakebest Foods Private Limited	0.02	-
Purchase of fixed assets -Bakebest Foods Private Limited	-	0.59
Sale of fixed assets -Bakebest Foods Private Limited	-	0.87



**Mrs. Bectors Food Specialities Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

**D. Actuarial assumptions**  
**a) Economic assumptions**

The following were the principal actuarial assumptions at the reporting date. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is company's long term best estimate as to salary increase & takes account of inflation, seniority, promotion, business plan, HR policy and other rates are factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:-

	As at		
	31 March 2018	31 March 2017	1 April 2016
Discount rate	5.71%	5.50%	5.50%
Expected rate of future salary increase	7.00%	7.00%	7.00%

**b) Demographic assumptions**

Attrition rates are the company's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the company, business plan, HR Policy etc. as provided in the relevant accounting standard. Attrition rates as given below have been received as input from the company.

	As at		
	31 March 2018	31 March 2017	1 April 2016
i) Retirement age (years)	60	60	60
ii) Mortality rates inclusive of provision for disability	100% of IAM (2006 - 08)		
iii) Attrition at Ages	Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
Up to 30 years	3.00%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%

**E. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(3.74)	4.11	(3.44)	3.80
Expected rate of future salary increase (0.50% movement)	5.96	(3.64)	5.80	(3.47)

Sensitivities due to mortality and withdrawals are not material and hence impact of change has not been calculated.

Sensitivities as rate of increase of pensions at payment, rate of increase of pensions before retirement & life expectancy are not applicable.

**F. Expected mortality analysis of the defined benefit plans in future years**

	31 March 2018	As at	
		31 March 2017	1 April 2016
Duration of defined benefit payments			
Less than 1 year	1.49	1.56	1.29
Between 1-2 years	1.44	1.89	2.74
Between 2-5 years	7.44	6.51	5.73
Over 5 years	50.25	42.87	32.01
Total	61.62	52.83	41.77

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.85 years (31 March 2017: 19.37 years, 1 April 2016: 18.56 years).

Expected contribution to post-employment benefit plans in the next year is Rs 14.51 (31 March 2017: Rs 12.94).

**G. Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:-

- a) Salary increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- b) Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- c) Discount Rate- Reduction in discount rate in subsequent valuations can increase the plan's liability.
- d) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- e) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rate at subsequent valuations can impact Plan's liability.

**(H) Other long-term employee benefits:**

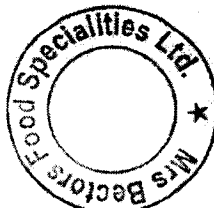
The company provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due initially within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of each period, the benefit is classified as a long-term employee benefit. During the year ended 31 March 2018, the Company has incurred an expense on compensated absences amounting to Rs. 4.98 (31 March 2017: Rs. 6.19). The Company determines the expense for compensated absences based the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.

**48. Related parties**

**A. Related parties and nature of relationship where control exists:**

**Subsidiaries**  
 Baccbest Foods Private Limited  
 Mrs. Bectors English Oven Limited

**Associates**  
 Cretica Agro Foods Limited



49 Share-based payment arrangements

A. Description of share-based payment arrangements

i. Share option programme (equity-settled)

On 30 June 2017, the Company established share option programme that entitle certain employees of the Company to purchase shares in the Company. Under these plans, holders of vested options are entitled to purchase shares at the exercise price of the shares at respective date of grant of options. The key terms and conditions related to the grants under these plans are as follows, all options are to be settled by the delivery of shares

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting Period	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	42,951	349.24	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	27,920	349.24	3 years and 9 months service from grant date	Service conditions

On 14 July 2017, the Company modified share option programme by entitling grant holders of the Company for bonus shares in the Company in the ratio of 1:1.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting Period	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	85,902	174.62	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	55,840	174.62	3 years and 9 months service from grant date	Service conditions

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value at grant date is determined using the Black Scholes Model as per an independent valuer's report, having taken into consideration the market price being the latest available closing price prior to the date of the grant, exercise price being the price payable by the employees for exercising the option and other assumptions as annexed below

	Employees Stock Option Plan - 2017 (Grant 1) 31-Mar-2018	Employees Stock Option Plan - 2017 (Grant 2) 31-Mar-2018
Fair value of options at grant date	124.01	124.01
Enterprise value per share at grant date	347.08	347.08
Exercise price at the grant date	349.24	349.24
Exercise price after bonus issue	174.62	174.62
Expected volatility (weighted-average)	34.11%	34.11%
Expected life (weighted-average)	2 years	3 years
Expected dividends	0.27%	0.27%
Risk-free interest rate (based on government bonds)	6.36%	6.36%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option behavior

C. Reconciliation of outstanding share options

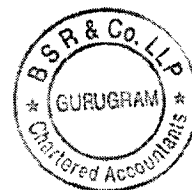
The number and weighted-average exercise prices of share options under the share option programme were as follows

	Number of options 31 March, 2018	Weighted average exercise price 31 March, 2018
Employees Stock Option Plan-2017		
Options outstanding as at the beginning of the year	-	-
Add: Options granted during the year	70,871	349.24
Add: Options increased due to bonus share	70,871	(174.62)
Less: Options lapsed during the year	-	-
Less: Options exercised during the year	-	-
Options outstanding as at the year end	141,742	174.62
Exercisable as at 31 March 2018	-	-

The options outstanding at 31 March 2018 had an exercise price of Rs. 174.62 and a weighted-average contractual life of 3.16 years

D. Expense recognised in statement of profit and loss

For the details of the related employee benefit expenses see note 37



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**Mrs. Bectors Food Specialities Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million unless otherwise stated)*

**50 Financial instruments – Fair values and risk management**

**I. Accounting classifications and fair values**

**A. Financial instruments by categories :**

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial assets</b>						
Non-current loans	-	31.63	-	32.66	-	24.15
Other non-current financial assets	-	9.68	-	0.21	-	3.22
Investments	0.18	-	48.26	-	102.70	-
Trade receivables	-	672.42	-	565.97	-	441.31
Cash and cash equivalents	-	51.81	-	127.74	-	65.68
Bank balances other than cash and cash equivalents	-	48.06	-	58.90	-	44.56
Current loans	-	-	-	4.37	-	36.08
Other current financial assets	6.52	90.82	24.16	76.25	11.11	58.22
	<b>6.70</b>	<b>904.42</b>	<b>72.42</b>	<b>866.10</b>	<b>113.81</b>	<b>673.22</b>
<b>Financial liabilities</b>						
Non-current borrowings	-	956.93	-	356.65	-	176.25
Short term borrowings	-	262.73	-	165.59	-	191.83
Trade payables	-	375.87	-	356.47	-	245.57
Other financial liabilities	4.90	290.75	-	118.68	-	132.38
	<b>4.90</b>	<b>1,886.28</b>	<b>-</b>	<b>997.39</b>	<b>-</b>	<b>746.03</b>

**B. Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and  
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Ind AS 113. An explanation of each level follows underneath the table.

**Financial assets and liabilities measured at fair value - fair value measurements**

Particulars	As at 31 March 2018			Total
	Level 1	Level 2	Level 3	
<b>Investments</b>				
Investment in equity shares and mutual funds	0.18	-	-	0.18
<b>Derivatives</b>				
Foreign exchange forward contracts (net)	-	1.62	-	1.62

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

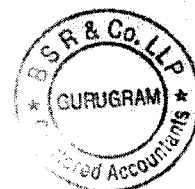
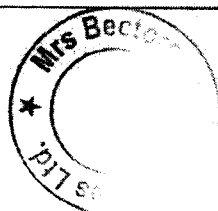
Particulars	As at 31 March 2018			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Non-current loans	-	-	31.63	31.63
Other non-current financial assets	-	-	9.68	9.68
Trade receivables	-	-	672.42	672.42
Cash and cash equivalents	-	-	51.81	51.81
Bank balances other than cash and cash equivalents	-	-	48.06	48.06
Other current financial assets	-	-	90.82	90.82
<b>Total financial assets</b>	-	-	<b>904.42</b>	<b>904.42</b>
<b>Financial liabilities</b>				
Non-current borrowings	-	-	956.93	956.93
Short term borrowings	-	-	262.73	262.73
Trade payables	-	-	375.87	375.87
Other financial liabilities	-	-	290.75	290.75
<b>Total financial liabilities</b>	-	-	<b>1,886.28</b>	<b>1,886.28</b>

**Financial assets and liabilities measured at fair value - fair value measurements**

Particulars	As at 31 March 2017			Total
	Level 1	Level 2	Level 3	
<b>Investments</b>				
Investment in equity shares and mutual funds	48.26	-	-	48.26
<b>Derivatives</b>				
Foreign exchange forward contracts	-	24.16	-	24.16

**Assets and liabilities which are measured at amortised cost for which fair values are disclosed**

Particulars	As at 31 March 2017			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Non-current loans	-	-	32.66	32.66
Other non-current financial assets	-	-	0.21	0.21
Trade receivables	-	-	565.97	565.97
Cash and cash equivalents	-	-	127.74	127.74
Bank balances other than cash and cash equivalents	-	-	58.90	58.90
Current loans	-	-	4.37	4.37
Other current financial assets	-	-	76.25	76.25
<b>Total financial assets</b>	-	-	<b>866.10</b>	<b>866.10</b>
<b>Financial liabilities</b>				
Non-current borrowings	-	-	356.65	356.65
Short term borrowings	-	-	165.59	165.59
Trade payables	-	-	356.47	356.47
Other financial liabilities	-	-	118.68	118.68
<b>Total financial liabilities</b>	-	-	<b>997.39</b>	<b>997.39</b>





Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 31 March 2016			Total
	Level 1	Level 2	Level 3	
<b>Investments</b>				
Investment in equity shares and mutual funds	102.70	-	-	102.70
<b>Derivatives</b>				
Foreign exchange forward contracts	-	11.11	-	11.11

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2016			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Non-current loans	-	-	24.15	24.15
Other non-current financial assets	-	-	3.22	3.22
Trade receivables	-	-	441.31	441.31
Cash and cash equivalents	-	-	65.68	65.68
Bank balances other than cash and cash equivalents	-	-	44.56	44.56
Current loans	-	-	36.08	36.08
<b>Other current financial assets</b>	-	-	58.22	58.22
<b>Total financial assets</b>	-	-	673.22	673.22
<b>Financial liabilities</b>				
Non-current borrowings	-	-	176.25	176.25
Short-term borrowings	-	-	191.83	191.83
Trade payables	-	-	245.57	245.57
<b>Other financial liabilities</b>	-	-	132.38	132.38
<b>Total financial liabilities</b>	-	-	746.03	746.03

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices/ NAV published.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

Valuation process

The finance department of the Company performs the valuations of financial assets and liabilities required for financial reporting purposes for level 3 fair values. The Company relies on them for instruments measured using level 1 valuation. The Company using quoted price/ NAV's published, for the derivative instruments measured using level fair values, the Company obtains the valuation from the bank from whom the derivatives are taken. This team reports directly to the Chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once every year in line with the Company's reporting periods.

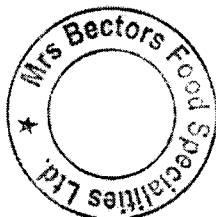
Changes in level 2 and 3 fair values are analysed at the end of each reporting period.

C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Non-current loans	31.63	31.63	32.66	32.66	24.15	24.15
Other non-current financial assets	9.68	9.68	0.21	0.21	3.22	3.22
Trade receivables	672.42	672.42	565.97	565.97	441.31	441.31
Cash and cash equivalents	51.81	51.81	127.74	127.74	65.68	65.68
Bank balances other than cash and cash equivalents	48.06	48.06	58.90	58.90	44.56	44.56
Current loans	-	-	4.37	4.37	36.08	36.08
<b>Other current financial assets</b>	90.82	90.82	76.25	76.25	58.22	58.22
	<b>904.42</b>	<b>904.42</b>	<b>866.10</b>	<b>866.10</b>	<b>673.22</b>	<b>673.22</b>
<b>Financial liabilities</b>						
Non-current borrowings	956.93	956.93	356.65	356.65	176.25	176.25
Short-term borrowings	262.73	262.73	165.59	165.59	191.83	191.83
Trade payables	375.87	375.87	350.47	350.47	245.57	245.57
<b>Other current financial liabilities</b>	290.75	290.75	118.68	118.68	132.38	132.38
	<b>1,886.28</b>	<b>1,886.28</b>	<b>997.39</b>	<b>997.39</b>	<b>746.03</b>	<b>746.03</b>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, short-term borrowings, trade payables, other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current borrowings represents approximate to the fair values. Accordingly, the same has not been discounted.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.



## II. Financial risk management

### Risk management framework

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

The Company's internal auditor oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Company has exposure to the following risks arising from financial instruments:

- credit risk,
- liquidity risk, and
- market risk

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

### i. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, derivative financial instruments, loans and advances, cash and cash equivalents and deposits with banks.

#### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard payments and delivery terms & conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

A default on a financial asset is when counterparty fails to make payments within 90 days when they fall due.

The Company based on internal assessment which is driven by the historical experience, current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the Statement of Profit and Loss within other expenses.

#### Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high credit rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

#### Security deposits

The Company furnished security deposits to its lessors for obtaining the premises on lease and margin money deposits to banks. The Company considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Company expects that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses			
Trade Receivables	682.81	572.97	441.88

#### Reconciliation of loss allowance provision

Particulars	Amount
Loss Allowance on 1 April 2016	0.56
Change in Loss allowance	6.44
Loss Allowance on 31 March 2017	7.00
Change in Loss allowance	3.39
Loss Allowance on 31 March 2018	10.39

### ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flow generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Company in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.



#### Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements.

	Carrying amount As at 31 March 2018	Total	Upto 1 year	Contractual cash flows Between 1 and 5 years	More than 5 year
<b>Financial liabilities</b>					
Non current borrowings	956.93	956.93	-	661.77	270.04
Short term borrowings	262.73	262.73	262.73	-	-
Trade payables	375.87	375.87	375.87	-	-
Other current financial liabilities	295.65	295.65	295.65	-	-
<b>Total</b>	<b>1,891.18</b>	<b>1,866.06</b>	<b>934.25</b>	<b>661.77</b>	<b>270.04</b>

	Carrying amount As at 31 March 2017	Total	Upto 1 year	Contractual cash flows Between 1 and 5 years	More than 5 year
<b>Financial liabilities</b>					
Non current borrowings	356.65	322.01	-	321.28	0.73
Short term borrowings	165.59	165.59	165.59	-	-
Trade payables	356.47	356.47	356.47	-	-
Other current financial liabilities	118.68	118.68	118.68	-	-
<b>Total</b>	<b>997.39</b>	<b>962.75</b>	<b>640.74</b>	<b>321.28</b>	<b>0.73</b>

	Carrying amount As at 1 April 2016	Total	Upto 1 year	Contractual cash flows Between 1 and 5 years	More than 5 year
<b>Financial liabilities</b>					
Non current borrowings	176.25	176.25	-	176.25	-
Short term borrowings	191.83	191.83	191.83	-	-
Trade payables	245.57	245.57	245.57	-	-
Other current financial liabilities	132.38	132.38	132.38	-	-
<b>Total</b>	<b>746.03</b>	<b>746.03</b>	<b>569.78</b>	<b>176.25</b>	<b>-</b>

The inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

#### iii. Market risk

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

The Company uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of directors.

#### Currency risk

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

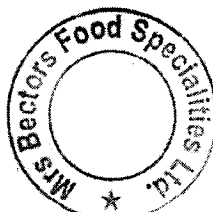
In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

#### Exposure to currency risk

The summary quantitative data about the company's exposure to currency risk as reported to the management of the company is as follows.

As at 31 March 2018	USD	Euro
<b>Financial asset</b>		
Trade receivables	5.22	-
Forward contracts receivables	14.85	-
<b>Total</b>	<b>20.07</b>	<b>-</b>
<b>Financial liabilities</b>		
Payable for capital assets	0.01	0.31
<b>Total</b>	<b>0.01</b>	<b>0.31</b>
<b>Net exposure to foreign currency risk</b>	<b>20.06</b>	<b>(0.31)</b>

As at 31 March 2017	USD	Euro
<b>Financial asset</b>		
Trade receivables	3.35	0.14
Forward contracts receivables	0.25	-
<b>Total</b>	<b>3.60</b>	<b>0.14</b>
<b>Financial liabilities</b>		
Payable for capital assets	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>
<b>Net exposure to foreign currency risk</b>	<b>3.60</b>	<b>0.13</b>



As at 1 April 2016	USD	Euro
<b>Financial asset</b>		
Trade receivables	2.23	0.14
Forward contracts receivables	5.00	-
<b>Total</b>	<b>7.23</b>	<b>0.14</b>
<b>Financial liabilities</b>		
Payable for capital assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Net exposure to foreign currency risk</b>	<b>7.23</b>	<b>0.14</b>

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Rs. against all other currencies as at 31 March would have affected the measurement of financial instruments denominated in a foreign

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2018</b>				
USD (1% movement)	12.90	(12.90)	8.44	(8.44)
EUR (1% movement)	(0.25)	0.25	(0.16)	0.16
<b>31 March 2017</b>				
USD (1% movement)	6.15	(6.15)	4.02	(4.02)
EUR (1% movement)	0.09	(0.09)	0.06	(0.06)

**Interest rate risk**

The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company cash flow to interest rate risk. Company normally maintains most of its long term borrowings at MCLR+0.15% in Rupees. Company has all the long term loans from State Bank of India, HDFC and ICICI Bank.

**Exposure to interest rate risk**

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

Particulars	Amount		
	31 March 2018	31 March 2017	1 April 2016
<b>Fixed-rate instruments</b>			
Financial assets	59.44	65.31	83.86
Financial liabilities	(25.12)	(34.64)	(16.41)
	<b>34.32</b>	<b>30.67</b>	<b>67.45</b>
<b>Variable-rate instruments</b>			
Financial assets			
Financial liabilities	(1,312.55)	(562.01)	(398.80)
	<b>(1,312.55)</b>	<b>(562.01)</b>	<b>(398.80)</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	Profit or loss (net of tax)	
	100 bp increase	100 bp decrease
<b>31 March 2018</b>		
Variable-rate instruments	(8.58)	8.58
Cash flow sensitivity (net)	<b>(8.58)</b>	<b>8.58</b>
<b>31 March 2017</b>		
Variable-rate instruments	(3.68)	3.68
Cash flow sensitivity (net)	<b>(3.68)</b>	<b>3.68</b>

**51 Capital management**

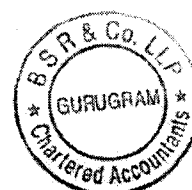
The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The company capital consists of equity attributable to equity holders that includes equity share capital, reserves, retained earnings and long term borrowings.

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total liabilities	1,347.47	596.65	415.21
Less: Cash and cash equivalent	51.81	127.74	65.68
<b>Adjusted net debt (a)</b>	<b>1,295.66</b>	<b>468.91</b>	<b>349.53</b>
Total equity (b)	2,552.46	2,274.40	2,057.19
Capital gearing ratio (a/b)	50.76%	20.62%	16.99%

As a part of its capital management policy the company ensures compliance with all covenants and other capital requirements related to its contractual obligations.



## 52. First Time Adoption of Ind AS

As stated in note 2, these are the Company's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS statement of financial position at 1 April 2016 (the Company's date of transition).

In preparing its opening Ind AS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

### Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

#### A. Ind AS optional exemptions

##### (i) Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### (ii) Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Company has elected to apply this exemption for such contracts/arrangements.

##### (iii) Investments in subsidiaries and associates

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary and its associate as the deemed cost.

Accordingly, the Company has opted to measure its investment in subsidiary at deemed cost i.e. previous GAAP carrying amount.

#### B. Ind AS mandatory exceptions

##### (i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimates for investment in instruments carried at fair value through profit and loss (FVTPL) and impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

##### (ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

##### (iii) De-recognition of financial assets and liabilities

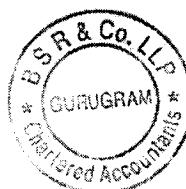
Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

#### C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

##### Reconciliation of equity

Particulars	Note	As at 1 April 2016			As at 31 March 2017		
		Previous GAAP*	Transitional adjustments	Ind AS	Previous GAAP*	Transitional adjustments	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	4, 10	1,437.85	43.71	1,481.56	1,845.86	51.69	1,897.55
Capital work-in-progress	10	189.64	4.31	193.95	115.65	2.19	117.84
Intangible assets		18.94	-	18.94	17.13	-	17.13
Intangible assets under development		-	-	-	5.55	-	5.55
Investments in subsidiaries and associate		182.00	-	182.00	182.00	-	182.00
Equity accounted investees		17.48	-	17.48	17.48	-	17.48
Financial assets							
(i) Loans		24.15	-	24.15	32.66	-	32.66
(ii) Other non-current financial assets		3.22	-	3.22	0.21	-	0.21
Current tax assets (net)		15.77	-	15.77	25.72	-	25.72
Other non-current assets		86.97	-	86.97	108.21	-	108.21
<b>Current assets</b>							
Inventories		314.21	-	314.21	262.74	-	262.74
Financial assets							
(i) Investments	3	95.72	6.98	102.70	41.86	6.40	48.26
(ii) Trade receivables	9	434.71	6.60	441.31	559.87	6.10	565.97
(iii) Cash and cash equivalents		65.68	-	65.68	127.74	-	127.74
(iv) Bank balances other than in above		44.56	-	44.56	58.90	-	58.90
(v) Loans		36.08	-	36.08	4.37	-	4.37
(vi) Other current financial assets	2	75.05	(5.72)	69.33	92.04	7.78	100.41
Other current assets		66.27	-	66.27	62.68	-	62.68
<b>TOTAL ASSETS</b>		<b>3,108.30</b>	<b>55.88</b>	<b>3,164.18</b>	<b>3,561.26</b>	<b>74.16</b>	<b>3,635.42</b>



	As at 1 April 2016			As at 31 March 2017		
	Previous GAAP*	Transitional adjustments	Ind AS	Previous GAAP*	Transitional adjustments	Ind AS
<b>EQUITY AND LIABILITIES</b>						
Equity						
Equity share capital	286.34	-	286.34	286.34	-	286.34
Other equity	1,759.19	11.46	1,770.85	1,970.19	17.87	1,988.06
<b>Non-current liabilities</b>						
Financial liabilities						
(i) Borrowings	176.25	-	176.25	356.65	-	356.65
Long-term provisions	20.28	-	20.28	30.63	-	30.63
Deferred tax liabilities (net)	6	48.42	6.07	45.01	9.45	54.46
Other non-current liabilities	4	-	35.04	-	34.38	34.38
<b>Current liabilities</b>						
Financial liabilities						
(i) Borrowings	191.83	-	191.83	165.59	-	165.59
(ii) Trade payables	245.57	-	245.57	356.47	-	356.47
(iii) Other financial liabilities	132.38	-	132.38	118.68	-	118.68
Other current liabilities	2, 4, 5	131.84	(1.29)	112.20	6.36	118.56
Short-term provisions	9	87.65	6.60	106.86	6.10	112.96
Current tax liabilities (net)		28.35	-	12.64	-	12.64
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,108.30</b>	<b>55.88</b>	<b>3,164.18</b>	<b>3,561.26</b>	<b>74.16</b>	<b>3,635.42</b>

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

**Reconciliation of total comprehensive income for the year ended 31 March 2017**

Particulars	Note	Previous GAAP*	Adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations	2, 7, 8, 9	5,875.53	139.58	6,015.11
Other income	3, 4, 8	15.04	8.49	23.53
<b>Total income</b>		<b>5,890.57</b>	<b>148.07</b>	<b>6,038.64</b>
<b>Expenses</b>				
Cost of materials consumed	9	3,305.29	(4.71)	3,300.58
Excise duty	7	-	139.68	139.68
Purchase of stock in trade		105.72	-	105.72
Changes in inventories of stock-in-trade		23.36	(0.33)	23.03
Employee benefits expense	1	771.07	(2.39)	768.68
Finance costs	10	44.28	(5.64)	38.64
Depreciation and amortisation expense	4, 10	211.08	9.33	220.41
Other expenses	5	1,073.37	(0.06)	1,073.31
<b>Total Expenses</b>		<b>5,534.17</b>	<b>135.88</b>	<b>5,670.05</b>
<b>Profit/ (loss) before tax</b>		<b>356.40</b>	<b>12.19</b>	<b>368.59</b>
<b>Tax expense:</b>				
Current tax		114.55	-	114.55
Deferred tax credit	6	(3.41)	4.22	0.81
<b>Profit/ (loss) for the period (A)</b>		<b>245.26</b>	<b>7.97</b>	<b>253.23</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement of defined benefit plans	1	-	(2.39)	(2.39)
Income tax relating to remeasurement of defined benefit plans		-	0.83	0.83
<b>Total other comprehensive income for the year (B)</b>		<b>-</b>	<b>(1.56)</b>	<b>(1.56)</b>
<b>Total comprehensive income for the year (A + B)</b>		<b>245.26</b>	<b>6.41</b>	<b>251.67</b>



Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Notes to first-time adoption	31 March 2017	1 April 2016
Total equity (shareholder's funds) as per previous GAAP		2,256.53	2,045.73
Adjustments (net of tax impact):			
Fair value of forward contracts	2	3.03	3.89
Measurement of investment in equity shares at fair value	3	(0.38)	4.56
Rent equalisation reserve	5	0.24	0.19
Capitalisation of general borrowing cost	10	3.52	2.82
Total adjustments		6.41	11.46
Net impact brought forward from Opening balance sheet		11.46	-
Total equity as per Ind AS		2,274.40	2,057.19

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Notes to first-time adoption	Amount
Profit after tax under previous GAAP		245.26
Adjustments (net of tax impact):		
Actuarial loss reclassified to other comprehensive income	1	1.56
Fair value of forward contracts	2	3.03
Measurement of investment in equity shares at fair value	3	(0.38)
Rent equalisation reserve	5	0.24
Capitalisation of general borrowing cost	10	3.52
Total adjustments		7.97
Profit after tax as per Ind AS		253.23
Other Comprehensive Income		(1.56)
Total Comprehensive income for the year		251.67

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	478.87	8.06	486.93
Net cash flow from investing activities	(497.21)	(14.83)	(512.04)
Net cash flow from financing activities	80.41	6.77	87.18
Net increase/(decrease) in cash and cash equivalents	62.07	0.00	62.07
Cash and cash equivalents as at 1 April 2016	65.68	-	65.68
Cash and cash equivalents as at 31 March 2017	127.75	0.00	127.75

D. Notes to first-time adoption:

1 Remeasurement of post-employment benefit obligations

Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurement were forming part of the profit or loss for the year. As a result of this change, the profit for the year (net of tax) ended March 31, 2017 increased by Rs. 1.56 (Rs. 2.39 gross). There is no impact on the total equity as at 31 March 2017.

2 Fair valuation of derivatives

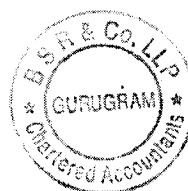
Under the previous GAAP, in respect of foreign currency receivable, the Company entered into forward contracts to hedge the foreign currency receivables. As a result, the company used to amortise the premium and restate the forward contracts as per the requirement of AS-11.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. Total equity as at 31 March 2017 increased by Rs. 6.91 (1 April 2016 - Rs. 3.89). Due to said fair valuation the profit for the year (net of tax) ended 31 March 2017 increased by Rs. 3.03 (Rs. 4.63 gross) as a result of the fair value change. Correspondingly, assets for forward exchange contracts used for hedging created under previous GAAP increased by Rs. 7.78 as at 31 March 2017 (as at 1 April 2016 reduced by Rs. 5.72) and other current liability for unamortised premium created under previous GAAP by Rs. 2.79 as at 31 March 2017 (as at 1 April 2016 Rs. 11.66) got reversed.

3 Investment in equity shares at fair value

Under the Indian GAAP, investments in equity shares were measured at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017.

The profit for the year (net of tax) ended 31 March 2017 reduced by Rs. 0.38 (Rs. 0.59 gross). Accordingly, there is an increase in the total equity by Rs. 4.18 as at 31 March 2017 (1 April 2016 - Rs. 4.56) with a corresponding increase in value of investments by Rs. 6.40 as at 31 March 2017 (Rs. 6.98 as at 1 April 2016).



**4 Property, plant and equipment - capital subsidy**

The Company has been awarded with Export Promotion Capital Grant (EPCG) and Technology Upgradation, Establishment, Modernisation, of Food Processing Industries under NMFP scheme which are conditional upon import of certain assets and purchase of plant and machinery in a specified region respectively. Under previous GAAP, such capital grants on account of duty waivers were being netted off with the cost of the respective item of property, plant and equipment.

Under Ind AS the transfer of resources from the government in the form of a waiver of expenses/duty needs to be accounted for as government grant. Accordingly, the duty waived off under EPCG Scheme and NMFP scheme has been recognised as government grant by debiting the property, plant and equipment with a corresponding credit to deferred income. The deferred income is released to Statement of profit and loss in proportion of depreciation charged over the useful life of the asset.

Accordingly, property, plant and equipment as at 31 March 2017 has been increased by Rs. 44.18 (as at 1 April 2016 Rs. 43.71) net of accumulated depreciation with a corresponding increase in deferred income under other non-current liabilities by Rs. 34.38 as at 31 March 2017 (as at 1 April 2016 Rs. 35.04) and under other current liabilities by Rs. 9.79 as at 31 March 2017 (as at 1 April 2016 Rs. 8.66). Further during the year ended 31 March 2017 depreciation increased by Rs. 9.08 with a corresponding increase in other income by unwinding of deferred income. There is no impact on the total equity and profit.

**5 Rent equalisation reserve**

Under Ind AS, a Company is not required to recognise rental expense on straight line basis if the escalation rate is linked to general inflation. Accordingly, rent equalisation reserve created under arrangements where the escalation rate is linked to general inflation rate has been reversed under Ind AS. Accordingly, the profit for the year (net of tax) ended 31 March 2017 has increased by Rs. 0.24 (Rs. 0.39 gross) due to reversal of rent equalisation reserve created as on transition date.

Consequently, the total equity as at 31 March 2017 has increased by Rs. 0.43 (1 April 2016 Rs. 0.19) with a corresponding decrease in other current liabilities by Rs. 0.64 as at 31 March 2017 (Rs. 0.29 as at 1 April 2016).

**6 Deferred tax Liabilities (net)**

This represents the deferred tax impact of Ind AS adjustments.

**7 Excise duty**

Under the previous GAAP, revenue from sale of products was presented net of excise duty. Under Ind AS, revenue from sale of goods is presented gross of excise duty. The excise duty paid is presented as part of cost of goods sold. This change has resulted in an increase in total revenue and total expenses for the previous year by Rs. 139.68. There is no impact on the total equity and profit for the year.

**8 Arrangement containing leases**

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. job work arrangement. Under Ind AS, any arrangement (even if not legally structured as lease) which convey right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Leases.

The Company has identified certain job-work arrangements to be in the nature of operating lease and accordingly these have been classified as operating lease arrangement. As a result, revenue has decreased by Rs. 45.60 with a corresponding increase in other income. There is no impact on total equity and profit.

**9 Provision for sales return**

Under previous GAAP, provision for expected sales return was accounted for by reducing margin from the revenue with a corresponding reduction in accounts receivable. Under Ind AS the same is grossed up by creating a provision for sales return. Accordingly, revenue for the year ended 31 March 2017 got reduced by Rs. 4.71 with a corresponding reduction in cost of goods.

Further, trade receivable as at 31 March 2017 got increased by Rs. 6.10 (as at 1 April 2016 Rs. 6.60) with a corresponding increase in provision for sales return.

**10 Capitalisation of general borrowing cost**

Under previous GAAP, the Company capitalised the borrowing cost only for specific borrowings with the cost of the respective fixed assets. Under Ind AS, the Company is required to capitalise borrowing cost on general borrowings as well along with specific borrowings in case of qualifying assets. Accordingly, interest cost amounting to Rs. 5.64 for the year ended 31 March 2017 has been capitalised with a corresponding increase in depreciation charged during the year by Rs. 0.25. Consequently, the total equity as at 31 March 2017 has increased by Rs. 6.34 (1 April 2016 Rs. 2.82).

Further, Property, plant & equipment increased by Rs. 7.51 as at 31 March 2017 (Rs. nil as at 1 April 2016) net of depreciation and capital work-in-progress increased by Rs. 2.19 (Rs. 4.31 as at 1 April 2016).

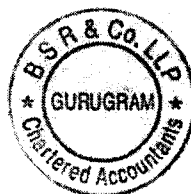
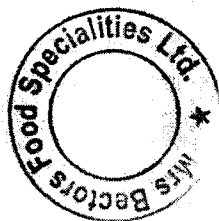
**11 Retained earnings**

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**12 Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans.

The concept of other comprehensive income did not exist under previous GAAP.





- 53 The specified bank notes (SBN) as defined under the notification issued by the Ministry of Finance, Department of Economic dated 08 November, 2016 are no longer in existence. Hence, the Company has not provided the corresponding disclosures as prescribed in Schedule III to the Companies Act, 2016. The disclosure of SBN made in the financial statements for 31 March 2017 is as follows

	• SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	2.75	1.59	4.34
(+) Permitted receipts	-	14.47	14.47
(-) Permitted payments	-	3.79	3.79
(-) Amount deposited in Banks	2.75	10.58	13.33
Closing cash in hand as on 30 December 2016	-	1.69	1.69

\*For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E) dated 8 November 2016.

- 54 Details in respect of dividend remitted during the year in foreign currency :

	For the year ended	
	31 March 2018	31 March 2017
Number of non-resident shareholders*	2 (nos.)	2 (nos.)
Number of shares held as on record date*	12.27	6.13
Amount remitted during the year*#	-	12.27
Financial year to which dividend pertains*	-	2015-16 & 2016-17

\* Excludes non-resident shareholders to whom dividend is paid in Indian rupees.

# Includes amount of Rs. 6.1 Million remitted during the year pertaining to the year 2015-16.

- 55 Corporate Social Responsibility

**31 March 2018**

- a) Gross amount required to be spent by the Company during the year was Rs. 8.85  
b) Amount spent during the year on promoting environmental sustainability, health care, eradication of poverty and providing scholarship to students

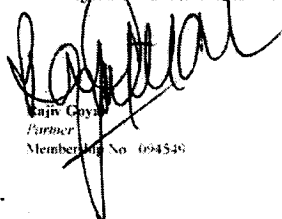
Particulars	In cash	Yet to be paid in cash	Total
On construction/acquisition of any asset	-	-	-
On purpose other than above	2.82	-	2.82
Total	2.82	-	2.82

**31 March 2017**

- a) Gross amount required to be spent by the Company during the year was Rs. 8.68  
b) Amount spent during the year on promoting environmental sustainability, health care, eradication of poverty and providing scholarship to students

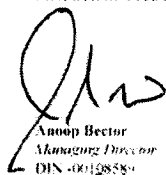
Particulars	In cash	Yet to be paid in cash	Total
On construction/acquisition of any asset	-	-	-
On purpose other than above	2.18	-	2.18
Total	2.18	-	2.18

For BSR & Co. LLP  
Chartered Accountants  
Firm's registration number 101248W W-100022

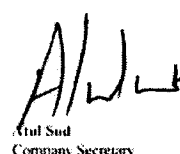
  
Rajiv Goyal  
Partner  
Membership No. 694546

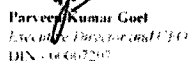
Place Gurugram  
Date 10 July 2018

For and on behalf of the Board of Directors of  
Mrs. Bectors Food Specialities Limited

  
Anoop Bector  
Managing Director  
DIN : 00198586

  
Ashish Bector  
Director  
DIN : 02906180

  
Anil Sud  
Company Secretary

  
Parveen Kumar Goel  
Executive Director and CFO  
DIN : 00667205

Place Gurugram  
Date 10 July 2018

# B S R & Co. LLP

Chartered Accountants

Building No.10, 8th Floor, Tower-B  
DLF Cyber City, Phase - II  
Gurugram - 122 002, India

Telephone: + 91 124 719 1000  
Fax: + 91 124 235 8613

## INDEPENDENT AUDITOR'S REPORT

To the Members of Mrs. Bectors Food Specialities Limited

### 1. Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Mrs. Bectors Food Specialities Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, including a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

### 3. Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the 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 thereunder.

We conducted our audit 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 consolidated Ind AS financial statements are free from material misstatement.

B S R & Co. is a partnership firm with Registration No. BA612231 converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated 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, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Group and of its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Group and its associate to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### **4. Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and an associate, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its associate as at 31 March 2018, and its consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

#### **5. Other Matters**

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets of Rs. 299.65 Million and net assets of Rs. 272.09 Million as at 31 March 2018, total revenues of Rs. 413.49 Million and net cash outflows amounting to Rs. 1.38 Million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 0.17 Million for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and an associate, is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

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## 6. Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and an associate, which are companies incorporated in India, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and an associate, which are companies incorporated in India, none of the directors of the Group companies and its associate, which are companies incorporated in India, is disqualified as on 31 March 2018 from being appointed as a director of that company in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our Report in "Annexure A" which is based on the auditor's report of Holding company, its subsidiary companies and its associate company.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries and an associate, which are companies incorporated in India, as noted in the 'Other Matter' paragraph:
  - (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates – Refer Note 41 to the consolidated Ind AS financial statements.
  - (ii) The Group and its associate did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.
  - (iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and an associate, which are companies incorporated in India, during the year ended 31 March 2018.

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**B S R & Co. LLP**

- (iv) The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated financial statements for the period ended 31 March 2017 have been disclosed. Refer to note 52 of the consolidated Ind AS financial statements.

*For B S R & Co. LLP*

*Chartered Accountants*

Firm Registration No.: 101248W/W-100022



Rajiv Goyal  
Partner  
Membership No.: 094549

Place: Gurugram, Haryana

Date: 10 July 2018

**"Annexure A" referred to in our Independent Auditor's report to the Members of the Mrs. Bectors Food Specialities Limited on the consolidated Ind AS financial statements the year ended 31 March 2018**

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

In conjunction with our audit of the consolidated Ind AS financial statements of Mrs. Bectors Food Specialities Limited ("the Holding Company") as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company, its subsidiary companies and an associate, which are companies incorporated in India, as of that date.

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

The respective Board of Directors of the Holding Company, its subsidiary companies and an associate, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') 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 Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements 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 with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and an associate, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system with reference to consolidated Ind AS financial statements.

**Meaning of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements**

A company's internal financial control with reference to consolidated Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated Ind AS financial statements 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 consolidated Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Consolidated Ind AS Financial Statements**

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

**Opinion**

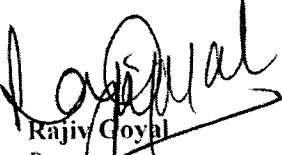
In our opinion, the Holding Company, its subsidiary companies and an associate, which are companies incorporated in India, have in all material respects, an adequate internal financial controls system with reference to consolidated Ind AS financial statements and such internal financial controls with reference to consolidated Ind AS financial statements were operating effectively as at 31 March 2018, based on the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other Matters**

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial statements insofar as it relates to two subsidiary companies and an associate, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

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

  
Rajiv Goyal  
Partner  
Membership No.: 094549

Place: Gurugram, Haryana  
Date: 10 July 2018

**Mrs. Bectors Food Specialities Limited**  
**Consolidated Balance sheet as at 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

**ASSETS**

**Non-current assets**

Property, plant and equipment	3	2,545.78	2,173.73	1,780.17
Capital work-in-progress	4	920.79	117.84	193.95
Goodwill	5	3.95	3.95	3.95
Other intangible assets	6	17.81	17.13	18.94
Intangible assets under development		-	5.35	-
Investment accounted for using the equity method	7	38.82	38.65	38.34
<b>Financial assets</b>				
(i) Loans	8	33.56	34.81	26.21
(ii) Other financial assets	9	9.68	0.21	3.22
<b>Non-current tax assets (net)</b>	10	29.23	25.73	15.77
<b>Other non-current assets</b>	11	66.22	110.01	87.92
<b>Total non-current assets</b>		<b>3,665.94</b>	<b>2,527.81</b>	<b>2,168.47</b>

**Current assets**

**Inventories**

**Financial assets**

(i) Investments	12	353.49	276.09	325.53
(ii) Trade receivables	13	0.18	48.26	102.70
(iii) Cash and cash equivalents	14	693.83	586.07	463.14
(iv) Bank balances other than (iii) above	15	58.76	136.08	67.14
(v) Other financial assets	16	48.51	59.32	45.06
<b>Other current assets</b>	17	97.34	100.41	69.33
	18	148.87	63.40	66.65

**Total current assets**

**Total assets**

**EQUITY AND LIABILITIES**

**Equity**

**Equity share capital**

**Other equity**

**Total equity**

**Liabilities**

**Non-current liabilities**

**Financial liabilities**

**(i) Borrowings**

**Provisions**

**Deferred tax liabilities (net)**

**Other non-current liabilities**

**Total non-current liabilities**

**Current liabilities**

**Financial liabilities**

**(i) Borrowings**

**(ii) Trade payables**

**(a) Total outstanding dues of micro enterprises and small enterprises**

**(b) Total outstanding dues of creditors other than micro enterprises and small enterprises**

**(iii) Other financial liabilities**

**Other current liabilities**

**Provisions**

**Current tax liabilities (net)**

**Total current liabilities**

**Total liabilities**

**Total equity and liabilities**

**Significant accounting policies:**

The accompanying notes are an integral part of these consolidated financial statements.  
 As per our report of even date attached

For BSR & Co. LLP  
 Chartered Accountants  
 Firm's registration number: 101201/WV-000022

Rajiv Goyal  
 Partner  
 Membership No. 1094549

Place: Gurugram  
 Date: 10 July 2018

Notes	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
3	2,545.78	2,173.73	1,780.17
4	920.79	117.84	193.95
5	3.95	3.95	3.95
6	17.81	17.13	18.94
	-	5.35	-
7	38.82	38.65	38.34
8	33.56	34.81	26.21
9	9.68	0.21	3.22
10	29.23	25.73	15.77
11	66.22	110.01	87.92
	<b>3,665.94</b>	<b>2,527.81</b>	<b>2,168.47</b>
12	353.49	276.09	325.53
13	0.18	48.26	102.70
14	693.83	586.07	463.14
15	58.76	136.08	67.14
16	48.51	59.32	45.06
17	97.34	100.41	69.33
18	148.87	63.40	66.65
	<b>1,408.98</b>	<b>1,369.63</b>	<b>1,139.55</b>
	<b>5,064.92</b>	<b>3,797.44</b>	<b>3,308.02</b>
19	572.68	286.34	286.34
20	2,095.01	2,066.82	1,812.12
	<b>2,667.69</b>	<b>2,353.16</b>	<b>2,098.46</b>
21	956.93	373.71	220.99
22	32.54	31.87	20.91
23	63.57	58.83	51.79
24	137.48	34.38	35.04
	<b>1,189.52</b>	<b>498.81</b>	<b>338.73</b>
25	262.73	165.59	191.83
26	389.70	377.85	259.37
27	297.62	154.44	165.56
28	103.79	121.47	131.27
29	126.86	112.99	94.27
30	26.00	12.93	28.53
	<b>1,206.71</b>	<b>945.27</b>	<b>870.83</b>
	<b>2,399.23</b>	<b>1,444.08</b>	<b>1,299.56</b>
	<b>5,064.92</b>	<b>3,797.44</b>	<b>3,308.02</b>

For and on behalf of the Board of Directors of  
 Mrs. Bectors Food Specialities Limited

Jaagop Bector  
 Managing Director  
 DIN: 00108389

Jaagop Bector  
 Director  
 DIN: 02906180

Atul Sood  
 Company Secretary

Parveen Kumar Goyal  
 Executive Director and CFO  
 DIN: 00107297

Place: Gurugram  
 Date: 10 July 2018



**Mrs. Bectors Food Specialities Limited**  
**Consolidated Statement of profit and loss for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Income</b>			
Revenue from operations	31	6,939.65	6,386.52
Other income	32	17.90	21.54
<b>Total income</b>		<b>6,957.55</b>	<b>6,408.06</b>
<b>Expenses</b>			
Cost of materials consumed	33	3,778.86	3,486.76
Purchase of stock-in-trade	34	119.68	103.72
Changes in inventories of finished goods, stock-in-trade and work-in-progress	35	(70.65)	22.64
Excise duty		33.30	139.68
Employee benefits expense	36	913.07	809.43
Finance costs	37	57.78	45.02
Depreciation and amortisation expense	38	272.93	249.67
Other expenses	39	1,321.97	1,124.63
<b>Total expenses</b>		<b>6,426.94</b>	<b>5,983.55</b>
<b>Profit before share of equity accounted investees and tax</b>			
Share of net profit of associates accounted for using the equity method	7	0.17	0.31
<b>Profit before tax</b>		<b>530.78</b>	<b>424.82</b>
<b>Tax expense:</b>			
Current tax		164.50	126.08
Deferred tax		5.80	7.93
		<b>170.30</b>	<b>134.01</b>
<b>Profit for the year (A)</b>		<b>360.48</b>	<b>290.81</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of defined benefit plans		2.67	(2.52)
Income tax relating to remeasurement of defined benefit plans		(0.92)	0.87
<b>Total other comprehensive income/ (loss) for the year (B)</b>		<b>1.75</b>	<b>(1.65)</b>
<b>Total comprehensive income for the year (A + B)</b>		<b>362.23</b>	<b>289.16</b>
<b>Earnings per equity share</b>			
[nominal value of Rs. 10 (previous year Rs.10)]	40		
Basic		6.30	5.08
Diluted		6.29	5.08

Significant accounting policies 2  
The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
Firm's registration number: 1002487/W-100022

Rajiv Goyal  
Partner  
Membership No.: 094549

For and on behalf of the Board of Directors of  
Mrs. Bectors Food Specialities Limited

Anoop Bector  
Managing Director  
DIN: 00108589

Parveen Kumar Goel  
Executive Director and CFO  
DIN: 00007297

Shama Bector  
Director  
DIN: 02906180

Atul Sud  
Company Secretary

Place: Gurugram  
Date: 10 July 2018

Place: Gurugram  
Date: 10 July 2018

Mrs. Bectors Food Specialities Limited  
Consolidated Statement of Changes in Equity for the year ended 31 March 2018  
(All amounts are in rupees million, unless otherwise stated)

(a) Equity share capital

Particulars

Balance at the beginning of the year  
Bonus shares issued  
Balance at the end of the reporting period

As at 31 March 2018		As at 31 March 2017	
Number of shares	Amount	Number of shares	Amount
28,633,811	286.34	28,633,811	286.34
28,633,811	286.34	-	-
57,267,622	572.68	28,633,811	286.34

(b) Other equity

Particulars	Note	Reserves & Surplus					Other comprehensive income	Total
		Share options outstanding account	Capital reserve	Securities premium	General reserve	Retained earnings	Remeasurement of defined benefit plans	
Balance at 1 April 2016		-	14.37	530.17	18.88	1,248.70	-	1,812.12
Profit for the year		-	-	-	-	290.81	-	290.81
Other comprehensive income/ (loss) for the year	20c	-	-	-	-	-	(1.65)	(1.65)
Less: Interim dividend	20c	-	-	-	-	(28.63)	-	(28.63)
Less: Dividend distribution tax on interim dividend	20c	-	-	-	-	(5.82)	-	(5.82)
Total comprehensive income for the year		-	-	-	-	256.35	(1.65)	254.70
Balance at 31 March 2017		-	14.37	530.17	18.88	1,505.05	(1.65)	2,064.82
Profit for the year		-	-	-	-	360.48	-	360.48
Other comprehensive income for the year	20c	-	-	-	-	-	1.75	1.75
Employer's stock option expense	20c	3.99	-	-	-	-	-	3.99
Less: Bonus shares issued	20b	-	-	(286.34)	-	-	-	(286.34)
Less: Interim dividend	20c	-	-	-	-	(42.95)	-	(42.95)
Less: Dividend distribution tax on interim dividend	20c	-	-	-	-	(8.74)	-	(8.74)
Total comprehensive income for the year		3.99	-	(286.34)	-	308.79	1.75	28.19
Balance at 31 March 2018		3.99	14.37	243.83	18.88	1,813.84	0.10	2,095.01

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants

Firm's registration number: 111241/W-000002

Rajiv Goyal  
Partner  
Membership No. 004549

For and on behalf of the Board of Directors of  
Mrs. Bectors Food Specialities Limited

Anoop Bector  
Managing Director  
DIN: 00108589

Anoop Bector  
Director  
DIN: 02906180

Atul Sud  
Company Secretary

Parvinder Kumar Gudi  
Executive Director and CFO  
DIN: 00007297

Place: Gurugram  
Date: 10 July 2018

Place: Gurugram  
Date: 10 July 2018

**Mrs. Bectors Food Specialities Limited**  
**Statement of consolidated cash flows for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>A. Cash flow from operating activities</b>		
Net profit before taxation	530.78	424.82
Non-cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	272.93	249.67
Provision for doubtful debts and advances	4.64	7.56
Profit on sale of investments	(0.67)	(2.26)
Net change in fair value of financial assets at FVTPL	0.06	(3.30)
Bad debts written off	3.39	0.83
Net loss on sale of fixed assets	2.44	1.79
Employee share-based payment expense	3.99	-
Interest expense	57.78	45.02
Interest Income	(6.08)	(6.42)
Share of profit of associates	(0.17)	(0.31)
<b>Operating profit before working capital changes</b>	<b>869.09</b>	<b>717.40</b>
Movement in working capital:		
Decrease in Loans	1.25	(8.75)
(Increase) in other financial assets	3.19	(29.25)
(Increase)/Decrease in other assets	(85.47)	3.35
(Increase)/Decrease in inventories	(77.40)	49.42
(Increase) in trade receivables	(115.79)	(131.32)
Increase in provisions	17.21	27.17
Increase/(Decrease) in other liabilities	(18.04)	(5.09)
Increase in trade payables	11.85	118.47
Increase/(Decrease) in other financial liabilities	12.75	(44.57)
<b>Cash generated from operations</b>	<b>618.64</b>	<b>696.83</b>
Income tax paid	(155.03)	(151.63)
<b>Net cash from operating activities (A)</b>	<b>463.61</b>	<b>545.20</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets (including capital work in progress and capital advances)	(1,189.20)	(575.89)
Purchase of intangible assets (including intangible under development)	(0.81)	(7.82)
Proceeds from sale of fixed assets (including capital work in progress)	3.62	8.00
Net proceeds of investments	48.69	60.01
Net redemption/(investments) in bank deposits (having original maturity of more than three months)	1.34	(11.25)
Interest received	5.96	4.60
<b>Net cash used in investing activities (B)</b>	<b>(1,138.41)</b>	<b>(522.36)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds/(repayments) from/to non-current borrowings *	592.15	156.70
Proceeds/(repayments) from/to current borrowings	97.14	(11.92)
Interest paid	(57.32)	(44.08)
Dividend paid on equity shares (including dividend distribution tax)	(42.49)	(54.59)
<b>Net cash from/(used) in financing activities (C)</b>	<b>589.48</b>	<b>46.11</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(77.32)</b>	<b>68.94</b>
Cash and cash equivalents at the beginning of the year	136.08	67.14
<b>Cash and cash equivalents at the end of the year</b>	<b>58.76</b>	<b>136.08</b>

\* Also refer note 21 (c) for reconciliation of liabilities from financing activities

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 - on Statement of Cash Flow as notified under Companies (Accounts) Rules, 2015.

As per our report of even date attached

For BSR & Co. LLP  
Chartered Accountants  
Firm's registration number 101248/W/00022  
Ravi Chandra  
Partner  
Membership No. 094549

For and on behalf of the Board of Directors of  
Mrs. Bectors Food Specialities Limited  
Anoop Bector  
Managing Director  
DIN - 00108589

Anoop Bector  
Director  
DIN - 02906180

Atul Sud  
Company Secretary

Parveen Kumar Goel  
Executive Director and CFO  
DIN - 00007297

Place: Gurugram  
Date: 10 July 2018

Place: Gurugram  
Date: 10 July 2018

**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

**1. Reporting entity**

Mrs. Bectors Food Specialities Limited referred to as "the Company" is domiciled in India. The Company's registered office is at Theing Road, Phillaur-144410, Punjab, India. These consolidated financial statements comprise of the Company and its subsidiaries (together referred to as the 'Group') and its associate. The Group is engaged in the business of manufacturing and distribution of food products. The Group caters to both domestic and export markets.

**2. Significant Accounting Policies**

The Group has consistently applied the following accounting policies to all periods presented in the consolidated financial statements.

**a) Basis of preparation**

The consolidated financial statements of the Group comply in all material aspects with Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013 ("the Act"), as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India.

The consolidated financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flow of the Group is provided in Note 55.

These consolidated financial statements were authorised for issue by the Group's Board of Directors on 10 July 2018.

*i) Functional and presentation currency*

These consolidated financial statements are presented in Indian Rupees, which is the Group's functional currency. All amounts have been rounded to the nearest millions, upto two places of decimal, unless otherwise stated.

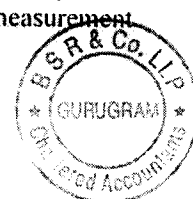
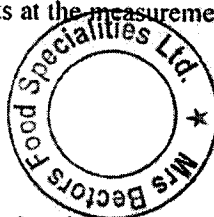
*ii) Basis of measurement*

The consolidated financial statements have been prepared under the historical cost basis except for the following:

- Defined benefit liability/(assets): Fair value of the plan assets less present value of defined benefit obligations
- Certain financial assets and liabilities (including derivative instruments: measured at fair value
- Share-based payments: measured at fair value of share based payments

**Fair value measurement**

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement



**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

is based on the presumption that the transaction to sell the asset or transfer the liability takes place either –

- In the principal market for the asset or liability, or
- 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 to/ by the Group.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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-

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

*iii) Use of judgments and estimates*

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results may differ from these estimates.

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

*Judgements*

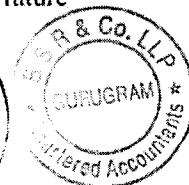
Information about the judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements have been given below:

- Note 49 - classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding;
- Note 43 - classification of leases into finance and operating lease;
- Note 43 - leases: whether an arrangement contains lease

*Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the consolidated financial statements for the every period ended is included below:

- Note 3 & 6 - useful life and residual value of property, plant and equipment and intangible assets;
- Note 46 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 48 - fair value of share based payments
- Note 41 - recognition and measurement of provisions and contingencies;
- Note 49 - impairment of financial assets;
- Note 49 - Fair value measurement of financial instruments.
- Note 12 - write down of inventories
- Note 2m, 10 & 23 - recognition of tax expense including deferred tax, availability of future taxable profits against which tax losses carried forward can be used



**b) Basis of consolidation**

**i) Subsidiaries**

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expense. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated statement of Profit and Loss, Consolidated statement of changes in Equity and Consolidated Balance sheet respectively.

**ii) Associates**

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after being recognised at cost.

**iii) Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of post-acquisition profits or losses of the investee on profit and loss, and the group's share of other comprehensive income.

Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

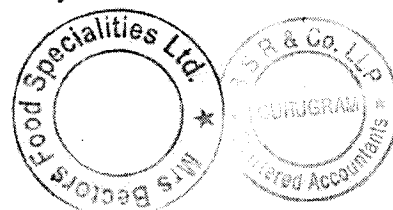
When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

**c) Property, plant and equipment**

**i. Recognition and measurement**

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



**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

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

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

Major machinery spares parts are classified as property, plant and equipment when they are expected to be utilised over more than one period. Other spares are carried as inventory and recognised in the Consolidated statement of Profit and Loss as and when consumed.

Any gain or loss on disposal of property, plant and equipment is recognised in Consolidated statement of Profit and Loss.

Advances paid towards acquisition of PPE outstanding at each period end date, are shown under other non-current assets and cost of assets not ready for intended use before the period end, are shown as capital work-in- progress.

**ii. Transition to Ind AS**

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (Refer note 55).

**iii. Subsequent Measurement**

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

**iv. Depreciation**

Depreciation on property, plant and equipment is calculated on a straight line basis using the rates based on the useful lives prescribed as per Part C of schedule II, of the Companies Act 2013 except in case of certain plant and machinery such as moulds, crates and pallets where the management has assessed useful life as 3 years based on internal technical evaluation.

Leasehold improvements are amortised over the period of lease.

Leasehold land is amortised pro-rata over the lease period on a straight line basis.

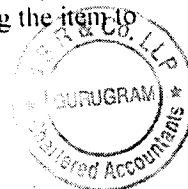
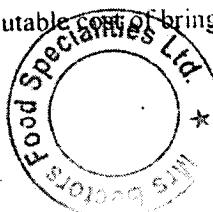
Intangible assets comprise of computer software which are amortized over a period of five years.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

**d) Intangible assets**

Intangible assets that are acquired by the Group are measured initially at cost. Cost of an item of Intangible asset comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to



**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

its working condition for its intended use. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Consolidated statement of Profit and Loss as incurred.

Estimated useful life of the softwares is considered as 5 years.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

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 the Consolidated statement of Profit and Loss when the asset is derecognised.

Advances paid towards acquisition of intangible assets outstanding at each period end date, are shown under other non-current assets and cost of assets not ready for intended use before the period end, are shown as intangible asset under development.

*Transition to Ind AS*

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

**e) Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Group at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in the Consolidated statement of Profit and Loss.

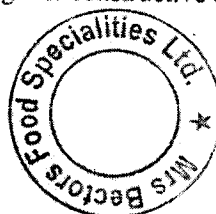
**f) Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**g) Employee benefits**

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this





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**Notes to the Consolidated financial statements for the year ended 31 March 2018**

amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

*Share-based payment transactions*

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

*Post-employment benefits*

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Consolidated statement of Profit and loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's gratuity benefit scheme is a defined benefit plan.

*Gratuity*

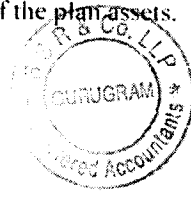
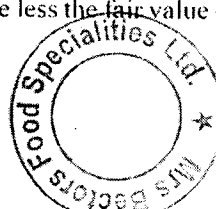
The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The Plan is funded with Insurance Group in form of insurance policy. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the Consolidated statement of Profit and Loss.

*Other long term employee benefits*

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Consolidated Balance sheet date less the fair value of the plan assets.



**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

if any out of which the obligations are expected to be settled. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Consolidated Balance sheet date. Actuarial gains and losses are recognised in the Consolidated statement of Profit and Loss in the period in which they occur.

**h) Revenue**

**a) Sale of goods**

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

Revenues includes excise duty and are shown net of sales tax, value added tax and goods and services tax (with effect from 1 July 2017).

**b) Rendering of services**

Revenue in respect of sale of services is recognised on an accrual basis in accordance with the terms of the relevant agreements.

**c) Interest income**

Interest income or expense 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. Interest income is included under the head "other income" in the Consolidated statement of Profit and Loss

**d) Dividend income**

Dividend income is recognised when the Group's right to receive the dividend is established which is generally when shareholders approve the dividend.

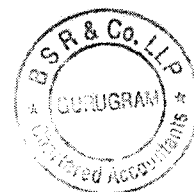
**i) Government grants and subsidies**

Government grants for capital assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognised in Restated Standalone Statement of Profit and Loss as other operating revenue on a systematic basis.

Grants that compensate the Group for expenses incurred are recognised in Restated Standalone Statement of Profit and Loss as other operating revenue on a systematic basis in the periods in which such expenses are recognized.

**j) Inventories**

Raw materials, components, stores and spares are valued at the lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. 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.



## **Mrs. Bectors Food Specialities Limited**

### **Notes to the Consolidated financial statements for the year ended 31 March 2018**

Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Goods in transit are valued at cost excluding import duties. Cost of raw materials, components and stores and spares is determined on weighted average cost basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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

The Group has a policy for writing off the inventory of finished goods which is more than 90 days old at year end.

#### **k) Provisions, contingent liabilities and contingent assets**

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

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 pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the entity. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Contingent assets are not recognised in the consolidated financial statements but disclosed where an inflow of economic benefit is probable.

#### **l) Financial instruments**

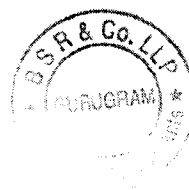
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign exchange forward contracts, embedded derivatives in the host contract, etc.

##### **1) Financial assets**

###### *i) Initial recognition and measurement*

The Group initially recognises financial assets on the date on which they are originated. The Group recognises the financial assets on the trade date, which is the date on which the Group becomes a party to the contractual provision of the instrument.

All financial assets are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset except assets measured at fair value through profit or loss



**Mrs. Bectors Food Specialities Limited**  
**Notes to the Consolidated financial statements for the year ended 31 March 2018**

*ii) Classifications and subsequent measurement*

Classifications

The Group classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

*Debt instrument at amortised cost*

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at Fair value through profit and loss (FVTPL):

- it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

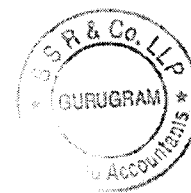
*Debt instrument at fair value through Other Comprehensive Income (FVOCI)*

A financial asset is measured at FVOCI only if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at fair value with changes in fair value recognised in other comprehensive income (OCI). Interest income is recognised basis EIR method and the losses arising from Expected Credit Losses (ECL) impairment are recognised in the profit or loss.

*Debt instrument at fair value through profit and loss (FVTPL)*



**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified as at FVTPL.

*Equity instruments*

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value.

Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group decides to classify the same either as at FVTOCI or FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Investments in tax free bonds and fixed deposits are measured at amortised cost.

*iii) Reclassification of financial assets*

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

*iv) Derecognition of financial assets*

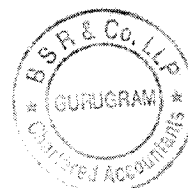
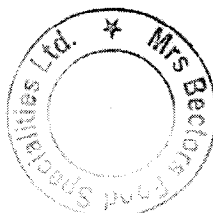
A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated Balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

*v) Impairment of financial assets*

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

With regard to trade receivable, the Group applies the simplified approach as permitted by Ind AS 109, *Financial Instruments*, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.



**Mrs. Bectors Food Specialities Limited**  
**Notes to the Consolidated financial statements for the year ended 31 March 2018**

*vi) Impairment of non-financial assets*

The Group and its associate's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into a cash-generating unit (CGU). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU.

The Group and its associate's corporate assets (e.g., office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment loss is recognised in the Restated Standalone Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

**2) Financial liabilities**

*i) Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

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

*ii) Classification and subsequent measurement*

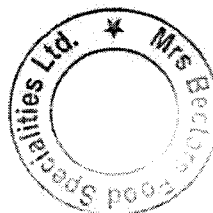
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities measured at amortised cost

After initial recognition, financial liabilities are amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial liabilities at fair value through profit or loss

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



**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

Gains or losses on liabilities held for trading are recognised in the profit or loss.

*iii) Derecognition of financial liabilities*

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

**3) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Balance sheet when 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 offset criteria').

**4) Derivative financial instruments**

The Group holds derivative financial instruments to hedge its foreign currency exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/ (losses).

**m) Income taxes**

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

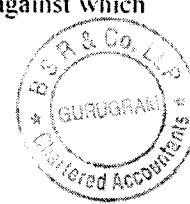
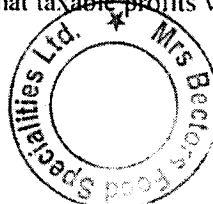
**i. Current tax**

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Consolidated Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which



**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Consolidated Balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Consolidated Balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in the Consolidated statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Minimum alternate tax ('MAT') under the provisions of Income-tax Act, 1961 is recognized as current tax in statement of profit and loss. The credit available under the Act in respect of MAT paid is adjusted from deferred tax liability only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability.

MAT credit recognized adjusted from deferred tax liability is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

**n) Leases**

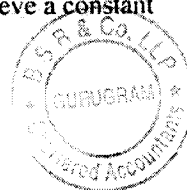
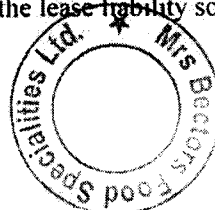
*Determining whether an arrangement contains a lease:*

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

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. Subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

*Where the Group is the Lessee:*

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant





**Mrs. Bectors Food Specialities Limited**

**Notes to the Consolidated financial statements for the year ended 31 March 2018**

rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Consolidated statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset based on internal technical evaluation or the useful life envisaged in Part C of Schedule II of the Companies Act, 2013. However, if there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset, the lease term or the useful life envisaged in Part C of Schedule II of the Companies Act, 2013.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Consolidated statement of Profit and Loss on a straight-line basis over the lease term.

*Where the Group is the lessor:*

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Consolidated statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Consolidated statement of Profit and Loss.

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the Consolidated statement of Profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the Consolidated statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Consolidated statement of Profit and Loss.

**o) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of the Group have been identified as being the Chief operating decision maker by the management of the Group. Refer note 42 for segment information presented.

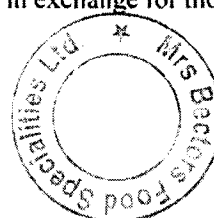
**p) Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

**q) Standards issued but not yet effective**

**Ind AS 115- Revenue from contract with customers**

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contracts with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further



**Mrs. Bectors Food Specialities Limited**

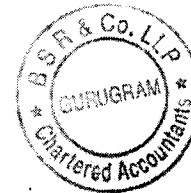
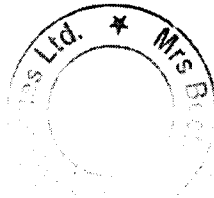
**Notes to the Consolidated financial statements for the year ended 31 March 2018**

the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group will adopt the standard on 01 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending 31 March 2018 will not be retrospectively adjusted.

**Ind AS 21, The Effects of Changes in Foreign Exchange Rates**

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Group and its associate has evaluated the effect of this on the financial statements and the impact is not material.



Mrs. Bectors Food Specialities Limited  
Notes to consolidated financial statements for the year ended 31 March 2018  
(All amounts are in rupees million, unless otherwise stated)

3. Property, plant and equipment

Particulars	Gross block				Depreciation				Net block	
	As at 1 April 2016	Additions	Disposals/ Adjustments during the year	As at 31 March 2017	As at 1 April 2016	Charge for the year	Disposals/ Adjustments during the year	As at 31 March 2017	As at 1 April 2016	As at 31 March 2017
<b>Own assets</b>										
Freehold land	86.30	85.62	-	171.92	-	-	-	-	86.30	171.92
Leasehold improvements	2.43	-	-	2.43	-	1.45	-	1.45	2.43	0.98
Buildings	618.30	188.47	-	806.77	-	25.19	-	25.19	618.30	781.58
Plant and machinery	945.82	332.51	4.23	1,274.10	-	199.30	0.23	199.07	945.82	1,075.03
Furniture and fixtures	21.64	6.42	-	28.06	-	3.23	-	3.23	21.64	24.83
Vehicles	47.10	25.66	1.11	71.65	-	10.51	0.09	10.42	47.10	61.23
Office equipment	7.92	3.17	-	11.09	-	3.16	-	3.16	7.92	7.93
Computer	6.06	2.32	-	8.38	-	2.16	-	2.16	6.06	6.22
<b>Asset taken on financial lease *</b>										
Leasehold land	44.60	-	-	44.60	-	0.59	-	0.59	44.60	44.01
<b>Total</b>	<b>1,780.17</b>	<b>644.17</b>	<b>5.34</b>	<b>2,419.00</b>	<b>-</b>	<b>245.59</b>	<b>0.32</b>	<b>245.27</b>	<b>1,780.17</b>	<b>2,173.73</b>

Particulars	Gross block				Depreciation				Net block	
	As at 31 March 2017	Additions	Disposals/ Adjustments during the year	As at 31 March 2018	As at 31 March 2017	Charge for the year	Disposals/ Adjustments during the year	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018
<b>Own assets</b>										
Freehold land	171.92	4.58	-	176.50	-	-	-	-	171.92	176.50
Leasehold improvements	2.43	-	1.35	1.08	1.45	0.89	1.35	0.99	0.98	0.09
Buildings	806.77	166.00	-	972.77	25.19	29.55	-	54.74	781.58	918.03
Plant and machinery	1,274.10	368.53	8.56	1,634.07	199.07	216.09	2.89	412.27	1,075.03	1,221.80
Furniture and fixtures	28.06	1.48	0.10	29.44	3.23	3.46	0.03	6.66	24.83	22.78
Vehicles	71.65	3.83	0.43	75.05	10.42	11.49	0.15	21.76	61.23	53.29
Office equipment	11.09	1.59	0.02	12.66	3.16	2.72	0.01	5.87	7.93	6.79
Computer	8.38	2.50	0.03	10.85	2.16	2.32	-	4.48	6.22	6.37
<b>Asset taken on financial lease *</b>										
Leasehold land	44.60	96.84	-	141.44	0.59	0.72	-	1.31	44.01	140.13
<b>Total</b>	<b>2,419.00</b>	<b>645.35</b>	<b>10.49</b>	<b>3,053.86</b>	<b>245.27</b>	<b>267.24</b>	<b>4.43</b>	<b>508.08</b>	<b>2,173.73</b>	<b>2,545.78</b>

a) Refer note 21 and 25 for charge created on property, plant and equipment.

b) Freehold land includes land having gross block amounting to Rs. 3.07 (31 March 2017 Rs. 3.07 and 1 April 2016 Rs. 3.07) in the state of Himachal Pradesh, pending to be registered in the name of Group.

c) Building includes Flat at Noida having gross block amounting to Rs. 4.82 (31 March 2017 Rs. 4.82 and 1 April 2016 Rs Nil) and written down value amounting to Rs. 4.52 (31 March 2017 Rs. 4.66 and 1 April 2016 Rs Nil) pending to be registered in the name of Group.

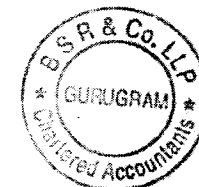
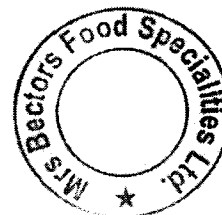
d) Vehicles includes motor cars having gross block amounting to Rs. 0.03 (31 March 2017 Rs.0.03 and 1 April 2016 Rs.0.03) and written down value amounting to Rs. 0.03 (31 March 2017 Rs. 0.03 and 1 April 2016 Rs.0.03) are pending to be registered in the name of Group.

e) Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

f) Capitalisation of borrowing costs relates to funds borrowed both specifically and generally to acquire/construct qualifying assets. The capitalisation rate relating to general borrowings was ranging approximately between 8.39% to 10.43% for the year ended March 31, 2018 and March 31, 2017.

g) Refer note 55 for reconciliation of deemed cost as considered by the Company pursuant to transition provision under Ind AS 101.

\* Refer Note 21(b).



Mrs. Bectors Food Specialities Limited  
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4. Capital work-in-progress

Particulars	As at 1 April 2016	Additions	Capitalised during the year	As at 31 March 2017	As at 31 March 2017	Additions	Capitalised during the year	As at 31 March 2018
Capital work in progress	193.95	397.61	473.72	117.84	117.84	1,255.63	452.68	920.79

5. Goodwill

Particulars	Gross block			As at 31 March 2017	Amortisation			As at 31 March 2017	Net block	
	As at 1 April 2016	Additions	Deletions		As at 1 April 2016	Charge for the year	Deletions		As at 1 April 2016	As at 31 March 2017
Goodwill	3.95	-	-	3.95	-	-	-	-	3.95	3.95
Total	3.95	-	-	3.95	-	-	-	-	3.95	3.95

Particulars	Gross block			As at 31 March 2018	Amortisation			As at 31 March 2018	Net block	
	As at 1 April 2017	Additions	Deletions		As at 1 April 2017	Charge for the year	Deletions		As at 31 March 2017	As at 31 March 2018
Goodwill	3.95	-	-	3.95	-	-	-	-	3.95	3.95
Total	3.95	-	-	3.95	-	-	-	-	3.95	3.95

There has been no impairment loss recognised on goodwill generated on acquisition of Bakebest Foods Private Limited.

For the purpose of impairment testing, goodwill is allocated to the company's operating divisions which represent the lowest level within the company at which goodwill is monitored for internal management purposes.

The entire goodwill of Rs. 3.95 has been allocated to the purchase of business of Bakebest Foods Private Limited. The recoverable amount of this CGU is based on fair value less costs to sell, estimated using discounted cash flows. The fair value measurement has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been assigned based on historical data both from external and internal sources.

Particulars	As At 31 March 2018	As At 31 March 2017
Discount rate	12.40%	12.40%
Terminal value rate	5%	5%
Budgeted EBITDA growth rate	10%	10%

- The discount rate is a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

- The cash flow projections include specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimate of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

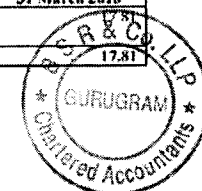
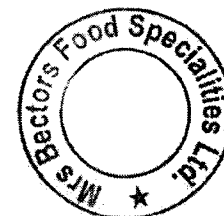
- Budgeted EBITDA has been estimated taking into account past experience.

6. Other intangible assets

Particulars	Gross block			As at 31 March 2017	Amortisation			As at 31 March 2017	Net block	
	As at 1 April 2016	Additions	Deletions		As at 1 April 2016	Charge for the year	Deletions		As at 1 April 2016	As at 31 March 2017
Computer softwares	18.94	2.26	-	21.20	-	4.07	-	4.07	18.94	17.13
Total	18.94	2.26	-	21.20	-	4.07	-	4.07	18.94	17.13

Particulars	Gross block			As at 31 March 2018	Amortisation			As at 31 March 2018	Net block	
	As at 1 April 2017	Additions	Deletions		As at 1 April 2017	Charge for the year	Deletions		As at 31 March 2017	As at 31 March 2018
Computer softwares	21.20	6.36	-	27.56	4.07	5.68	-	9.75	17.13	17.81
Total	21.20	6.36	-	27.56	4.07	5.68	-	9.75	17.13	17.81

a) Refer note 55 for reconciliation of deemed cost as considered by the Company pursuant to transition provision under Ind AS 101.



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**Mrs. Bectors Food Specialities Limited**  
**Notes to financial statements for the year ended 31 March 2018**  
*(All amounts are in million, unless otherwise stated)*

**7 Investment accounted for using the equity method**

**Investment in associate**

**Unquoted investment in equity share at cost**  
673,506 (31 March 2017: 673,506 and 1 April 2016: 673,506) equity shares of Rs. 10/- each fully paid up of Cremica Agro Foods Limited \*

As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
38.82	38.65	38.34
<b>38.82</b>	<b>38.65</b>	<b>38.34</b>

\* Considered as unquoted since the stock exchange on which the investment was listed is closed.

Aggregate book value of quoted investments  
Aggregate book value of un-quoted investments

NIL	NIL	NIL
38.82	38.65	38.34

**Interests in associate (equity accounted)**

Cremica Agro Foods Limited (CAFL) is an associate of the Group and has a 44.95% ownership interest. The CAFL is principally engaged in food processing. The said Company was incorporated in India on 6 September 1989. The principal place of business is Phillaur.

**Contingent liabilities in respect of associate**

Share of associate's contingent liabilities in respect of a legal claim lodged against the entity

1.14	1.14	1.14
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**Summarised financial information for associate**

The following table summarises the financial information of CAFL as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in CAFL.

**Percentage ownership interest**

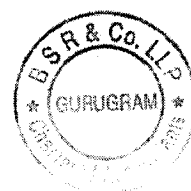
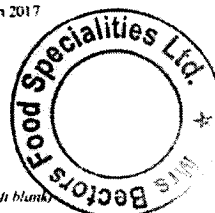
	44.95%	44.95%	44.95%
Non-current assets	48.74	48.83	27.15
Current assets (including cash and cash equivalents – 31 March 2018: Rs. 12.01, 31 March 2017: Rs. 9.87 and 1 April 2016: Rs. 8.23)*	58.86	57.05	76.27
Non-current liabilities (including non-current financial liabilities excluding trade and other payables and provisions – 31 March 2018: Nil, 31 March 2017: Nil and 1 April 2016: Nil)	-	-	-
Current liabilities (including current financial liabilities – 31 March 2018: Rs. 13.43, 31 March 2017: Rs. 12.30 and 1 April 2016: Rs. 11.95)	(21.24)	(19.89)	(18.13)
<b>Net assets (100%)</b>	<b>86.36</b>	<b>85.99</b>	<b>85.29</b>
Group's share of net assets (44.95%)	38.82	38.65	38.34
<b>Carrying amount of interest in associate</b>	<b>38.82</b>	<b>38.65</b>	<b>38.34</b>

The bank accounts of the associate Group i.e. Cremica Agro Foods Limited had been frozen by the Board of Directors due to dispute among some of the Directors of the Group w.e.f. 6 January 2016. Balance with banks as at 31 March 2018: 11.95, (31 March 2017: 9.83 and 31 March 2016: 8.19).

**Carrying amount of the interest in associate**

	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue	-	0.73
Other income	2.42	4.02
Depreciation and amortisation expense	(6.09)	(0.09)
Finance costs	(0.16)	(0.18)
Income tax expense	(16.91)	(0.35)
Profit	0.38	0.69
<b>Total comprehensive income</b>	<b>0.38</b>	<b>0.69</b>
Groups share of profit (44.95%)	0.17	0.31
Groups share of other comprehensive income (44.95%)	-	-
<b>Group's share of total comprehensive income (44.95%)</b>	<b>0.17</b>	<b>0.31</b>

No dividend has been received from the associate for the year ended 31 March 2018 and 31 March 2017



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**Mrs. Bectors Food Specialities Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>8 Non-current loans</b> <i>(Unsecured, considered good)</i>			
Security deposits	33.56	34.81	26.21
	<b>33.56</b>	<b>34.81</b>	<b>26.21</b>
<b>9 Other non-current financial assets</b>			
Margin money deposit*	9.68	0.21	3.22
	<b>9.68</b>	<b>0.21</b>	<b>3.22</b>
*Margin money deposits with carrying amount of Rs.9.68 (31 March 2017 Rs. 0.21, 1 April 2016 Rs. 3.22) are subject to first charge to secure the Group's inland letter of credit and bank guarantees)			
<b>10 Non-current tax assets (net)</b>			
Advance income tax (net of provision for tax of Rs. 612.90 (31 March 2017 Rs. 575.43, 1 April 2016 Rs. 280.54))	29.33	25.73	15.77
	<b>29.33</b>	<b>25.73</b>	<b>15.77</b>
<b>11 Other non-current assets</b>			
Capital advances	66.22	110.01	87.92
	<b>66.22</b>	<b>110.01</b>	<b>87.92</b>
<b>12 Inventories</b> <i>(valued at the lower of cost and net realisable value)</i>			
Raw material and packing material	146.33	138.96	163.61
Work-in-progress	1.59	1.70	1.37
Finished goods - Manufactured goods (including stock in transit Rs. 85.20 (31 March 2017 Rs. 40.87, 1 April 2016 Rs. 65.02))	174.97	115.36	139.39
Stock in trade (including stock in transit Rs. 11.88 (31 March 2017 Rs. Nil, 1 April 2016 Rs. Nil))	11.88	0.73	-
Stores and spares	18.72	19.34	21.16
	<b>353.49</b>	<b>276.09</b>	<b>325.53</b>

The write-down of inventories to net realisable value during the year amounted to Rs. 1.47 (31 March 2017 Rs. 1.32, 1 April 2016 Rs. 0.10).

The write-down are included in changes in inventories of finished goods and work-in-progress.

During the year, inventories amounting to Rs. 0.29 (31 March 2017 Rs. 0.30) provided as free samples were recognised as expense in the consolidated statement of profit and loss.

**13 Investments**

**Investments in equity instruments at fair value through profit and loss**

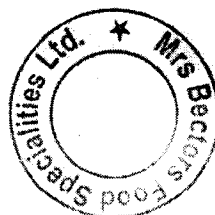
Quoted *			
1,700 (31 March 2017: 1,700, 1 April 2016: 1,700) equity shares of Bank of India	0.18	0.24	0.16

**Investments in mutual funds at fair value through profit and loss**

Unquoted **			
Nil (31 March 2017: 18,813, 1 April 2016: 43,066) equity shares of SBI Premier Liquid Fund	-	48.02	102.54

	<b>0.18</b>	<b>48.26</b>	<b>102.70</b>
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Quoted			
Aggregate book value / market value	0.18	0.24	0.16
Unquoted			
Aggregate book value / market value	-	48.02	102.54



**Mrs. Bectors Food Specialities Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>14 Trade receivables</b>			
Unsecured and considered good	693.83	586.07	463.14
Doubtful	10.39	7.00	0.56
Less: allowance on doubtful receivables*	(10.39)	(7.00)	(0.56)
	<b>693.83</b>	<b>586.07</b>	<b>463.14</b>

\* The Group exposure to credit and currency risk, and loss allowances related to trade receivables are disclosed in note 49 on financial instruments

**15 Cash and cash equivalents**

Bank Balances			
In current account*	56.30	134.76	65.96
Cash on hand	2.46	1.32	1.18
	<b>58.76</b>	<b>136.08</b>	<b>67.14</b>

\*Includes debit balance of working capital facility availed from HDFC Bank Limited and State Bank of India amounting to Rs. Nil (31 March 2017 Rs. 23.64, 1 April 2016 Rs. Nil) and Rs. 0.00 respectively (31 March 2017 Rs. 0.00, 1 April 2016 Rs. Nil)

**16 Bank balances other than cash and cash equivalents above**

Deposits due to be matured within 12 months of the reporting date	0.45	3.42	0.50
Margin money deposit*	48.06	55.90	44.56
	<b>48.51</b>	<b>59.32</b>	<b>45.06</b>

\*Margin money deposits with carrying amount of Rs. 48.06 (31 March 2017 Rs. 57.74, 1 April 2016 Rs. 56.11) are subject to first charge to secure the Group's

**17 Other current financial assets**  
*(unsecured, considered good)*

Forward exchange contracts used for hedging	6.52	24.16	11.11
Export incentive receivable *	85.01	70.37	54.37
Interest accrued but not due on fixed deposits with banks	1.70	1.82	-
Other advances	4.11	4.06	7.85
	<b>97.34</b>	<b>100.41</b>	<b>69.33</b>

\* The Group has accrued following export incentives of Rs. 156.33 (31 March, 2017 Rs. 110.00 and 1 April 2016 Rs. 83.78) and has also written off incentives of Rs. Nil (31 March, 2017 Rs. 0.34 and 1 April 2016 Rs. Nil).

a) Incentive under Merchandise Exports from India Scheme of Rs. 107.95 (31 March, 2017 Rs. 72.13 and 1 April 2016 Rs. 62.61)

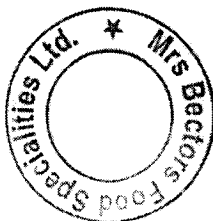
b) Incentive under Duty Drawback of Rs. 0.21 (31 March, 2017 Rs. 0.55 and 1 April 2016 Rs. 9.00)

c) Duty Free Import Authorization of Rs. 48.17 (31 March, 2017 Rs. 37.32 and 1 April 2016 Rs. 12.17)

**18 Other current assets**

Balances with statutory/government authorities	105.31	37.15	44.11
Advances recoverable in cash or kind	44.50	27.39	22.63
Less: provision for doubtful advances recoverable in cash or kind	(0.94)	(1.14)	(0.09)

<b>148.87</b>	<b>63.40</b>	<b>66.65</b>
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**Mrs. Bectors Food Specialities Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

**19 Share capital**

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Authorized</b>			
57,600,000 (as at 31 March 2017: 57,267,622 equity shares and as at 01 April 2016: 34,150,000) of Rs. 10 each	576.00	572.68	341.50
<b>Issued, subscribed and paid-up</b>			
57,267,622 (as at 31 March 2017: 28,633,811 equity shares and as at 01 April 2016: 28,633,811) of Rs. 10 each	572.68	286.34	286.34
	<u>572.68</u>	<u>286.34</u>	<u>286.34</u>

**a. Terms and rights attached to equity shares**

- (i) The Company has issued one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The equity shareholders are entitled to receive dividend as declared from time to time.
- (ii) In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholder.

**b. Reconciliation of number of shares outstanding at the beginning and end of the year :**

Particulars	Number of Shares	Amount
Outstanding as at 1 April 2016	28,633,811	286.34
Shares issued during the year	-	-
Outstanding as at 31 March 2017	<u>28,633,811</u>	<u>286.34</u>
Bonus shares issued during the year	28,633,811	286.34
Outstanding as at 31 March 2018	<u>57,267,622</u>	<u>572.68</u>

**c. Details of shareholders holding more than 5% shares in the Company:**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	No. of Shares	Percentage	No. of Shares	Percentage	No. of Shares	Percentage
Equity shares of Rs.10 each fully paid						
Anoop Bector	22,848,674	39.90%	11,424,337	39.90%	10,743,105	37.52%
GW Crown Pie Limited	11,170,496	19.51%	5,585,248	19.51%	5,585,248	19.51%
Latus Private Limited	13,120,790	22.91%	6,560,395	22.91%	6,560,395	22.91%

During the year ended 31 March 2016, with respect to 228,946 shares held by Mr. Ajay Bector, Mr. Anoop Bector had lodged a request with the Group to register the transfer of these shares in his name on the basis of a Gift Deed dated 31 August 2015 by which Mr. Ajay Bector had gifted these shares to Mr. Anoop Bector and has stated inter alia that he had been left with no right, title, interest or concern of any nature whatsoever in the these shares. However, since the shares are in a dematerialised form, the Group had expressed its inability to register the transfer on the basis of only the gift deed. These shares are still not transferred as on 31 March 2018, hence not shown as part of holding of Mr. Anoop Bector.

**d. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

During the five-year period ended 31 March 2018 (31 March 2017): 21,287,939 equity shares of Rs 10 each have been allotted as fully paid as per approved composite scheme of amalgamation and arrangement.

	31 March 2018	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
	Numbers of shares	Numbers of shares	Numbers of shares	Numbers of shares	Numbers of shares	Numbers of shares
Equity shares allotted as fully paid bonus shares by capitalization of securities premium	28,633,811	-	-	-	-	-
Shares allotted as per approved composite scheme of amalgamation and arrangement	-	-	-	21,287,939*	-	-
	<u>28,633,811</u>	<u>-</u>	<u>-</u>	<u>21,287,939</u>	<u>-</u>	<u>-</u>

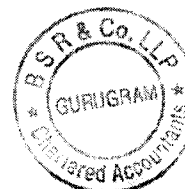
\* Note - As per approval of Honorable High Court for the scheme of amalgamation and arrangement under section 391 to 394 of Companies Act, 1986 with effect from appointed dated 10 September 2014, the Company has cancelled 22,49,418 shares and had issued 21,287,939 shares for consideration other than cash.

**e. Shares reserved for issue under options**

Information relating to Company's option plan, including details of options issued, exercised, and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in note 48.



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**Mrs. Bectors Food Specialities Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

	As at 31 March 2018	As at 31 March 2017
<b>20 Other equity</b>		
<b>a Capital reserve</b>		
Balance at the beginning of the year	14.37	14.37
Less: Movement during the year	-	-
Balance at the end of the year	<u>14.37</u>	<u>14.37</u>
<b>b Securities premium</b>		
Balance at the beginning of the year	530.17	530.17
Less: Bonus shares issued	(286.34)	-
Balance at the end of the year	<u>243.83</u>	<u>530.17</u>
<b>c Surplus/deficit in the consolidated statement of profit &amp; loss</b>		
Balance at the beginning of the year	1,505.05	1,248.70
Add: Profit for the year	360.48	290.81
Less: Interim dividend paid	(42.95)	(28.63)
Less: Dividend distribution tax on interim dividend	(8.74)	(5.83)
Balance at the end of the year	<u>1,813.84</u>	<u>1,505.05</u>
<b>d Remeasurement of defined benefit plans</b>		
Balance at the beginning of the year	(1.56)	-
Addition during the year	1.71	(1.56)
Balance at the end of the year	<u>0.15</u>	<u>(1.56)</u>
<b>e Share options outstanding account</b>		
Balance at the beginning of the year	-	-
Employee stock option expense	3.99	-
Balance at the end of the year	<u>3.99</u>	<u>-</u>
<b>f General reserve</b>		
Balance at the beginning of the year	18.88	18.88
Addition during the year	-	-
Balance at the end of the year	<u>18.88</u>	<u>18.88</u>

**Nature and purpose of other reserves**

**Capital reserve**

Capital reserve is on account of the business combination transaction as per the Court Scheme dated 10 September 2014.

**Securities premium**

Securities premium account is used to record the premium on issue of shares. During the current year, Bonus shares have been issued by utilising securities premium in accordance with provisions of the Companies Act, 2013.

**Remeasurement of defined benefit plans**

Remeasurements of defined benefit plans represents the following as per Ind AS 19: Employee Benefits

- (a) actuarial gains and losses
- (b) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and
- (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset)

**Share option outstanding account**

The share option outstanding account is used to recognise the grant date fair value of options issued to employees under the employee stock option scheme

**Dividends**

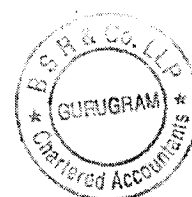
The following dividends were declared by the Company during the year

Rs. 0.75 per equity share (31 March 2017: Rs. 1)

Dividend distribution tax on dividend to equity shareholders

Balance at the end of the year

42.95	28.63
8.74	5.83
<u>51.69</u>	<u>34.46</u>



*(This space has been intentionally left blank)*

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>21 Non-current borrowings</b>			
Term loans (Refer note (a))			
From banks (Secured)	1,035.14	393.13	249.26
Vehicle loans (Refer note (a))			
From banks (Secured)	5.90	9.04	6.86
From Others (Secured)	5.11	8.27	-
Loans from related parties (Unsecured)*****	25.12	34.99	20.68
Long term maturities of finance lease obligations (secured) (Refer note (b))	9.80	-	-
<b>Total non current borrowings</b>	<b>1,081.07</b>	<b>445.43</b>	<b>276.80</b>
Less: Current maturities of long term debt	(121.17)	(69.10)	(44.01)
Less: Interest accrued but not due on borrowings	(2.97)	(2.62)	(1.80)
<b>Non current borrowings as per balance sheet</b>	<b>956.93</b>	<b>373.71</b>	<b>230.99</b>

(a) Terms and conditions of outstanding borrowings are as follows:

Particulars	ICICI Bank*	State Bank of India**	HDFC Bank***	HDFC Bank***	Vehicle loans****
Principal amount					
(as at 31 March 2018)	501.65	25.98	504.60	-	10.95
(as at 31 March 2017)	-	52.55	321.35	16.71	17.21
(as at 1 April 2016)	-	131.22	65.81	50.47	6.81
Year of maturity	2025-26	2018-19	2025-26	2017-18	2021-22
Term of repayment	monthly basis	monthly/quarterly basis	monthly basis	monthly basis	monthly basis
Nominal Interest rate	8.25% - 8.35%	9.20% - 10.80%	8.25% - 9.15%	8.95% - 9.35%	8.51% - 9.66%

\* The term loan of ICICI Bank Ltd. is secured by exclusive charge on all moveable and immovable fixed assets (PPE) of Rajpura plant including land, building, plant and machinery excluding land save and except those financed by other financial organisations. These loans are further secured by exclusive charge by way of hypothecation of the entire stocks and such other movables including book debts, bills whether documentary or clean, outstanding monies, receivables of the Rajpura plant.

\*\* The term loan of State Bank of India is secured by first charge by way of hypothecation on entire fixed assets (PPE) of the Group (other than Greater Noida and Rajpura) including equitable mortgage (first charge by way of EM) of factory land and building situated at Theing Road, Phillaur, District Jalandhar, Punjab. Further term loans are also secured by leasehold rights (first charge by way of EM) of Land and Building situated at Plot No 13, Phase I & II, Industrial Area, Tahliwal, District Una, Himachal Pradesh.

These loans are further secured by second charge on current assets of the Group (other than Greater Noida and Rajpura) and first charge by way of EM of property situated at Wakin Kuthewal Gujra, Humbran-Laddowal Road, Tehsil & Distt Ludhiana.

These facilities are also secured by personal guarantee of Mr. Anoop Bector.

\*\*\* The term loan of HDFC Bank Ltd. is secured by first charge by way of hypothecation on entire fixed assets (PPE) of the Greater Noida unit. These loans are further secured by way of collateral security of equitable mortgage of factory land measuring 18,720 Sqm situated at 11-A, Udyog Vihar, Greater Noida.

\*\*\*\* The term loan from HDFC Bank is secured by first charge by way of hypothecation of stock and book debts of the subsidiary Bakebest. These loans are further secured by way of collateral security of equitable mortgage of factory land and building measuring 7,040 square yards situated at Village Vadval, Khopoli, Raigad, Maharashtra.

\*\*\*\*\* Vehicle loans taken from banks and others are secured by hypothecation of respective vehicles.

\*\*\*\*\* Unsecured loans from directors and their relatives carry interest @ 8.00% p.a. These loans are subordinate to the term loans from banks and are permitted to be repaid only with the prior approval of the banks. Refer note 47 on transactions with related parties.

#### Term Loans

Name of the lender	Penalty Clause	Prepayment
State Bank of India	Non-payment of interest/installment: 1% on the entire outstanding for the period of default, flat penalty (penal interest) of Rs.1000/-for each day of delay beyond due date of payment.	2% of the pre-paid amount
ICICI Bank	Default interest Rates in respect of Domestic term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate + 2% p.a. payable monthly, from the due date till such time the overdue amount is paid. Default interest Rates in respect of International term loans : In case of any delay in the repayment of principal installment or payment of interest, charges or other monies due on the facility, default interest rate shall be levied at Documented Rate + 2% p.a. payable monthly, from the due date till such time the overdue amount is paid.	

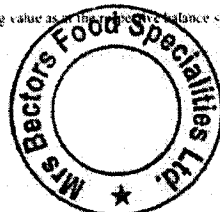
#### (b) Finance lease obligations

Finance lease obligations relates to land purchased for business purpose during the year ended 31 March 2018. The amount includes rentals and premium payable over the lease term. The imputed finance cost on the liability were determined based on the effective interest rate method.

Finance lease obligations are payable as follows:

Particulars	31 March 2018		
	Future minimum lease payments	Interest element of MLP	Present value of minimum lease payments
Within less than one year	8.00	8.08	7.40
Between one and five years	32.37	32.36	24.37
After more than five years	752.72	654.71	652.23

\* Present value of finance lease obligations other than above are equivalent to its carrying value as at the respective balance sheet date and are therefore not discounted. Accordingly the Group had no obligation under finance lease as at 31 March 2017, 31 March 2016.



(c) Net debt reconciliation

The following sections sets out an analysis of net debt and the movements in net debt for each of the period presented

	As at 31 March 2018	As at 31 March 2017
Cash and cash equivalents	58.76	136.08
Current borrowings	(262.73)	(165.59)
Non-current borrowings	(1,078.10)	(442.81)
Interest on borrowings	(3.67)	(3.31)
<b>Net debt</b>	<b>(1,285.74)</b>	<b>(475.63)</b>

	Other assets Cash and cash equivalents	Finance lease obligations	Liabilities from financing activities Non-Current borrowings	Current borrowings	Interest on borrowings	Total
Net debt as at 31 March 2017	136.08	-	(442.81)	(165.59)	(3.31)	(475.63)
Cash flows	(77.32)	-	(625.49)	(97.14)	-	(799.95)
Interest expense	-	(0.10)	-	-	57.78	57.68
Interest paid	-	-	-	-	(58.04)	(58.04)
Other non-cash movements	-	-	-	-	-	-
- Acquisitions	-	(9.70)	-	-	-	(9.70)
- Fair value adjustments	-	-	-	-	(0.10)	(0.10)
<b>Net debt as at 31 March 2018</b>	<b>58.76</b>	<b>(9.80)</b>	<b>(1,068.30)</b>	<b>(262.73)</b>	<b>(3.67)</b>	<b>(1,285.74)</b>

	Other assets Cash and cash equivalents	Finance lease obligations	Liabilities from financing activities Non-Current borrowings	Current borrowings	Interest on borrowings	Total
Net debt as at 1 April 2016	67.14	-	(275.00)	(191.83)	(2.37)	(402.06)
Cash flows	68.94	-	(167.81)	26.24	-	(72.63)
Interest expense	-	-	-	-	45.02	45.02
Interest paid	-	-	-	-	(45.96)	(45.96)
Other non-cash movements	-	-	-	-	-	-
- Acquisitions	-	-	-	-	-	-
- Fair value adjustments	-	-	-	-	-	-
<b>Net debt as at 31 March 2017</b>	<b>136.08</b>	<b>-</b>	<b>(442.81)</b>	<b>(165.59)</b>	<b>(3.31)</b>	<b>(475.63)</b>

22 Provisions

Provision for employee benefits

Compensated absences (refer note 46)

Gratuity (refer note 46)

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Compensated absences (refer note 46)	12.03	11.46	8.70
Gratuity (refer note 46)	20.51	20.41	12.21
	<b>32.54</b>	<b>31.87</b>	<b>20.91</b>

23 Income Tax

A. Amounts recognised in profit or loss

Current tax expense

Current year

Tax adjustment for earlier years

For the year ended  
31 March 2018

For the year ended  
31 March 2017

Current year	165.77	127.48
Tax adjustment for earlier years	(3.27)	(1.40)
	<b>164.50</b>	<b>126.08</b>

Deferred tax credit

Changes in recognised temporary differences

Effect of changes in tax rate

Changes in recognised temporary differences	5.62	7.93
Effect of changes in tax rate	0.18	-
	<b>5.80</b>	<b>7.93</b>

Total Tax Expense

	<b>170.30</b>	<b>134.01</b>
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B. Amounts recognised in Other Comprehensive Income

For the year ended 31 March 2018

For the year ended 31 March 2017

	Before tax	Tax (Expense)/ Income	Net of tax	Before tax	Tax (Expense)/ Income	Net of tax
Defined benefit plan	2.67	(0.92)	1.75	(2.52)	0.87	(1.65)
	<b>2.67</b>	<b>(0.92)</b>	<b>1.75</b>	<b>(2.52)</b>	<b>0.87</b>	<b>(1.65)</b>

C. Reconciliation of effective tax rate

Profit before tax from continuing operations

Tax using the Group's domestic tax rate

Tax effect of

Non-deductible expenses

Effect of difference in tax rate of subsidiaries

Tax-exempt income

Tax incentives

Changes in estimates related to earlier years

Others

Tax expense

	Rate	Amount	Rate	Amount
Profit before tax from continuing operations	34.61%	530.78	34.61%	424.82
Tax using the Group's domestic tax rate		183.69		147.02
Tax effect of				
Non-deductible expenses	0.32%	1.36	0.47%	2.00
Effect of difference in tax rate of subsidiaries	-1.20%	(5.37)	-0.20%	(0.86)
Tax-exempt income	-1.48%	(6.28)	0.00%	-
Tax incentives	0.00%	-	-3.49%	(14.81)
Changes in estimates related to earlier years	-1.09%	(7.17)	0.33%	1.40
Others	0.96%	4.07	-0.17%	(0.74)
<b>Tax expense</b>	<b>32.09%</b>	<b>170.30</b>	<b>31.55%</b>	<b>134.01</b>

D. Movement in deferred tax balances

Deferred Tax Liability

Properties, plant and equipment

Investments in mutual funds at fair value through profit and loss

Forward exchange contracts used for hedging

Other items

Sub-Total (a)

Deferred Tax Assets

Provisions - employee benefits

Allowances on doubtful receivables and advances

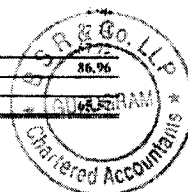
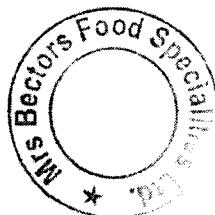
MAT credit entitlement

Others

Sub-Total (b)

Net Deferred Tax Liabilities (a)-(b)

	As at 31 March 2017	Recognized in P&L	Recognized in OCI	As at 31 March 2018
Deferred Tax Liability				
Properties, plant and equipment	132.87	16.24	-	149.11
Investments in mutual funds at fair value through profit and loss	2.31	(2.18)	-	0.03
Forward exchange contracts used for hedging	6.50	(6.50)	-	-
Other items	0.76	2.63	-	3.39
<b>Sub-Total (a)</b>	<b>142.44</b>	<b>10.19</b>	<b>-</b>	<b>152.63</b>
Deferred Tax Assets				
Provisions - employee benefits	16.11	2.35	(0.92)	17.54
Allowances on doubtful receivables and advances	2.82	1.13	-	3.95
MAT credit entitlement	15.30	(5.96)	-	9.34
Others	51.26	0.46	-	51.72
<b>Sub-Total (b)</b>	<b>85.49</b>	<b>4.39</b>	<b>(0.92)</b>	<b>86.96</b>
<b>Net Deferred Tax Liabilities (a)-(b)</b>	<b>58.85</b>	<b>5.80</b>	<b>0.92</b>	<b>65.67</b>



	As at 1 April 2016	Recognized in P&L	Recognized in OCI	As at 31 March 2017
<b>Deferred Tax Liability</b>				
Property, plant and equipment	122.42	10.45	-	132.87
Investments in mutual funds at fair value through profit and loss	2.42	(0.21)	-	2.21
Forward exchange contracts used for hedging	2.06	4.44	-	6.50
Other items	1.49	(0.73)	-	0.76
<b>Sub- Total (a)</b>	<b>128.39</b>	<b>13.95</b>	<b>-</b>	<b>142.34</b>
<b>Deferred Tax Assets</b>				
Provisions - employee benefits	12.08	3.17	0.87	16.12
Allowances on doubtful receivables	0.23	2.59	-	2.82
MAT credit entitlement	10.98	2.32	-	13.30
Others	53.31	(2.06)	-	51.25
<b>Sub- Total (b)</b>	<b>76.60</b>	<b>6.02</b>	<b>0.87</b>	<b>83.49</b>
<b>Net Deferred Tax Liabilities (a)-(b)</b>	<b>51.79</b>	<b>7.93</b>	<b>(0.87)</b>	<b>58.85</b>

#### 24 Other non-current liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Deferred Income</b>			
Government grants	137.48	34.38	35.04
	<b>137.48</b>	<b>34.38</b>	<b>35.04</b>

The Group has been awarded grants under Export Promotion Capital Goods Scheme (EPCG), Agricultural and Processed Food Products Export Development Authority (APEDA), Technology Upgradation, Establishment, Modernisation of Food Processing Industries under NMFP and Scheme for Integrated Cold Chain and Value Addition Infrastructure. The grants received in 2017-18, amounted to Rs 113.41 (during 2016-17 Rs. 9.55 and during periods upto 1 April 2016 Rs. 64.98 having net value of Rs. 43.70) were conditional upon fulfillment of export obligations in case of EPCG purchase of specified plant and machinery in a specified region and for other grants received. The amount received under grants is now recognised as deferred income and is being amortised over the useful life of the plant and machinery in proportion in which the related depreciation expense is recognised.

#### 25 Current borrowings

Loans from banks repayable on demand (secured)*	262.73	165.59	191.83
	<b>262.73</b>	<b>165.59</b>	<b>191.83</b>

\* The working capital limits of State Bank of India (SBI) are secured against entire current assets (existing and future) of the Group (other than Greater Noida and Rajpura). These loans are further secured by second charge on entire fixed assets (PPE) of the Group (other than Greater Noida and Rajpura) and first charge by way of EM of property situated at Wakia Kuthewal Gujra, Humbran-Laddowal Road, Tehsil & Distt. Ludhiana

These facilities are also secured by personal guarantee of Mr. Anoop Bector. The facilities availed from SBI carries floating rate of interest @ MCLR + 0.25% to 1.25% ranging from 8.15% to 9.15% per annum (previous year 8.15% to 10.30% per annum)

The Group has also taken the working capital limits from HDFC Bank Ltd. which are secured against pari-passu charge on entire current assets (existing and future) of Noida Unit. The facilities availed from HDFC Bank carries floating rate of interest @ MCLR + 0.10% i.e. 8.25% per annum (previous year 9.00% to 9.05% per annum). (Refer Note 15 cash and cash equivalents)

Name of the lender	Penalty Clause
State Bank of India	The Group will maintain adequate net working capital at all times to meet margin requirements and in case of shortfall in NWC/excess borrowings, the Bank will charge penal interest @ 1.00% p.a. over and above the normal interest rate applicable. In case of non compliance of current stipulations within the stipulated period, penal rate of interest @ 1% p.a. over and above the normal interest rate will be charged on entire outstanding for the period of delay. Irregularity in fund based limits @ 2% p.a. on the entire outstanding for the period of irregularity on the irregular portion for the period of irregularity. However, in case the account is continuously irregular for the period beyond 60 days, penal rate of interest will be charged on the entire outstanding from the 61st day onwards. Non-submission of renewal data including Audited Balance Sheet Listed Companies if not submitted within 7 months- Rs 10,000/- per month of delay. For others, if not submitted within 9 months of delay-Rs 10,000/- per month.
ICICI Bank	In such event of default, bank is at liberty to recall all the facility extended to the Group. 1% (The rate will be over and deemed to be an event of above the interest rate of the default for all other facility facility) on the limit amount for the delayed period will be charged for the Group for the default period

#### 26 Trade Payables

<b>Trade payables</b>			
- to micro and small enterprises*	389.70	377.85	259.37
- to others**	<b>389.70</b>	<b>377.85</b>	<b>259.37</b>

\*The Group has during the year, not received any intimation from any of its suppliers regarding their status under the MSMED Act. Based on the above facts, there are no dues to parties registered under MSMED Act. Further disclosures required under MSMED Act is given under note 44

\*\*Includes dues to related parties (refer note 47)

#### 27 Other financial liabilities

Current maturities of long-term debt	121.17	102.44	74.16
Interest accrued but not due on borrowings	3.67	3.31	2.37
Payables towards capital goods	141.67	38.92	20.22
Unpaid dividends *	9.20	-	14.30
Security and other trade deposits	17.62	9.77	54.51
Forward exchange contracts used for hedging	4.90	-	-
	<b>297.63</b>	<b>154.44</b>	<b>165.56</b>

\*Includes an amount of Rs Nil (31 March 2017 Nil, 1 April 2016 Rs. 0.25) payable to Mr. Anoop Bector which is lying with arbitrator due to a dispute between the shareholders of the Group



**28 Other current liabilities**

Deferred income

Government grants (Refer note 24)

Advances from customers

Statutory dues

Dividend distribution tax payable

Employee payable\*\*

10.13	9.79	8.66
16.16	22.52	33.67
14.90	31.79	31.25
-	-	5.83
62.58	57.37	51.86

<b>103.79</b>	<b>121.47</b>	<b>131.27</b>
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\*\* Includes dues to related parties (refer note 47)

**29 Provisions**

Provision for employee benefits (refer note 46)

Compensated absences

Gratuity

Others:

Provision for Litigation (refer note (a))

Provision for sales return (refer note (b))

1.15	1.35	0.96
1.91	1.56	1.31

117.65	103.98	85.39
6.15	6.10	6.61

<b>126.86</b>	<b>112.99</b>	<b>94.27</b>
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As at  
31 March 2018

As at  
31 March 2017

**a) Provision for litigation\***

Balance at the commencement of the year

Add: Provision made during the year

Less: Provision utilised/reversed during the year

Balance at the end of the year

103.98

13.67

-

**117.65**

85.39

23.32

4.73

**103.98**

\*refer note 41A(d) for details of pending litigation

**b) Provision for sales return**

Balance at the commencement of the year

Add: Provision made during the year

Less: Provision utilised/reversed during the year

Balance at the end of the year

6.10

6.15

(6.10)

**6.15**

6.61

6.10

(6.61)

**6.10**

This represents provision made for possible sales returns by the customers for sales made by the Group, as estimated on the basis of past trends.

As at  
31 March 2018

As at  
31 March 2017

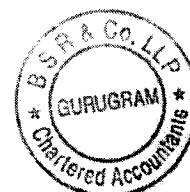
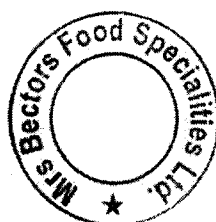
As at  
1 April 2016

**30 Current tax liabilities (net)**

Income tax [net of advance tax Rs. 365.71 (as at 31 March 2017 Rs. 191.74 and as at 1 April 2016 Rs. 344.94)]

26.00	12.93	28.53
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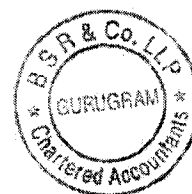
<b>26.00</b>	<b>12.93</b>	<b>28.53</b>
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Mrs. Bectors Food Specialities Limited  
Notes to consolidated financial statements for the year ended 31 March 2018  
(All amounts are in rupees million, unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>31 Revenue from operations</b>		
Sale of products (including excise duty to the extent applicable)	6,248.03	5,746.21
Sale of services		
Job work income	407.54	407.70
<b>Total (A)</b>	<b>6,655.57</b>	<b>6,153.91</b>
<b>Other operating revenue</b>		
Export incentives (refer note 24)	156.33	110.90
Net gain on account of foreign exchange fluctuations	35.23	45.67
Others	72.52	76.94
<b>Total (B)</b>	<b>264.08</b>	<b>233.61</b>
<b>Total revenue from operations (A + B)</b>	<b>6,919.65</b>	<b>6,386.52</b>
<b>32 Other Income</b>		
Interest income from financial assets at amortized cost	4.17	4.79
Interest income from others	1.91	1.63
Gain on sale of investments (net)	0.67	2.26
Net change in fair value of financial assets measured at fair value through profit and loss	-	3.30
Government grants (Refer note 24)	9.97	9.08
Other miscellaneous income	1.18	0.48
	<b>17.90</b>	<b>21.54</b>
<b>33 Cost of materials consumed</b>		
Inventory at the beginning of the year	138.96	163.61
Add: Purchases (net)	3,786.23	3,462.11
Less: Inventory at the end of the year	146.32	138.96
	<b>3,778.86</b>	<b>3,486.76</b>
<b>34 Purchase of stock in trade</b>		
Purchases	119.68	105.72
	<b>119.68</b>	<b>105.72</b>
<b>35 Changes in inventories of finished goods, stock-in-trade and work-in-progress</b>		
<b>Opening inventories</b>		
Finished goods	115.36	139.39
Work-in-progress	1.70	1.37
Stock-in-trade	0.73	-
<b>Total (A)</b>	<b>117.79</b>	<b>140.76</b>
<b>Closing inventories</b>		
Finished goods	174.97	115.36
Work-in-progress	1.59	1.70
Stock-in-trade	11.88	0.73
<b>Total (B)</b>	<b>188.44</b>	<b>117.79</b>
Decrease/(Increase) in excise duty on change in inventories of finished goods (C)	-	(0.33)
<b>Total (A-B)</b>	<b>(70.65)</b>	<b>22.64</b>



**Mrs. Bectors Food Specialities Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

**36 Employee benefits expense**

Salaries and wages	836.75	758.01
Contribution to provident and other funds (refer note 46)	43.78	37.93
Employee share-based payment expense (refer note 48)	3.99	-
Staff welfare expenses	26.53	21.49
	<b>915.07</b>	<b>809.43</b>

**37 Finance cost**

Interest expense on financial liabilities measured at amortised cost		
Loan from banks	47.34	36.85
Others	10.44	8.17
	<b>57.78</b>	<b>45.02</b>

**38 Depreciation and amortisation expense**

Depreciation on property, plant and equipment	267.25	245.60
Amortisation on intangible assets	5.68	4.07
	<b>272.93</b>	<b>249.67</b>

**39 Other expenses**

Rent (refer note 43)	38.06	31.48
Rates and taxes	7.64	7.26
Power and fuel	317.40	298.46
Repair and maintenance		
Plant and machinery	54.36	39.99
Buildings	14.15	11.24
Others	4.59	4.11
Travelling and conveyance	74.99	71.29
Payment to auditor (refer note (a) below)	5.77	4.16
Legal and professional fees	15.68	21.87
Printing and stationery	3.76	3.48
Net change in fair value of financial assets measured at fair value through profit and loss	0.06	-
Advertisement and sales promotion	136.34	102.05
Consumption of stores and spare parts	27.18	26.69
Commission and brokerage	6.01	6.61
Communication costs	10.16	8.07
Director's remuneration and sitting fee	43.83	40.27
Freight and forwarding	510.84	414.35
Insurance	8.50	8.48
Loss on sale/write off of property, plant and equipment (net)	2.44	1.79
Allowances on trade receivable and other advances	4.64	7.56
Bank charges	4.27	3.92
Expenditure on Corporate social responsibility (refer note 54)	2.81	2.18
Miscellaneous expenses	24.49	17.37
	<b>1,321.97</b>	<b>1,124.63</b>

**(a) Payment to auditors**

As auditor		
Statutory audit	8.25	3.66
Certification	0.20	0.20
Reimbursement of expenses	0.32	0.30
	<b>8.77</b>	<b>4.16</b>

**40 Earning per share (EPS)**

**A. Basic earnings per share**

<b>i Profit (loss) for basic earning per share of Rs. 10 each</b>		
Profit for the year	360.48	290.81
<b>ii Weighted average number of equity shares for (basic)</b>		
Balance at the beginning of the year	28.63	28.63
Effect of issue of bonus shares	28.63	28.63
	<b>57.26</b>	<b>57.26</b>
<b>Basic Earnings per share (face value of Rs 10 each)</b>	<b>6.30</b>	<b>5.08</b>

**B. Diluted earnings per share**

<b>i Profit (loss) for diluted earning per share of Rs. 10 each</b>		
Profit for the year	360.48	290.81
<b>ii Weighted average number of equity shares for (diluted)</b>		
Balance at the beginning of the year	28.63	28.63
Effect of issue of bonus shares	28.63	28.63
Effect of employee stock options	0.06	-
	<b>57.32</b>	<b>57.26</b>
<b>Diluted Earnings per share (face value of Rs. 10 each)</b>	<b>6.29</b>	<b>5.08</b>



41. Contingent liabilities, contingent assets and commitments

A. Contingent Liabilities

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
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On the basis of current status of above-mentioned individual cases and as per legal advice obtained by the Group, wherever applicable, the Group is confident that the outcome of the above cases would be in the favour of the Group and is of view that no provision is required in respect of these cases.

a. Claims against the Group not acknowledged as debts (The Group expects a favourable outcome against all the cases)

<b>I) Income Tax related matters</b>	2.14	1.99	4.03
i) Relating to Income tax demand on certain disallowance for AY 2010-11	-	0.03	0.03
ii) Relating to Income tax demand on certain disallowance for AY 2011-12	0.13	0.13	0.11
iii) Relating to Income tax demand on certain disallowance for AY 2013-14	1.83	1.83	5.69
iv) Relating to Income tax demand on certain disallowance for AY 2015-16	0.18	-	-

**II) Sales tax related matters**

i) Sales Tax demand for assessment year 2005-06 on account of Input Tax Credit not reversed against branch transfer and benefit of deferred payment of tax on CST sales in the state of Himachal Pradesh	3.01	4.92	3.01
ii) Sales Tax Demand for assessment year 2013-14 on account of pending C forms and F forms to be deposited with the sales tax department of Uttar Pradesh	-	1.91	-

**III) Civil matters**

i) Stamp duty case for the plot taken on 99 years lease in Noida	9.10	9.10	-
	9.10	9.10	-

b. In respect of bank guarantees  
Guarantees given by the Group

	7.43	3.30	1.66
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c. Others

Differential amount of Customs Duty payable by the Group in case of non fulfilment of export obligation against the import of capital goods made at concessional rate of duty. Based on the past sales performance and the future sales plan, management is quite hopeful to meet out the obligations by executing the required volume of exports in future.	91.07	4.95	11.74
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Impact of bonus due to retrospective amendment in the Payment of Bonus Act, 1965 for the financial year 2014-15 since matter is sub-judicial in similar case	10.47	10.47	10.47
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d. Other pending litigations

(a) The Group had obtained a stay against Himachal Pradesh Government order levying entry tax @ 2% on all goods entering the state. The same was reduced to 1% with effect from 13 July 2011 and then increased to 2% with effect from 1 March 2014. The Hon'ble High Court had stayed the matter. The estimated amount of entry tax upto 31 March 2018 of Rs. 99.87 (31 March 2017 Rs. 89.52, 1 April 2016 Rs. 72.34) (including interest of Rs. 40.62 (31 March 2017 Rs. 30.19, 1 April 2016 Rs. 20.23)) has been provided in the books of accounts. The Group has provided a bank guarantee for an amount of Rs. 39.45 (31 March 2017 Rs. 34.45, 1 April 2016 Rs. 29.25) in this regard.

(b) The Group had obtained a stay against Punjab VAT Act levying entry tax on Furnace Oil on the basis of High Court judgment delivered on the same point in another case which is pending before Supreme Court. The estimated amount of tax and interest thereon upto 31 March 2018 of Rs. 3.61 (31 March 2017 Rs. 3.31, 1 April 2016 Rs. 3.00) (including interest of Rs. 1.92 (31 March 2017 Rs. 1.62, 1 April 2016 Rs. 1.31)) has been provided in the books of accounts.

(c) A demand of Rs. 2.37 and Rs. 3.75 related with FY 2008-09 and FY 2009-10 respectively is pending with DETC, Ludhiana. The matter is related with input tax credit claimed by assessee on purchase of HSD. The Group has demanded to start the proceeding without depositing the 25% of amount demanded. The department has rejected the appeal of the Group. The Group has filed the writ petition in High Court and the High court had accepted the contention of assessee & remand the case to DETC, Ludhiana. The Group has created the provision in books for amount demanded and has also accrued the interest on amount demanded @ 1.5% per month. Therefore the provision for an amount of Rs. 4.49 (31 March 2017 Rs. 4.07, 1 April 2016 Rs. 3.64) and Rs. 7.75 (31 March 2017 Rs. 7.08, 1 April 2016 Rs. 6.40) includes an interest of Rs. 2.13 (31 March 2017 Rs. 1.70, 1 April 2016 Rs. 1.27) and Rs. 3.59 (31 March 2017 Rs. 3.32, 1 April 2016 Rs. 2.65) respectively.

(d) A demand of Rs. 1.91 for assessment year 2013-14 on account of pending C forms and F forms raised by Deputy Commissioner, Gangan Bath Nagar Noida, Uttar Pradesh pending to be deposited with the sales tax department has been provided for in the books of accounts.

B. Contingent Assets

The Group does not have any contingent assets as at 31 March 2018, 31 March 2017 and 1 April 2016.

C. Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for Rs. 121.98 (as on 31 March 2017 Rs. 288.05, 1 April 2016 Rs. 142.30).

Apart from the commitments disclosed above, the Group has no major financial commitments other than those in the nature of regular business operations.

42. Segment information

Basis for segmentation

Segment information is presented in respect of the Group's key operating segments. The operating segments are based on the Group's management and internal reporting structure.

Operating Segments

The Group's Board of directors have been identified as the Chief Operating Decision Maker (CODM), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget, planning, alliance, merger and acquisition, and expansion of any new facility.

In the opinion of the Board, there is only one reportable segment 'Revenue from food products'. Accordingly, no separate disclosure for segment reporting is required to be made in the financial statements of the Group.

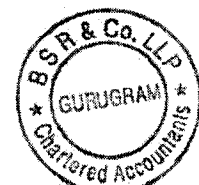
Entity wide disclosures

A. Information about products and services

i) Revenue comprises:

Revenue from food products*	31 March 2018 6,655.57	31 March 2017 6,153.91
<b>Total</b>	<b>6,655.57</b>	<b>6,153.91</b>

\*excludes other operating revenues





**B. Information about geographical areas**

The geographical information analyses the Group's revenues by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographic location of customers. The following is the distribution of the Group's consolidated revenues and receivables by geographical market, regardless of where the goods were produced:

i) Revenue from external customers:	31 March 2018	31 March 2017
Within India	4,592.16	4,548.74
Outside India	2,063.41	1,685.17
<b>Total</b>	<b>6,655.57</b>	<b>6,233.91</b>

ii) Receivables	31 March 2018	31 March 2017	01 April 2016
Within India	358.17	361.87	305.60
Outside India	335.66	224.20	137.34
<b>Total</b>	<b>693.83</b>	<b>586.07</b>	<b>442.94</b>

**iii) Non-current assets**

The Group has common non-current assets for producing goods/ providing services to domestic and overseas markets. Hence, separate figures for other assets/ additions to fixed assets have not been furnished.

**C. Information about major customers (from external customers)**

During the year ended 31 March 2018 Group does not have transactions with any single external customer having 10% or more of its revenue. (Rs. 626.60 for the year ended 31 March 2017).

**43. Leases**

**Operating lease**

**a. Leases as lessee:**

The Group has entered into operating leases for residential and warehouse premises for a period ranging from 1-5 years. Terms of the lease include term for renewal and non-cancellation. Lease rental amounting to Rs. 12.76 (31 March 2017 Rs. 7.93) have been charged to the statement of profit and loss during the year.

	31 March 2018	31 March 2017
Commitments for minimum lease payments excluding service tax in relation to the above lease arrangements are payable as follows:		
Within one year	17.14	8.13
Later than one year but not later than five years	35.87	26.97
Later than five years	-	-
	<b>53.01</b>	<b>35.10</b>

**b. Leases as lessor**

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. job work arrangement. Under Ind AS, any arrangement (even if not legally structured as lease) which convey right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Leases.

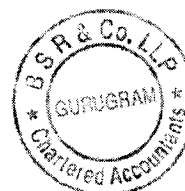
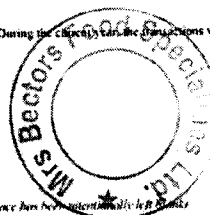
The Group has identified certain job-work arrangements to be in the nature of operating lease and accordingly these have been classified as operating lease arrangement. As a result of this during the year the Group has booked lease income amounting to Rs. 46.66 (Rs. 43.60 for the year ended 31 March 2017). There is a contingency attached to the future lease income and are therefore can not be ascertained. Lease income amounting to Rs. 46.59 (Rs. 45.53 for the year ended 31 March 2017) have been booked as income to the consolidated statement of profit and loss during the year.

**44. The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondences with its customers the Entrepreneurship Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of amounts payable to such enterprises as at the year end has been made in the financial statements based on information available with the Group as under**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-	-
Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-	-
The amount of interest paid to terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

**45. Transfer Pricing**

The Group had entered into specified domestic transactions with related parties. During the current year the transactions with specified domestic parties falls below the limit, therefore the provisions of section 92-92F of the Income Tax Act, 1961 are not applicable to the Group.



#### 46 Employee benefits

The Group contributes to the following post-employment defined benefit plans

##### (i) Defined Contribution Plans:

###### Provident fund

The Group makes contribution towards provident fund for employees. The Group's contribution to the Employees Provident Fund is deposited to the government under the Employees Provident Fund and Miscellaneous Provisions Act, 1952. The contribution payable to the plan by the Group is at the rate specified under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.

During the year, the Group has recognised the following amounts in the consolidated Statement of Profit and Loss (included in note 36 - Employee benefits expense):

Particulars	For the year ended	
	31 March 2018	31 March 2017
Contribution to provident fund	12.36	27.10

##### (ii) Defined Benefit Plan:

###### Gratuity

The Group operates a post-employment defined benefit plan for Gratuity. This plan entitles an employee to receive half month's salary for each year of completed service at the time of retirement/exit. This scheme is funded by the plan assets.

The employee's gratuity fund scheme is managed by Life Insurance Corporation of India and State bank of India Life Insurance. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months subject to no ceiling. Vesting occurs upon completion of 5 years of service. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional employee benefit entitlement and measures each unit separately to build up the final obligation.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at 31 March 2018. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

A. Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Group's financial statements as at balance sheet date:

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Net defined benefit liability			
Liability for Gratuity	22.42	21.97	13.52
Total employee benefit liabilities	22.42	21.97	13.52
Non-current	20.51	20.41	12.21
Current	1.91	1.56	1.31

##### B. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components.

Particulars	31 March 2018			31 March 2017		
	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability	Defined benefit obligation	Fair value of plan assets	Net defined benefit (asset)/ liability
Balance as at 1 April	53.81	31.83	21.98	42.24	28.74	13.50
Included in Profit or loss						
Current service cost	10.40	-	10.40	9.65	-	9.65
Interest cost (income)	4.06	2.40	1.66	3.38	2.30	1.08
Past service cost	0.60	-	0.60	-	-	-
	15.06	2.40	12.66	13.03	2.30	10.73
Included in OCI						
Remeasurements loss (gain)						
- financial assumptions	(1.35)	(0.18)	(1.17)	3.14	(0.20)	1.34
- demographic adjustments	(1.56)	-	(1.56)	(0.83)	-	(0.83)
- experience adjustment	(2.91)	(0.10)	(3.01)	2.31	(0.28)	2.51
Other						
Expected return		6.00	(6.00)		1.00	(1.00)
Contributions paid by the employer	(3.49)	-	(3.49)	(3.77)	-	(3.77)
Benefits paid	(3.49)	6.00	(9.49)	(3.77)	1.00	(4.77)
Balance as at 31 March	62.47	40.85	22.42	53.81	31.84	21.97

During the current year, the gratuity arrangements were adjusted to reflect new legal requirements in the country regarding gratuity limits. As a result of the plan amendment, the Group's defined benefit obligation increased by Rs. 8.66. A corresponding past service cost was recognised in the consolidated Statement of Profit and Loss during the current year.

##### C. Plan assets

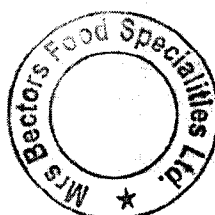
Plan assets comprise of the following

	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investments with Life insurance corporation	31.95%	31.93%	31.09%
Investments with SBI life insurance	18.05%	18.07%	16.91%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

On an annual basis, an asset-liability matching study is done by the Group whereby the Group contributes the net increase in the actuarial liability to the plan manager in order to manage the liability risk.



**D. Actuarial assumptions**

**a) Economic assumptions**

The following were the principal actuarial assumptions at the reporting date. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Group's long term best estimate as to salary increases & takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:-

	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.71%	7.54%	8.00%
Expected rate of future salary increase	7.00%	7.00%	7.00%

**b) Demographic assumptions**

Attrition rates are the Group's best estimate of employee turnover in future determined considering factors such as nature of business & industry, retention policy, demand & supply in employment market, standing of the Group, business plan, HR Policy etc as provided in the relevant accounting standard. Attrition rates as given below have been received as input from the Group.

	31 March 2018	31 March 2017	1 April 2016
i) Retirement age (years)	60	60	60
ii) Mortality rates inclusive of provision for disability	100% of IALM (2006-08)		
iii) Attrition at Ages	Withdrawal rate (%)	Withdrawal rate (%)	Withdrawal rate (%)
Upto 30 years	3.60%	3.00%	3.00%
From 31 to 44 years	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%

**E. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(3.84)	4.22	(3.51)	3.88
Expected rate of future salary increase (0.50% movement)	4.08	(3.75)	3.88	(3.55)

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated.

Sensitivities as rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable.

**F. Expected maturity analysis of the defined benefit plans in future years**

Particulars	31 March 2018	31 March 2017	1 April 2016
Duration of defined benefit payments			
Less than 1 year	1.90	1.58	1.31
Between 1-2 years	1.46	1.91	2.76
Between 2-5 years	7.56	6.62	5.84
Over 5 years	51.55	54.18	33.30
Total	62.47	64.29	43.21

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 18.65 years (31 March 2017: 18.27 years; 1 April 2016: 18.56 years).

Expected contribution to post-employment benefit plans in the 2018-19 is Rs 15.19 lacs.

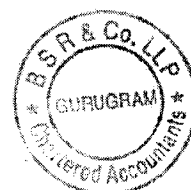
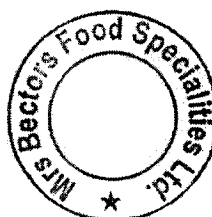
**G. Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follow -

- A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- B) Investment Risk - If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
- C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- D) Mortality & disability - Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- E) Withdrawals - Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**(iii) Other long-term employee benefits:**

The Group provides for compensated absences to its employees. The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. During the year ended 31 March 2018, the Group has incurred an expense on compensated absences amounting to Rs. 5.06 (31 March 2017 Rs. 6.31). The Group determines the expense for compensated absences basis the actuarial valuation of the present value of the obligation, using the Projected Unit Credit Method.



**Mrs. Bectors Food Specialities Limited**  
**Notes to consolidated financial statements for the year ended 31 March 2018**  
*(All amounts are in rupees million, unless otherwise stated)*

**47 Related parties**

**A. Related parties and nature of relationship where control exists:**

**Associates**

Cremica Agro Foods Limited

**B. Key Managerial Personnel (KMP)**

Anoop Bector

Managing Director

Isham Bector

Director

Parveen Kumar Goel

Executive Director

**C. Independent Directors**

Nem Chand Jain

Subhash Agarwal

Archana Bhargava

Director w.e.f. 10 February 2017

Director till 15 November 2016

**D. Relatives of key management personnel having transactions with the Group**

	Dharamvir Bector*	Rajni Bector	Isham Bector	Anoop Bector
Father	-	-	Anoop Bector	Dharamvir Bector
Mother	-	-	Rashmi Bector	Rajni Bector
Spouse	Rajni Bector	Dharamvir Bector	Neha Gupta	Rashmi Bector
Brother	-	-	Suvir Bector	Ajay Bector
	-	-	-	Akshay Bector
Son	Ajay Bector	Ajay Bector	-	Isham Bector
	Anoop Bector	Anoop Bector	-	Suvir Bector
	Akshay Bector	Akshay Bector	-	-

\* Deceased on 26 December 2017

**E. Related entities of KMP**

**Partnership firm**

Sunshine Foods

**Public/Private Limited Companies**

Mrs. Bectors Cremica Dairies Private Limited

**Hindu Undivided Family**

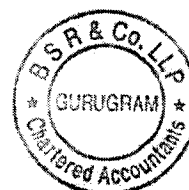
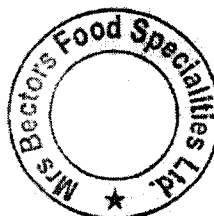
Dharamvir and Sons (HUF)

Anoop Bector (HUF)

Parveen Goel (HUF)

**F. Key management personnel compensation**

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Short-term employee benefits		
Post-employment defined benefit	49.92	46.23
Director sitting fees	4.08	2.76
Employee share based payment	0.18	0.13
<b>Total compensation</b>	<b>54.18</b>	<b>49.12</b>



G. Transactions with related parties at commercial terms\*

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over those entities. A number of these entities transacted with the Group during the reporting period. The terms and conditions of the transactions with key management personnel and their related parties were no more favourable than those available, or those which might reasonably be expected to be available, in respect of similar transactions with non-key management personnel related entities on an arm's length basis. The aggregate value of the Group's transactions relating to key management personnel and entities over which they have control or significant influence is as follows:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Unsecured loan taken from</b>		
- Anoop Bector	30.70	27.50
- Ishaan Bector	-	19.95
- Dharamvir Bector	-	5.40
- Rajni Bector	-	7.00
<b>Unsecured loan repaid to</b>		
- Anoop Bector	27.73	29.70
- Ishaan Bector	12.13	2.78
- Dharamvir Bector	0.36	9.50
- Rajni Bector	1.63	5.50
<b>Finance cost on loan taken</b>		
- Anoop Bector	0.49	1.23
- Ishaan Bector	0.82	0.62
- Dharamvir Bector	0.03	0.23
- Rajni Bector	0.07	0.08
<b>Others</b>		
<b>Rent paid</b>		
- Dharamvir Bector	0.09	0.00
- Anoop Bector	4.20	4.20
- Anoop Bector HUF	3.00	3.00
<b>Rent received</b>		
- Cremica Agro Foods Limited	0.01	-
<b>Contribution to provident and other funds</b>		
- Rashmi Bector	0.73	0.60
- Neha Gupta	0.42	0.10
<b>Interim dividend paid</b>		
- Anoop Bector	17.14	11.42
- Ishaan Bector	1.79	1.19
- Anoop Bector HUF	1.50	1.00
- Rashmi Bector	0.91	0.61
- Suvir Bector	1.19	0.79
<b>Consultancy charges paid</b>		
- Subhash Agarwal	0.61	0.71
<b>Salary paid</b>		
- Rashmi Bector	0.24	0.40
- Rajni Bector	2.42	2.16
- Neha Gupta	3.60	0.89

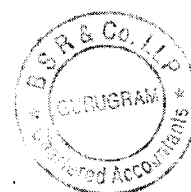
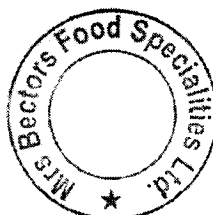
\* Transactions are net off Sales Tax/Service Tax/GST wherever applicable.

H. Related party balances as at the year end:

Outstanding balances	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
<b>Trade and other payables</b>			
- Anoop Bector	0.41	0.48	0.48
- Ishaan Bector	0.62	0.52	0.12
- Parveen Kumari Goel	0.30	0.22	0.18
- Rashmi Bector	0.50	0.35	0.33
- Neha Gupta	0.19	0.14	-
- Rajni Bector	0.30	0.21	-
- Dharamvir Bector	-	0.09	0.08
<b>Unsecured loans</b>			
- Ishaan Bector	6.34	17.73	-
- Anoop Bector	17.87	14.46	15.56
- Rajni Bector	0.91	2.17	0.60
- Dharamvir Bector	-	0.63	4.52
<b>Advances and other receivables</b>			
- Cremica Agro Foods Limited	6.07	6.06	6.06
<b>Non current investments</b>			
- Cremica Agro Foods Limited	38.82	38.66	38.55

I. Personal Guarantees of Directors and relatives of Directors for loans obtained from the banks  
Personal Guarantees of Mr. Anoop Bector are towards outstanding loans obtained from the banks (Refer note 21)

All transactions were made on normal commercial terms and conditions and at arm's length price.



Mrs. Bectors Food Specialties Limited  
Notes to financial statements for the year ended 31 March 2018  
(All amounts are in rupees million, unless otherwise stated)

48 Share-based payment arrangements

A. Description of share-based payment arrangements

i. Share option programme (equity-settled)

On 30 June 2017, the Company established share option programme that entitle certain employees of the Company to purchase shares in the Company. Under these plans, holders of vested options are entitled to purchase shares at the exercise price of the shares at respective date of grant of options. The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting Period	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	42,951	349.24	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	37,920	349.24	3 years and 9 months service from grant date	Service conditions

On 14 July 2017, the Company modified share option programme by entitling grant holders of the Company for bonus shares in the Company in the ratio of 1:1

ESOP schemes	Grant Date	No. of Options	Exercise Price	Vesting Period	Vesting conditions
Employees Stock Option Plan - 2017 (Grant 1)	30-Jun-2017	85,902	174.62	2 years and 9 months service from grant date	Service conditions
Employees Stock Option Plan - 2017 (Grant 2)	30-Jun-2017	55,840	174.62	3 years and 9 months service from grant date	Service conditions

B. Measurement of fair values

i. Equity-settled share-based payment arrangements

The fair value of options and the inputs used in the measurement of the grant date fair values of the equity-settled share based payment plans are as follows:

	Employees Stock Option Plan - 2017 (Grant 1) 31-Mar-2018	Employees Stock Option Plan - 2017 (Grant 2) 31-Mar-2018
Fair value of options at grant date	124.81	124.81
Enterprise value per share at grant date	347.08	347.08
Exercise price at the grant date	349.24	349.24
Exercise price after bonus issue	174.62	174.62
Expected volatility (weighted-average)	34.11%	34.11%
Expected life (weighted-average)	2 years	3 years
Expected dividends	0.27%	0.27%
Risk-free interest rate (based on government bonds)	6.56%	6.36%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option behavior.

C. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programmes were as follows:

	Number of options	Weighted average exercise price
	31 March, 2018	31 March, 2018
Employees Stock Option Plan-2017		
Options outstanding as at the beginning of the year	-	-
Add: Options granted during the year	79,871	349.24
Add: Options increased due to bonus share	79,871	(174.62)
Less: Options lapsed during the year	-	-
Less: Options exercised during the year	-	-
Options outstanding as at the year end	141,742	174.62
Exercisable as at 31 March 2018	-	-

The options outstanding at 31 March 2018 had an exercise price of Rs. 174.62 and a weighted-average contractual life of 3.16 years

D. Expense recognised in statement of profit and loss

For the details of the related employee benefit expenses see note 36



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49 Financial instruments – Fair values and risk management

I. Accounting classifications and fair values

A. Financial instruments by category

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial assets</b>						
Non-current loans	-	33.56	-	34.81	-	26.21
Other non-current financial assets	-	9.68	-	0.21	-	3.22
Investments	0.18	-	48.26	-	102.70	-
Trade receivables	-	693.83	-	586.07	-	463.14
Cash and cash equivalents	-	58.76	-	136.08	-	67.14
Bank balances other than cash and cash equivalents	-	48.51	-	59.32	-	45.06
Current loans	-	-	-	-	-	-
Other current financial assets	6.52	90.82	24.16	76.25	11.11	58.22
	6.70	935.16	72.42	892.74	113.81	662.99
<b>Financial liabilities</b>						
Non current borrowings	-	956.93	-	373.71	-	230.99
Short term borrowings	-	262.73	-	165.59	-	191.83
Trade payables	-	389.70	-	377.85	-	259.37
Other financial liabilities	4.90	292.73	-	154.44	-	165.56
	4.90	1,902.09	-	1,071.59	-	847.75

B. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and  
(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the Indian Accounting Standard 113. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - fair value measurements

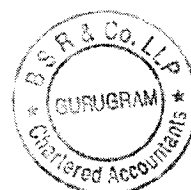
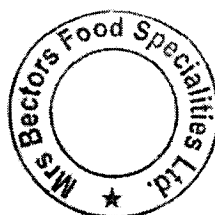
Particulars	As at 31 March 2018			Total
	Level 1	Level 2	Level 3	
<b>Investments</b>				
Investment in equity shares and mutual funds	0.18	-	-	0.18
<b>Derivatives</b>				
Foreign exchange forward contracts	-	1.62	-	1.62

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2018			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Non-current loans	-	-	33.56	33.56
Other non-current financial assets	-	-	9.68	9.68
Trade receivables	-	-	693.83	693.83
Cash and cash equivalents	-	-	58.76	58.76
Bank balances other than cash and cash equivalents	-	-	48.51	48.51
Current loans	-	-	-	-
Other current financial assets	-	-	90.82	90.82
<b>Total financial assets</b>	-	-	935.16	935.16
<b>Financial liabilities</b>				
Non current borrowings	-	-	956.93	956.93
Short term borrowings	-	-	262.73	262.73
Trade payables	-	-	389.70	389.70
Other financial liabilities	-	-	292.73	292.73
<b>Total financial liabilities</b>	-	-	1,902.09	1,902.09

Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 31 March 2017			Total
	Level 1	Level 2	Level 3	
<b>Investments</b>				
Investment in equity shares and mutual funds	48.26	-	-	48.26
<b>Derivatives</b>				
Foreign exchange forward contracts	-	24.16	-	24.16



Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31 March 2017			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Non-current loans	-	-	34.81	34.81
Other non-current financial assets	-	-	0.21	0.21
Trade receivables	-	-	586.07	586.07
Cash and cash equivalents	-	-	136.08	136.08
Bank balances other than cash and cash equivalents	-	-	59.32	59.32
Current loans	-	-	-	-
Other current financial assets	-	-	76.25	76.25
<b>Total financial assets</b>	-	-	892.74	892.74
<b>Financial liabilities</b>				
Non current borrowings	-	-	373.71	373.71
Short term borrowings	-	-	165.59	165.59
Trade payables	-	-	377.85	377.85
Other financial liabilities	-	-	154.44	154.44
<b>Total financial liabilities</b>	-	-	1,071.59	1,071.59

Financial assets and liabilities measured at fair value - fair value measurements

Particulars	As at 1 April 2016			
	Level 1	Level 2	Level 3	Total
<b>Investments</b>				
Investment in equity shares and mutual funds	102.70	-	-	102.70
<b>Derivatives</b>				
Foreign exchange forward contracts	-	11.11	-	11.11

Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 1 April 2016			
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Non-current loans	-	-	26.21	26.21
Other non-current financial assets	-	-	3.22	3.22
Trade receivables	-	-	463.14	463.14
Cash and cash equivalents	-	-	67.14	67.14
Bank balances other than cash and cash equivalents	-	-	45.06	45.06
Current loans	-	-	-	-
Other current financial assets	-	-	58.22	58.22
<b>Total financial assets</b>	-	-	662.99	662.99
<b>Financial liabilities</b>				
Non current borrowings	-	-	230.99	230.99
Short term borrowings	-	-	191.83	191.83
Trade payables	-	-	259.37	259.37
Other financial liabilities	-	-	165.56	165.56
<b>Total financial liabilities</b>	-	-	847.75	847.75

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices/ NAV published.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

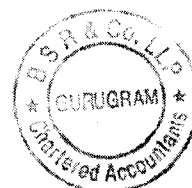
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

There are no transfers between level 1 and level 2 during the year.

**Valuation process**

The finance department of the Group performs the valuations of financial assets and liabilities required for financial reporting purposes for level 3 fair values. The Group relies on them for instruments measured using level 1 valuation. The Group using quoted price/ NAV's published, for the derivative instruments measured using level fair values, the Group obtains the valuation from the bank from whom the derivatives are taken. This team reports directly to the Chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the finance team at least once every year in line with the Group's reporting periods.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period.





C. Fair value of financial assets and liabilities measured at amortised cost

	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>						
Non-current loans	33.56	33.56	34.81	34.81	26.21	26.21
Other non-current financial assets	9.68	9.68	0.21	0.21	3.22	3.22
Trade receivables	693.83	693.83	586.07	586.07	463.14	463.14
Cash and cash equivalents	58.76	58.76	136.08	136.08	67.14	67.14
Bank balances other than cash and cash equivalent	48.51	48.51	59.32	59.32	45.06	45.06
Current loans	-	-	-	-	-	-
Other current financial assets	90.82	90.82	76.25	76.25	58.22	58.22
	<u>935.16</u>	<u>935.16</u>	<u>892.74</u>	<u>892.74</u>	<u>662.99</u>	<u>662.99</u>
<b>Financial liabilities</b>						
Non current borrowings	956.93	956.93	373.71	373.71	230.99	230.99
Short term borrowings	262.73	262.73	165.59	165.59	191.83	191.83
Trade payables	389.70	389.70	377.85	377.85	259.37	259.37
Other current financial liabilities	292.73	292.73	154.44	154.44	165.56	165.56
	<u>1,902.09</u>	<u>1,902.09</u>	<u>1,071.59</u>	<u>1,071.59</u>	<u>847.75</u>	<u>847.75</u>

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, current loans, other current financial assets, short-term borrowings, trade payables, other current financial liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current borrowings represents approximate to fair values accordingly the same has not been discounted.

The fair values for security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit.

## II. Financial risk management

### Risk management framework

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

The Group's internal auditor oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the management.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

#### i. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, derivative financial instruments, loans and advances, cash and cash equivalents and deposits with banks.

#### Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables. An impairment analysis is performed at each reporting date.

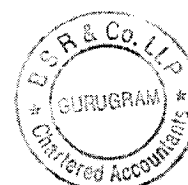
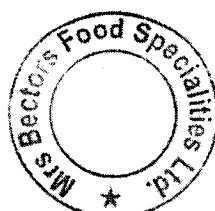
The risk management committee has established a credit policy under which each new customer is analysed individually for credit worthiness before the standard payments and delivery terms & conditions are offered. The Group's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Safe limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

A default on a financial asset is when counterparty fails to meet payment within ninety days when they fall due.

The Group based on internal assessment which is driven by the historical experience, current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Group estimates its allowance for trade receivable using lifetime expected credit loss. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the consolidated Statement of Profit and Loss within other expenses.

#### Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Group are held with banks which have high credit rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.



#### Security deposits

The Group furnished security deposits to its lessor for obtaining the premises on lease and margin money deposits to banks. The Group considers that its deposits have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations. Also, where the Group expects that there is an uncertainty in the recovery of deposit, it provides for suitable impairment on the same

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Financial assets for which loss allowance is measured using Lifetime Expected Credit Losses			
Trade Receivable	704.22	593.07	461.70
Reconciliation of loss allowance provision			
Particulars	Amount		
Loss Allowance on 1 April 2016			
Change in Loss allowance			(0.56)
Loss Allowance on 31 March 2017			(6.44)
Change in Loss allowance			(7.00)
Loss Allowance on 31 March 2018			(13.39)
			(10.39)

#### ii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the cash flow generated from operations to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out at local level in the operating companies of the Group in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude contractual interest payments and exclude the impact of netting agreements

Financial liabilities	Carrying amount		Contractual cash flows		
	As at 31 March 2018	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Non current borrowings	956.93	956.93	-	686.91	270.02
Short term borrowings	262.73	262.73	262.73	-	-
Trade payables	389.70	389.70	389.70	-	-
Other current financial liabilities	297.63	297.63	297.63	-	-
Total	1,906.99	1,906.99	950.06	686.91	270.02

Financial liabilities	Carrying amount		Contractual cash flows		
	As at 31 March 2017	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Non current borrowings	373.71	373.72	16.71	321.28	0.73
Short term borrowings	165.59	165.59	165.59	-	-
Trade payables	377.85	377.85	377.85	-	-
Other current financial liabilities	154.44	154.44	154.44	-	-
Total	1,071.59	1,071.60	714.59	321.28	0.73

Financial liabilities	Carrying amount		Contractual cash flows		
	As at 1 April 2016	Total	Upto 1 year	Between 1 and 5 years	More than 5 year
Non current borrowings	230.99	230.99	-	230.99	-
Short term borrowings	191.83	191.83	191.83	-	-
Trade payables	259.37	259.37	259.37	-	-
Other current financial liabilities	165.56	165.56	165.56	-	-
Total	847.75	847.75	616.76	230.99	-

The inflows/outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

#### iii. Market risk

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

The Group uses derivatives like forward contracts to manage market risks on account of foreign exchange. All such transactions are carried out within the guidelines set by the Board of directors.



#### Currency risk

The Group is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

Currency risks related to the cash credit loan have been hedged using forward contracts taken by the Group.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

#### Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to the management of the Group is as follows:

As at 31 March 2018	USD	Euro
<b>Financial asset</b>		
Trade receivables	5.22	-
Forward contracts receivables	14.85	-
<b>Total</b>	<b>20.07</b>	<b>-</b>
<b>Financial liabilities</b>		
Payable for capital assets	0.01	0.31
<b>Total</b>	<b>0.01</b>	<b>0.31</b>
<b>Net exposure to foreign currency risk</b>	<b>20.06</b>	<b>(0.31)</b>

As at 31 March 2017	USD	Euro
<b>Financial asset</b>		
Trade receivables	3.35	0.14
Forward contracts receivables	6.25	-
<b>Total</b>	<b>9.60</b>	<b>0.14</b>
<b>Financial liabilities</b>		
Payable for capital assets	0.01	0.01
<b>Total</b>	<b>0.01</b>	<b>0.01</b>
<b>Net exposure to foreign currency risk</b>	<b>9.59</b>	<b>0.13</b>

As at 1 April 2016	USD	Euro
<b>Financial asset</b>		
Trade receivables	2.23	0.14
Forward contracts receivables	5.00	-
<b>Total</b>	<b>7.23</b>	<b>0.14</b>
<b>Financial liabilities</b>		
Payable for capital assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Net exposure to foreign currency risk</b>	<b>7.23</b>	<b>0.14</b>

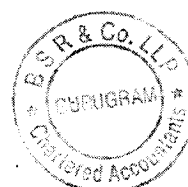
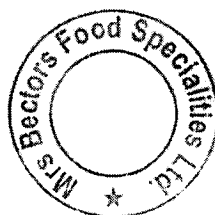
#### Sensitivity analysis

A reasonably possible strengthening (weakening) of the Rs against all other currencies as at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31 March 2018</b>				
USD (1% movement)	12.90	(12.90)	8.44	(8.44)
EUR (1% movement)	(0.25)	0.25	(0.16)	0.16
<b>31 March 2017</b>				
USD (1% movement)	6.14	(6.14)	4.02	(4.02)
EUR (1% movement)	0.00	(0.09)	0.06	(0.06)

#### Interest rate risk

The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group cash flow to interest rate risk. Group normally maintains most of its long term borrowings at MCLR+XX% in Rupees. Group has all the long term loans from State Bank of India, HDFC and ICICI Bank.



#### Exposure to interest rate risk

The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows.

Particulars	Amount		
	31 March 2018	31 March 2017	1 April 2016
<b>Fixed-rate instruments</b>			
Financial assets	59.89	61.35	48.28
Financial liabilities	(25.12)	(34.99)	(20.68)
	<b>34.77</b>	<b>26.36</b>	<b>27.60</b>
<b>Variable-rate instruments</b>			
Financial assets			
Financial liabilities	(1,312.55)	(579.34)	(450.32)
	<b>(1,312.55)</b>	<b>(579.34)</b>	<b>(450.32)</b>

#### Fair value sensitivity analysis for fixed-rate instruments

The Group does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by Rs.0.23 after tax (31 March 2017 Rs. 0.17, 1 April 2016 Rs. 0.18). This analysis assumes that all other variables remain constant.

#### Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

INR	Profit or loss (net of tax)	
	100 bp increase	100 bp decrease
<b>31 March 2018</b>		
Variable-rate instruments		
Cash flow sensitivity (net)	(8.58)	8.58
<b>31 March 2017</b>		
Variable-rate instruments		
Cash flow sensitivity (net)	(3.79)	3.79
	<b>(3.79)</b>	<b>3.79</b>

#### 50 Capital management

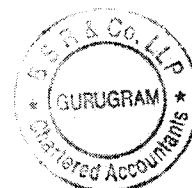
The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital on a yearly basis as well as the level of dividends to ordinary shareholders which is given based on approved dividend policy.

The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group capital consists of equity attributable to equity holders that includes equity share capital, reserves, retained earnings and long term borrowings.

	As at 31 March 2018	As at 31 March 31 2017	As at 1 April 2016
Total liabilities	1,347.47	614.33	471.00
Less: Cash and cash equivalent	58.76	136.08	67.14
<b>Adjusted net debt (a)</b>	<b>1,288.71</b>	<b>478.25</b>	<b>403.86</b>
Total equity (b)	2,667.69	2,353.16	2,098.46
Capital gearing ratio (a/b)	48.31%	20.32%	19.25%

As a part of its capital management policy the Group ensures compliance with all covenants and other capital requirements related to its contractual obligations.



51 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements' of Division II of Schedule III

As at 31 March 2018

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Mrs. Bectors Food Specialities Limited	88.34%	2,356.46	88.86%	320.43	97.71%	1.71	88.88%	322.12
<b>Subsidiaries</b>								
Bakebest Foods Private Limited	10.18%	271.60	16.10%	58.05	2.29%	0.04	16.03%	58.09
Mrs. Bectors English Oven Limited	0.02%	0.48	0.00%	0.01	0.00%	-	0.00%	0.01
<b>Associate (Investment as per the equity method)</b>								
Cremica Agro Foods Limited	1.45%	38.82	0.05%	0.17	0.00%	-	0.05%	0.17
<b>Elimination</b>	0.00%	0.00	-5.00%	(18.03)	-	-	-4.97%	(18.03)
<b>Total</b>	<b>100%</b>	<b>2,667.36</b>	<b>100%</b>	<b>360.61</b>	<b>100%</b>	<b>1.75</b>	<b>100%</b>	<b>362.36</b>

As at 31 March 2017

Name of entity in the group	Net Assets (Total assets - Total liabilities)		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Parent</b>								
Mrs. Bectors Food Specialities Limited	88.33%	2,078.28	87.02%	252.91	94.55%	(1.56)	86.98%	251.35
<b>Subsidiaries</b>								
Bakebest Foods Private Limited	10.00%	235.38	12.83%	37.30	5.45%	(0.09)	12.88%	37.21
Mrs. Bectors English Oven Limited	0.02%	0.53	0.00%	-	0.00%	-	0.00%	0.00
<b>Associate (Investment as per the equity method)</b>								
Cremica Agro Foods Limited	1.65%	38.63	0.10%	0.31	0.00%	-	0.11%	0.31
<b>Elimination</b>	0.00%	-	0.04%	0.11	0.00%	-	0.04%	0.11
<b>Total</b>	<b>100%</b>	<b>2,352.84</b>	<b>100%</b>	<b>290.63</b>	<b>100%</b>	<b>(1.65)</b>	<b>100%</b>	<b>288.98</b>

52 The specified bank notes (SBN) as defined under the notification issued by the Ministry of Finance, Department of Economic dated 08 November, 2016 are no longer in existence. Hence, the Group has not provided the corresponding disclosures as prescribed in Schedule III to the Companies Act, 2016. The disclosure of SBN made in the financial statements for 31 March 2017 is as follows:

	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	2.75	1.75	4.50
(+) Permitted receipts	-	14.50	14.50
(-) Permitted payments	-	3.90	3.90
(-) Amount deposited in Banks	2.75	10.58	13.33
Closing cash in hand as on 30 December 2016	-	1.77	1.77

\* For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407 (E) dated 8 November 2016

53 Details in respect of dividend remitted during the year in foreign currency:  
Particulars

Number of non-resident shareholders\*  
Number of shares held as on record date\*  
Amount remitted during the year\*\*  
Financial year to which dividend pertains\*

For the year ended	
31 March 2018	31 March 2017
2 (nos)	2 (nos)
12,270,036	6,135,018
-	12,270,036
-	2015-16 & 2016-17

\* Excludes non-resident shareholders to whom dividend is paid in Indian rupees.

\*\* Includes amount of Rs. 6,135,018 remitted during the year pertaining to the year 2015-16

54 Corporate Social Responsibility

31 March 2018

a) Gross amount required to be spent by the Group during the year was Rs. 8.85  
b) Amount spent during the year on promoting environmental sustainability, health care, eradication of poverty and providing scholarship to students

Particulars

On construction/acquisition of any asset  
On purpose other than above  
Total

In cash	Yet to be paid in cash	Total
-	-	-
2.82	-	2.82
2.82	-	2.82

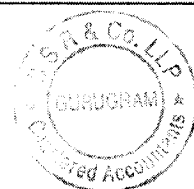
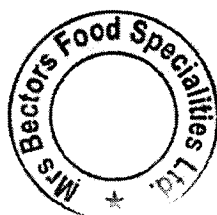
31 March 2017

a) Gross amount required to be spent by the Group during the year was Rs. 3.68  
b) Amount spent during the year on promoting environmental sustainability, health care, eradication of poverty and providing scholarship to students

Particulars

On construction/acquisition of any asset  
On purpose other than above  
Total

In cash	Yet to be paid in cash	Total
-	-	-
2.18	-	2.18
2.18	-	2.18



**55 First Time Adoption of Ind AS**

As stated in note 2, these are the Group's first financial statements prepared in accordance with Ind AS

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS statement of financial position at 1 April 2016 (the Group's date of transition)

In preparing its opening Ind AS statement of financial position, the Group has adjusted amounts reported previously in financial statements prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

**Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS

**A. Ind AS optional exemptions**

**(i) Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**(ii) Leases**

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material.

The Group has elected to apply this exemption for such contracts/arrangements.

**(iii) Investments in associates**

Ind AS 101 permits a first-time adopter to choose the previous GAAP carrying amount at the entity's date of transition to Ind AS to measure the investment in the subsidiary and associate as the deemed cost.

Accordingly, the Group has opted to measure its investment in associate at deemed cost i.e. previous GAAP carrying amount.

**B. Ind AS mandatory exceptions**

**(i) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Group made estimates for investment in instruments carried at fair value through profit and loss (FVTPL) and impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

**(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

**(iii) De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.



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**Mrs. Bectors Food Specialities Limited**

Notes to financial statements for the year ended 31 March 2018

(All amounts are in million, unless otherwise stated)

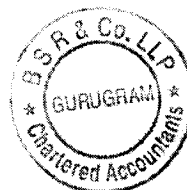
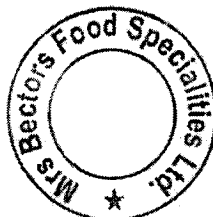
**C. Reconciliations between previous GAAP and Ind AS**

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

**Reconciliation of equity**

Particulars	Note	As at 1 April 2016			As at 31 March 2017		
		Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	4, 10	1,736.46	43.71	1,780.17	2,122.04	51.69	2,173.73
Capital work-in-progress	10	189.64	4.31	193.95	115.65	2.19	117.84
Goodwill on consolidation	11	3.95	-	3.95	2.49	1.46	3.95
Loan and advances		-	-	-	-	-	-
Other intangible assets		18.94	-	18.94	17.13	-	17.13
Intangible assets under development		-	-	-	5.55	-	5.55
Equity accounted investees		38.34	-	38.34	38.65	-	38.65
<b>Financial assets</b>							
(i) Loans		26.21	-	26.21	34.81	-	34.81
(ii) Other non-current financial assets		3.22	-	3.22	0.21	-	0.21
Current tax assets (net)		26.76	(10.99)	15.77	38.70	(12.97)	25.73
Other non-current assets		87.92	-	87.92	110.01	-	110.01
<b>Current assets</b>							
<b>Inventories</b>							
		325.53	-	325.53	276.09	-	276.09
<b>Financial assets</b>							
(i) Investments	3	95.72	6.98	102.70	41.86	6.40	48.26
(ii) Trade receivables	9	456.54	6.60	463.14	579.97	6.10	586.07
(iii) Cash and cash equivalents		67.14	-	67.14	136.08	-	136.08
(iv) Bank balances other than iii above		45.06	-	45.06	59.32	-	59.32
(v) Loans		-	-	-	-	-	-
(vi) Other current financial assets	2	75.05	(5.72)	69.33	92.63	7.78	100.41
Other current assets		66.65	-	66.65	63.40	-	63.40
<b>TOTAL ASSETS</b>		<b>3,263.13</b>	<b>44.89</b>	<b>3,308.02</b>	<b>3,734.59</b>	<b>62.65</b>	<b>3,797.24</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity</b>							
Equity share capital		286.34	-	286.34	286.34	-	286.34
Other equity		1,800.65	11.47	1,812.12	2,047.46	19.36	2,066.82
<b>Non-current liabilities</b>							
<b>Financial liabilities</b>							
(i) Borrowings		230.99	-	230.99	373.71	-	373.71
Long-term provisions		20.91	-	20.91	31.87	-	31.87
Deferred tax liabilities (net)	6	56.70	(4.91)	51.79	62.69	(3.84)	58.85
Other non-current liabilities	4	-	35.04	35.04	-	34.38	34.38
<b>Current liabilities</b>							
<b>Financial liabilities</b>							
(i) Borrowings		191.83	-	191.83	165.59	-	165.59
(ii) Trade payables		259.37	-	259.37	377.85	-	377.85
(iii) Other financial liabilities		165.56	-	165.56	154.44	-	154.44
Other current liabilities	2, 4, 5	134.56	(3.29)	131.27	115.11	6.36	121.47
Short-term provisions	9	87.67	6.60	94.27	106.89	6.10	112.99
Current tax liabilities (net)		28.55	(0.02)	28.53	12.64	0.29	12.93
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,263.13</b>	<b>44.89</b>	<b>3,308.02</b>	<b>3,734.59</b>	<b>62.65</b>	<b>3,797.24</b>

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



**Reconciliation of total comprehensive income for the year ended 31 March 2017**

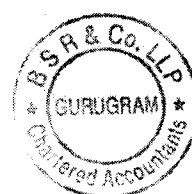
Particulars		Previous GAAP*	Adjustments	Ind AS
<b>Revenue</b>				
Revenue from operations		6,247.01	139.51	6,386.52
Other income	2, 7, 8, 9	12.98	8.56	21.54
<b>Total income</b>	3, 4, 8	6,259.99	148.07	6,408.06
<b>Expenses</b>				
Cost of materials consumed		3,491.47	(4.71)	3,486.76
Excise duty	9	-	139.68	139.68
Purchase of stock in trade	7	105.72	-	105.72
Changes in inventories of stock-in-trade		22.97	(0.33)	22.64
Employee benefits expense		811.95	(2.52)	809.43
Finance costs	1	50.66	(5.65)	45.02
Depreciation and amortisation expense		241.80	7.87	249.67
Other expenses	4, 10, 11	1,124.68	(0.05)	1,124.63
<b>Total Expenses</b>	5	5,849.26	134.29	5,983.55
<b>Profit before share of equity accounted investees and tax</b>				
Share of net profit of associates accounted for using the equity method		0.31	-	0.31
<b>Profit before tax</b>		5,849.57	134.29	5,983.86
<b>Profit/(loss) before tax</b>		411.04	13.78	424.82
<b>Tax expense:</b>				
Current tax		126.08	-	126.08
Deferred tax credit	6	3.67	4.26	7.93
<b>Profit/(loss) for the period (A)</b>		281.29	9.52	290.81
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Remeasurement of defined benefit plans		-	(2.52)	(2.52)
Income tax relating to remeasurement of defined benefit plans	1	-	0.87	0.87
<b>Total other comprehensive income for the year (B)</b>		-	(1.65)	(1.65)
<b>Total comprehensive income for the year (A + B)</b>		281.29	7.87	289.16

**Reconciliation of total equity as at 31 March 2017 and 1 April 2016**

Particulars	Notes to first-time adoption	31 March 2017	1 April 2016
<b>Total equity (shareholder's funds) as per previous GAAP</b>		2,333.83	2,087.00
<b>Adjustments:</b>			
Fair value of forward contracts	2	3.03	3.89
Measurement of investment in equity shares at fair value	3	(0.38)	4.56
Rent equalisation reserve	5	0.24	0.19
Capitalisation of general borrowing cost	10	3.52	2.82
Amortisation of goodwill written back	11	1.46	-
<b>Total adjustments</b>		7.87	11.46
Net impact brought forward from Opening balance sheet		11.46	-
<b>Total equity as per Ind AS</b>		2,353.16	2,098.46

**Reconciliation of total comprehensive income for the year ended 31 March 2017**

Particulars	Notes to first-time adoption	Amount
<b>Profit after tax under India GAAP</b>		281.29
<b>Adjustments</b>		
Actuarial loss reclassified to other comprehensive income	1	1.65
Fair value of forward contracts	2	3.03
Measurement of investment in equity shares at fair value	3	(0.38)
Rent equalisation reserve	5	0.24
Capitalisation of general borrowing cost	10	3.52
Amortisation of goodwill written back	11	1.46
<b>Total adjustments</b>		9.52
<b>Profit after tax as per Ind AS</b>		290.81
<b>Other Comprehensive Income</b>		(1.65)
<b>Total Comprehensive income for the year</b>		289.16





**Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017**

Particulars	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	4,788.71	(4,266.69)	522.02
Net cash flow from investing activities	(4,972.11)	4,428.79	(543.32)
Net cash flow from financing activities	803.95	(741.11)	62.84
Net increase/(decrease) in cash and cash equivalents	620.55	(579.02)	41.53
Cash and cash equivalents as at 1 April 2016	656.78	(591.10)	65.68
Cash and cash equivalents as at 31 March 2017	1,277.33	(1,170.12)	107.21

**D. Notes to first-time adoption:**

**1 Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurement i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurement were forming part of the profit or loss for the year. As a result of this change, the profit for the year (net of tax) ended March 31, 2017 increased by Rs. 1.65 (Rs. 2.52 gross). There is no impact on the total equity as at 31 March 2017.

**2 Fair valuation of derivatives**

Under the previous GAAP, in respect of foreign currency receivable, the Group entered into forward contracts to hedge the foreign currency receivables. As a result, the Group used to amortise the premium and restate the forward contracts as per the requirement of AS-11.

Under Ind AS, derivatives which are not designated as hedging instruments are fair valued with resulting changes being recognised in profit or loss. Total equity as at 31 March 2017 increased by Rs. 6.91 (1 April 2016 - Rs. 3.89). Due to said fair valuation the profit for the year (net of tax) ended 31 March 2017 increased by Rs. 3.03 (Rs. 4.63 gross) as a result of the fair value change. Correspondingly, assets for forward exchange contracts used for hedging created under previous GAAP increased by Rs. 7.78 as at 31 March 2017 (as at 1 April 2016 reduced by Rs. 5.72) and other current liability for unamortised premium created under previous GAAP by Rs. 2.79 as at 31 March 2017 (as at 1 April 2016 Rs. 11.66) got reversed.

**3 Investment in equity shares at fair value**

Under the Indian GAAP, investments in equity shares were measured at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value through profit or loss. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017.

The profit for the year (net of tax) ended 31 March 2017 reduced by Rs. 0.38 (Rs. 0.59 gross). Accordingly, there is an increase in the total equity by Rs. 4.18 as at 31 March 2017 (1 April 2016 - Rs. 4.56) with a corresponding increase in value of investments by Rs. 6.40 as at 31 March 2017 (Rs. 6.98 as at 1 April 2016).

**4 Property, plant and equipment**

The Group has been awarded with Export Promotion Capital Grant (EPCG) and Technology Upgradation, Establishment, Modernisation, of Food Processing Industries under NMFP scheme which are conditional upon import of certain assets and purchase of plant and machinery in a specified region respectively. Under previous GAAP, such capital grants on account of duty waivers were being netted off with the cost of the respective item of property, plant and equipment.

Under Ind AS the transfer of resources from the government in the form of a waiver of expenses/duty needs to be accounted for as government grant. Accordingly, the duty waived off under EPCG Scheme and NMFP scheme has been recognised as government grant by debiting the property, plant and equipment with a corresponding credit to deferred income. The deferred income is released to Statement of profit and loss in proportion of depreciation charged over the useful life of the asset.

Accordingly, property, plant and equipment as at 31 March 2017 has been increased by Rs. 44.18 (as at 1 April 2016 Rs. 43.71) net of accumulated depreciation with a corresponding increase in deferred income under other non-current liabilities by Rs. 34.38 as at 31 March 2017 (as at 1 April 2016 Rs. 35.04) and under other current liabilities by Rs. 9.79 as at 31 March 2017 (as at 1 April 2016 Rs. 8.66). Further during the year ended 31 March 2017 depreciation increased by Rs. 9.08 with a corresponding increase in other income by unwinding of deferred income. There is no impact on the total equity and profit.

**5 Rent equalisation reserve**

Under Ind AS, a Group is not required to recognise rental expense on straight line basis if the escalation rate is linked to general inflation. Accordingly, rent equalisation reserve created under arrangements where the escalation rate is linked to general inflation rate has been reversed under Ind AS. Accordingly, the profit for the year (net of tax) ended 31 March 2017 has increased by Rs. 0.24 (Rs. 0.38 gross) due to reversal of rent equalisation reserve created as on transition date.

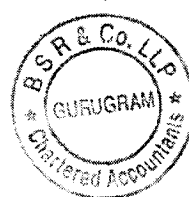
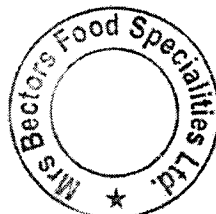
Consequently, the total equity as at 31 March 2017 has increased by Rs. 0.43 (1 April 2016 Rs. 0.19) with a corresponding decrease in other current liabilities by Rs. 0.64 as at 31 March 2017 (Rs. 0.29 as at 1 April 2016).

**6 Deferred tax Liabilities (net)**

This represents the deferred tax impact of Ind AS adjustments

**7 Excise duty**

Under the previous GAAP, revenue from sale of products was presented net of excise duty. Under Ind AS, revenue from sale of goods is presented gross of excise duty. The excise duty paid is presented as part of cost of goods sold. This change has resulted in an increase in total revenue and total expenses for the previous year by Rs. 139.68. There is no impact on the total equity and profit for the year.



**8 Arrangement containing leases**

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. job work arrangement. Under Ind AS, any arrangement (even if not legally structured as lease) which convey right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Leases.

The Group has identified certain job-work arrangements to be in the nature of operating lease and accordingly these have been classified as operating lease arrangement. As a result, revenue has decreased by Rs. 45.60 with a corresponding increase in other income. There is no impact on total equity and profit.

**9 Provision for sales return**

Under previous GAAP, provision for expected sales return was accounted for by reducing margin from the revenue with a corresponding reduction in accounts receivable. Under Ind AS the same is grossed up by creating a provision for sales return. Accordingly, revenue for the year ended 31 March 2017 got reduced by Rs. 4.71 with a corresponding reduction in cost of goods.

Further, trade receivable as at 31 March 2017 got increased by Rs. 6.10 (as at 1 April 2016 Rs. 6.60) with a corresponding increase in provision for sales return.

**10 Capitalisation of general borrowing cost**

Under previous GAAP, the Group capitalised the borrowing cost only for specific borrowings with the cost of the respective fixed assets. Under Ind AS, the Group is required to capitalise borrowing cost on general borrowings as well along with specific borrowings in case of qualifying assets. Accordingly, interest cost amounting to Rs. 5.64 for the year ended 31 March 2017 has been capitalised with a corresponding increase in depreciation charged during the year by Rs. 0.25. Consequently, the total equity as at 31 March 2017 has increased by Rs. 6.34 (1 April 2016 Rs. 2.82).

Further, Property, plant & equipment increased by Rs. 7.51 as at 31 March 2017 (Rs nil as at 1 April 2016) net of depreciation and capital work-in-progress increased by Rs. 2.19 (Rs. 4.31 as at 1 April 2016).

**11 Amortisation of goodwill written back**

Under previous GAAP, goodwill was required to be amortised over the period of 5 years. Under Ind AS goodwill shall be tested for impairment and will not be amortised. Accordingly, profit for the year ended 31 March 2017 got increased by Rs. 1.46 with a corresponding increase in value of goodwill.

Further, total equity during the year ended 31 March 2017 increased by Rs. 1.46 (Rs Nil as at 1 April 2016). The Group has taken deemed cost exemption for tangible and intangible assets and accordingly net value of goodwill as at 1 April 2016 shall be deemed to be gross value as at 1 April 2016.

**12 Retained earnings**

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**13 Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurement of defined benefit plans.

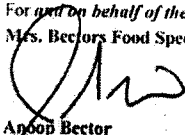
The concept of other comprehensive income did not exist under previous GAAP.

For B.S.R. & Co. LLP  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

  
Anoop Bector  
Partner  
Membership No.: 094549

Place: Gurugram  
Date: 10 July 2018

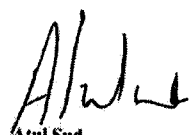
For and on behalf of the Board of Directors of  
Mrs. Bectors Food Specialities Limited

  
Anoop Bector  
Managing Director  
DIN:-00108589

  
Parveen Kumar Goel  
Executive Director and CFO  
DIN:- 00007297

Place: Gurugram  
Date: 10 July 2018

  
Anoop Bector  
Director  
DIN:-02906180

  
Atul Sud  
Company Secretary



## Mrs. Bectors Food Specialties Limited

CIN: U74899PB1995PLC033417

Registered Office: Theing Road, Phillaur-144410, Punjab, Phone (01826) -222826, 225418

Website: www.cremica.in, Email id: cs.bis@cremica.in

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

### ATTENDANCE SLIP

*DPID		Name & Address of the registered Shareholder
Regd.FolioNo./ *Client Id.		
No.of Share(s)held		

(\*Applicable for Members holding Shares in electronic form)

I hereby record my presence at the **23rd ANNUAL GENERAL MEETING** of the Members of Mrs. Bectors Food Specialties Limited Held on Wednesday, August 1, 2018 at 5.00 pm at Theing Road, Phillaur,-144410, Punjab

Member's/Proxy'sSignature

TEARHERE



## Mrs. Bectors Food Specialties Limited

CIN: U74899PB1995PLC033417

Registered Office: Theing Road, Phillaur,-144410, Punjab, Phone (01826) -222826, 225418

Website: www.cremica.in, Email id: cs.bis@cremica.in

### PROXYFORM

### FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s):	
Registered Address:	
E-mail Id:	
*DPID:	
Regd.Folio No./ *Client Id.	

(\*Applicable for Members holding Shares in electronic form)

I/We, being the member(s) of Mrs. Bectors Food Specialties Limited holding \_\_\_\_\_ shares, hereby appoint:

- (1) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (2) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him;
- (3) Name: \_\_\_\_\_ Address: \_\_\_\_\_  
E-mail id: \_\_\_\_\_ Signature \_\_\_\_\_

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company, to be held Wednesday, August 1, 2018 at 5.00 pm at Theing Road, Phillaur,-144410, Punjab and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Matter of Resolution
1..	To Receive, consider and adopt: a) The audited standalone financial statement of the Company for the financial year ended March 31, 2018, the reports of the Board of Directors and Statutory Auditors thereon. b) The audited consolidated financial statement of the Company for the financial year ended March 31, 2018 and the reports of the Statutory Auditors thereon.
2.	To confirm the interim dividend of Re. 0.75/- per share paid during the year as the final dividend for the year ended 31.03.2018
3.	To appoint Director in place of Mr. Ishaan Bector, Director (DIN NO. 02906180), who retires by rotation and being eligible, offers himself for re-appointment.
4.	To appoint Director in place of Mrs. Rajni Bector, Director (DIN NO. 00108730), who retires by rotation and being eligible, offers herself for re-appointment.
5.	To Ratify Appointment of Statutory Auditor
6.	Appointment of Mr. Rajiv Dewan (Din No: 00007988) as an Independent Director of the Company
7.	Raising of capital through an Initial Public Offering
8.	Adoption of New Articles of Association
9.	Increase in the Authorised share capital and alteration in the Capital clause of the Memorandum of Association
10.	Identification of promoters and promoter group
11.	To Re-appoint Mr. Parveen Kumar Goel, as the Whole-Time Director of the Company for a period of 3 years

12.	To give authority under section 180(1)(a) of the Companies act, 2013 to sell, lease or otherwise dispose of, to mortgage/ create charges on the properties of the company.
13.	To borrow in excess of the paid up capital and free reserves under section 180(1)(c) of the Companies act, 2013
14.	Increase In FPI Limit
15.	Increase In NRI Limit

Signed this ..... day of ..... 2018.

Signature of Shareholder(s) : \_\_\_\_\_

Signature of Proxy holder(s) : \_\_\_\_\_

**Note:**

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting.

Affix  
Revenue  
Stamp

## ROUTE MAP TO MRS. BECTORS FOOD SPECIALITIES LIMITED Theing Road Phillaur-144410

