

# Britannia Annual Report 2015-16

## BOARD OF DIRECTORS

### CHAIRMAN :

Mr. Nusli N Wadia

### MANAGING DIRECTOR :

Mr. Varun Berry

### DIRECTORS :

Mr. A K Hirjee

Mr. Avijit Deb

Mr. S S Kelkar

Mr. Nimesh N Kampani

Mr. Jeh N Wadia

Mr. Keki Dadiseth

Dr. Ajai Puri

Mr. Nasser Munjee

Mr. Ness N Wadia

Dr. Vijay L Kelkar (Upto 31 May 2016)

Mrs. Ranjana Kumar

### MANAGEMENT TEAM :

Mr. Amlan Datta Majumdar

Mr. Vinay Singh Kushwaha

Mr. Manjunath Desai

Mr. Sudhir Nema

Mr. N Venkataraman

Mr. Gunjan Shah

Mr. Ali Harris Shere

Mr. Ritesh Rana

Mr. Anindya Dutta

Mr. Manoj Balgi

Mr. Sarad Garodia

- Chief Financial Officer
- Vice President-Supply Chain
- Vice President-Strategy & Business Development
- Vice President-R&D and Quality
- Vice President-Finance
- Vice President-Sales and Bread Business
- Vice President-Marketing
- Vice President-Human Resource
- Vice President-International Business
- Head-Procurement
- Head-Dairy Business

### COMPANY SECRETARY:

Mr. Rajesh Arora

### AUDITORS :

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre,

11-12/1, Inner Ring Road, Koramangala,

Bangalore - 560 071.

### BANKERS :

Bank of America N. A.

Bank of Tokyo-Mitsubishi UFJ

Citibank N. A.

HDFC Bank Limited

ICICI Bank Limited

Indian Bank

Standard Chartered Bank

State Bank of India

The Hongkong and Shanghai Banking Corporation Limited

The Royal Bank of Scotland N. V.

(Corporate Identity Number: L15412WB1918PLC002964)

Registered Office: 5/1A, Hungerford Street, Kolkata - 700 017.

Executive Office : Prestige Shantiniketan, The Business Precinct, Tower C, 16<sup>th</sup> & 17<sup>th</sup> Floor,  
Whitefield Main Road, Mahadevpura Post, Bangalore-560048.

Phone : 033 22872439/2057; 080 39400080 Fax : 033 22872501; 080 25063229

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## FINANCIAL HIGHLIGHTS

₹ in Crores	2015-16	2014-15	% Change
<b>STANDALONE</b>			
Net Sale of Products	7,868.89	7,100.46	11%
Profit from Operations	1,044.93	654.23	60%
Shareholders' Funds	1,700.16	1,235.62	38%
Capital Expenditure	220.98	88.04	151%
Profit Before Exceptional Items and Tax	1,141.89	740.55	54%
Profit Before Tax	1,131.56	882.61	28%
Net Profit	749.09	622.41	20%
Cash Profit	835.98	739.68	13%
Per Equity Share (Nominal value of ₹ 2/- each)			
Earnings (Basic)	62.44	51.90	20%
Dividend	20.00	16.00	25%
Dividend + Tax	24.07	19.26	25%
<b>CONSOLIDATED</b>			
Net Sale of Products	8,607.06	7,775.09	11%
Profit from Operations	1,113.12	719.43	55%
Profit Before Tax	1,197.90	949.59	26%
Net Profit	806.11	688.64	17%

# Britannia Annual Report 2015-16

## REPORT OF THE DIRECTORS

The Directors present their Report together with the financial statements for the financial year ended 31 March 2016.

### 1. FINANCIAL RESULTS

Particulars	₹ in Crores	
	Year ended 31 March 2016	Year ended 31 March 2015
Sale of Products	8,097.81	7,269.26
Other Operating Revenues	79.01	75.53
Other Income	98.21	87.53
<b>Profit from Operations</b> (PBT before other income, finance costs and exceptional items)	<b>1,044.93</b>	<b>654.23</b>
Profit before exceptional items and tax	1,141.89	740.55
Exceptional Items*	(10.33)	142.06
<b>Profit Before Tax</b>	<b>1,131.56</b>	<b>882.61</b>
Less: Tax Expense	382.47	260.20
<b>Net Profit</b>	<b>749.09</b>	<b>622.41</b>
Add: Profit brought forward	811.07	491.15
<b>Profit available for appropriation</b>	<b>1,560.16</b>	<b>1,113.56</b>
Less: Proposed Dividend	239.95	191.88
Less: Tax on Proposed Dividend	48.85	39.06
Less: Dividend (including tax on dividend) on equity shares issued under ESOS after the year end	0.10	-
Less: Transfer to General Reserve	74.91	62.24
Less: Additional depreciation due to revision in useful life of Fixed Assets as per Companies Act, 2013 (Net of Deferred tax)	-	9.31
Balance carried forward to Balance Sheet	1,196.35	811.07
<b>Net Cash Flow from Operating Activities</b>	<b>877.69</b>	<b>515.33</b>

\* Includes Additional bonus provision made as per amendments to the Payment of Bonus Act, 1965 of ₹ 10.33 Crores. (Previous year: Profit on sale of land & building of ₹ 159.92 Crores, provision for diminution in value of investments in Daily Bread Gourmet Foods (India) Private Limited of ₹ 4 Crores and Voluntary Retirement Scheme ("VRS") related cost to all workmen at Delhi factory of ₹ 13.86 Crores.)

### 2. OVERVIEW OF COMPANY PERFORMANCE

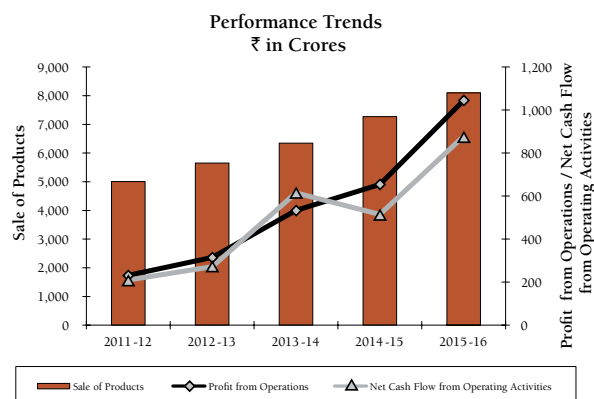
In an economic environment, wherein revenue growth in the FMCG sector has slowed down, your Company achieved a sales growth of 11.4% and added ₹ 828.55 Crores to sales. Your Company focused on profitability, capital productivity and working capital management to generate cash flow from operating activities of ₹ 877.69 Crores compared to ₹ 515.33 Crores in the previous year. Earnings per share (of ₹ 2/- each) increased from ₹ 51.90 to ₹ 62.44.

During the year, your Company focused on product innovation, brand building and distribution to grow faster than the market. Your Company's brands have become iconic over time due to the combination of superior product and endearing communication.

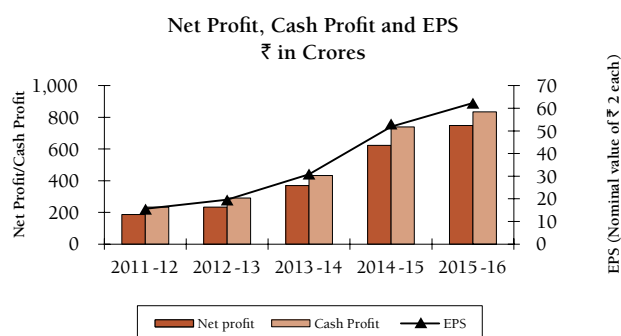
Your Company's focus on building new capabilities and a robust pipeline of innovation resulted in new launches in the form of Pure Magic Chocosh, Pure Magic Choco Deuce, Tiger Glucose Chocolate and Tiger Cashew Cookies. Coupled with leading edge go-to-market approaches, these innovations tap new sources of growth and profitable revenue, while building brand differentiation and relevance.

Your Company has been making focused efforts to balance cost, quality and aspiration in its brand for consumer affordability. Cost effectiveness has been a key pillar of your Company's value creation strategy and this was achieved through scale in operations, technology interventions and wastage reduction in the value chain along with efficient management of working capital. Your Company will continue and intensify the thrust on cost effectiveness in the coming year as well.

Trend lines of key performance parameters are shown in the tables below:



₹ in Crores



### 3. DIVIDEND

The Board of Directors are pleased to recommend a dividend of 1000% on the paid up equity share capital of the Company which amounts to ₹ 20/- per share (face value ₹ 2 per share) for consideration and approval by the Members at the Annual General Meeting. The total dividend payout amounts to ₹ 288.80 Crores including dividend distribution tax of ₹ 48.85 Crores.

### 4. CONSOLIDATED FINANCIAL RESULTS

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standard 21 - "Consolidated Financial Statements", prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements reflect the financial position of the Company and those of its Subsidiaries and Associates. As required by Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as 'SEBI(LODR) Regulations, 2015'), the Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and form part of this Annual Report.

Consolidated Sale of Products of your Company for the financial year ended 31 March 2016 was ₹ 8,835.98 Crores compared with ₹ 7,944.18 Crores in the previous year, a growth of 11.2%. Consolidated Net Profit for the year ended 31 March 2016 was ₹ 806.11 Crores compared with ₹ 688.64 Crores in the previous year, a growth of 17.1%.

Particulars	₹ in Crores	
	Year ended 31 March 2016	Year ended 31 March 2015
Sale of Products	8,835.98	7,944.18
Other Operating Revenues	71.79	83.33
Other Income	99.98	87.96
Profit from Operations (PBT before other income and finance costs)	1,113.12	719.43
Profit before Tax	1,197.90	949.59
Net Profit	806.11	688.64

### SUBSIDIARIES & ASSOCIATES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the rules made thereunder, a statement containing the salient features of the financial statements of our Subsidiaries and Associates in the Form AOC-1 is annexed and form part of this Report.

The statement provides the details of performance and financial position of each of the Subsidiaries and Associates. Your Company does not have any Material Subsidiary as defined under Regulation 16(1)(c) of SEBI(LODR) Regulations, 2015 as on 31 March 2016.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements, audited accounts of all the subsidiaries and other documents attached thereto are available on our website: [www.britannia.co.in](http://www.britannia.co.in).

Your Directors present herewith a broad overview of the operations and financials of Subsidiaries and Associates of your Company:

#### Britannia Dairy Private Limited (BDPL)

The Dairy business of the Company was favourably impacted by softening in milk price during the year. The Company registered a turnover of ₹ 322.25 Crores compared to ₹ 329.48 Crores in the previous year. The business achieved a Net Profit of ₹ 34.02 Crores compared to ₹ 29.47 Crores in the previous year, a growth of 15.4%.

#### Daily Bread Gourmet Foods (India) Private Limited (Daily Bread)

Daily Bread is a manufacturer of premium gourmet bakery products, including specialty breads, cakes, pastries and cookies. Its operations are largely confined to Bangalore. The turnover of Daily Bread

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was ₹ 9.88 Crores compared to ₹ 15.75 Crores in the previous year. Loss for the year was ₹ 1.96 Crores compared to ₹ 3.50 Crores in the previous year.

During the year under review, the Board of Directors of Daily Bread and Britannia Industries Limited (BIL) have approved the Scheme of Arrangement for Demerger of Manufacturing and Retail Sales Business of Daily Bread into BIL. Both the Companies are in the process of obtaining final approvals from the respective High Courts and other statutory authorities.

### **Strategic Foods International Co. LLC, Dubai (SFIC)**

SFIC sales increased by 21.6% at AED 24.15 Crores (₹ 430.64 Crores) compared with AED 19.86 Crores (₹ 330.65 Crores) for the previous year. SFIC posted a net profit of AED 1.13 Crores (₹ 20.10 Crores) as compared to AED 1.94 Crores (₹ 32.34 Crores) in the previous year.

### **Al Sallan Food Industries Co. SAOC (ASFI)**

ASFI sales are primarily to SFIC and for the year ended 31 March 2016 closed at RO 1.23 Crores (₹ 208.78 Crores) as compared to RO 1.02 Crores (₹ 162.20 Crores) for the previous year. It posted a net profit of RO 3.48 lakhs (₹ 5.92 Crores) against a net profit of RO 0.20 lakhs (₹ 0.32 Crores) in the previous year.

### **Britannia and Associates (Mauritius) Private Limited, Mauritius (BAMPL)**

BAMPL, a Company formed in Mauritius is a wholly-owned subsidiary of your Company and is the holding Company of Britannia and Associates (Dubai) Private Company Limited, a Jebel Ali Free Zone Offshore Company, which in turn holds investments in Strategic Foods International Co. LLC, Dubai, Al Sallan Food Industries Co. SAOC, Oman and Strategic Brands Holding Company Limited, Dubai, a Jebel Ali Free Zone Offshore Company.

The combined revenue and loss of holding Companies for the year ended 31 March 2016 was USD 0.06 Crores (₹ 3.80 Crores) and USD 0.004 Crores (₹ 0.26 Crores) compared to USD 0.08 Crores (₹ 5.08 Crores) and USD 0.002 Crores (₹ 0.14 Crores) in the previous year.

### **Britannia Dairy Holdings Private Limited, Mauritius (BDH)**

BDH, a Company formed in Mauritius is a wholly-owned subsidiary of your Company. BDH holds certain trademarks relating to the Dairy business of your Company. BDH is not engaged in any commercial activity.

### **Investment Companies**

Boribunder Finance and Investments Private Limited (Boribunder), Flora Investments Company Private Limited (Flora) and Gilt Edge Finance and Investments Private Limited (Gilt Edge) form the Investment Subsidiaries of your Company. The combined revenue and profit of the Investment Subsidiaries for the financial year ended 31 March 2016 was Nil and ₹ 0.16 Crores respectively.

Further, the following Companies engaged in manufacturing of biscuits at various locations are also Subsidiaries of your Company. The Revenue from Operations / Net Sales and Net Profit of the said Subsidiaries for the financial year ended 31 March 2016 are as under:

Name of Subsidiary	₹ in Crores	
	Revenue from Operations / Net Sales	Net Profit / (Loss)
International Bakery Products Limited	34.12	0.76
J B Mangharam Foods Private Limited	35.57	(0.45)
Manna Foods Private Limited	36.53	(1.33)
Ganges Vally Foods Private Limited	19.18	0.07
Sunrise Biscuit Company Private Limited	147.51	0.21

### **Welfare Companies**

Britannia Employees General Welfare Association Private Limited, Britannia Employees Educational Welfare Association Private Limited and Britannia Employees Medical Welfare Association Private Limited are three of the other Subsidiaries of your Company. These are Companies limited by guarantee, with no share capital and have been set up for general, educational and medical welfare of the employees of your Company. They are not engaged in any commercial activity.

Besides the above, there are two other Subsidiary Companies namely (i) Vasana Agrex and Herbs Private Limited and (ii) Snacko Bisc Private Limited. They are not engaged in any commercial activity. The financial details of these Companies are forming part of this Report.

There are two Associate Companies namely, (i) Klassik Foods Private Limited and (ii) Nalanda Biscuits Company Limited. The financial details of these Companies are forming part of this Report.

## 5. RESERVES

Your Company has transferred an amount of ₹ 74.91 Crores to the General Reserve for the financial year ended 31 March 2016.

## 6. SHARE CAPITAL

During the year under review, your Company has allotted 50,000 equity shares of ₹ 2 each upon exercise of 50,000 options granted under ESOS. Consequently, the paid up equity share capital of the Company has increased from ₹ 23.99 Crores in the previous year to ₹ 24.00 Crores in the current year.

## 7. PUBLIC DEPOSITS

Your Company has neither accepted nor renewed any deposits from public within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

## 8. THE BRITANNIA PROMISE TO SPREAD DELIGHT

Your Company's oath to deliver a unique and ecstatic experience to its consumers, by maximizing on aspiration-worthiness, cost-effectiveness and quality has continued to be the guiding principle of operations. Guided by the Britannia Promise, the Management of your Company constantly assesses the current state of its products versus the desired state. The rigour and commitment behind product innovations which delivered new-to-market experiences is testimony to the Promise being at the core of our being. This reflects in our performance in the market place as well. Several opportunities are in the pipeline and will be rolled out in the coming year, each delighting consumers and strengthening our brand credentials.

Your Company recognizes that it is only as good as the last product it has delivered to consumers. Keeping this in mind, all employees of your Company continuously challenge themselves to ensure that the products that reach consumers are not only superior to competitors in their design but they also reach them with consistently high quality. Consequently, each employee of your Company maintains market-place-vigilance on a regular basis and is effectively an independent market information source reporting back into a mechanism designed to identify and correct market place deficiencies quickly and comprehensively.

## 9. BRANDS

Brands are your Company's competitive edge and hence keeping them vibrant, relevant and preferred by consumers is paramount. The year 2015-16 saw a slew of new initiatives - big renovations, innovations, promotions, activations and advertisements which kept your Company's brands salient in the Indian Consumer's minds.

The year 2015-16 saw subdued economic growth for the FMCG Industry, but your Company bucked the FMCG trend by demonstrating fresh thinking on all its brands, therefore bringing the brands closer to consumers than before.

Big strategic shifts were made to the power brands of your Company. Your Company's biggest brand, Good Day underwent a comprehensive relaunch with a differentiated product, new advertising campaign and fresh new packaging. The relaunch was a resounding success with the brand growing substantially in 2015-16. Britannia Milk Bikis, 50-50 and Tiger went through big relaunches which helped strengthen your Company's presence in the market and in consumer's minds. At the same time, a new campaign was released to accelerate the growth of your Company's premium health brand, Britannia Nutrigo.

Your Company took huge strides in digital media with large digital activations done by Good Day, 50-50 and Nutrigo during the year. Your Company launched Britannia Pure Magic Chocosh, a differentiated offering in the chocolate fills space. Your Company also transformed the category of value cookies, value creams and crackers with significant portfolio shifts in each of the categories.

Your Company created strong presence in the minds of consumers with blockbuster activations, associating with popular properties such as Filmfare, IPL, Asia Cup, The Tamil Movie Pasanga-2 etc. These properties also helped build stature for the Company, setting it apart from the rest of the competition in the category.

Your Company was competitive in the market place by ensuring that consumer value was always protected during the year, at a time, when competition was discounting. Your Company reclaimed market leadership in 2015-16 as a result of the brands winning with consumers across categories.

Your Company will renew its vigour on renovation, innovation, communication, activation and as a result, increase consumer engagement and feels confident that this will continue to hold your Company's growth in good stead in the years to come.



## Awards and Recognition

Your Company was rewarded and recognized at many prestigious Marketing Forums in the country. The Good Day relaunch marketing campaign won 2 Gold and 3 Silver at the prestigious Abby Awards which celebrates impactful marketing and advertising.

The Indian Advertisers Association accorded Britannia the 'Marketer of the Year- FMCG- Foods-Award' in the 4<sup>th</sup> Edition of the IAA Leadership Awards held in Mumbai, in February 2016. The Association awards path-breaking marketing initiatives that strengthen a brand's promise and standing amongst consumers.

Britannia was chosen as one of the 'Top 3 Buzziest Brands in the Food Category' in 11<sup>th</sup> Edition of AFAQs!- Buzziest Brands Award. AFAQs! is the No 1 website in Asia- Pacific for Advertising, Media & Marketing professionals.

Britannia was chosen in another Industry Forum called the Pitch CMO Summit as a Company that delivered 'Maximum Customer Engagement'. The Awards recognize Best Practises in Marketing to the Indian Consumer in a competitive and dynamic environment.

## 10. SUPPLY CHAIN AND MANUFACTURING OPERATIONS

Your Company has been focusing on deploying a competitive edge in manufacturing and technology through implementation of operational excellence programs across the value chain to build leadership economics.

Your Company increased operating control on capacity with the successful completion of expansion of Jhagadia factory, acquisition of Chennai contract manufacturing unit and commencing production at greenfield project in Perundurai, Tamil Nadu.

The greenfield factory which was under construction at Bidadi, near Bangalore, is scheduled to be commissioned in Q1 2016-17. With the focus on Cake and Rusk business, your Company is setting up its first own Rusk manufacturing factory in Madurai which will leverage synergies in cost with the existing factory. The new Rusk factory is scheduled to be commissioned in FY 2016-17.

All these have helped in creating the right capacity and capability with superior technology to meet the growing demands and rising consumer expectations.

Your Company has successfully commissioned a state-of-the-art biscuit line in Gwalior factory and is in the final stages of commissioning another state-of-the-art innovation product line in its Chennai factory.

To address the challenges in supply chain planning, your Company could manage the spurt in growths in demand by effectively using the SAP-APO capability and by achieving more efficient inventory deployment across the supply nodes. Focus on freshness has helped in reducing stock ageing and returns.

Apart from service excellence to customers with optimal inventory, significant reduction in distance to market was achieved, thereby improving freshness and optimizing space utilization in the entire supply chain network.

## 11. QUALITY PROGRAMS

Your Company is committed to provide the best quality and safe products complying with all regulatory requirements and continued the journey with winning product design, vendor quality assurance programs for all input materials, manufacturing compliance to design and finally a robust supply chain to deliver products to delight consumers.

Your Company continued excellence in quality and food safety by adopting the best practices and building capability for International Quality Standards.

## 12. RESEARCH AND DEVELOPMENT (R&D)

You will be glad to know that your company is building futuristic capacity and capability in R&D and has built 55,000 sq ft of state-of-art R&D centre at Bidadi near Bangalore. This centre has world class analytical capability, organoleptic lab, culinary centre and advanced bench top and pilot plant capability. This will steer your company to next phase of growth by delighting consumers with delivery of disruptive innovations, renovating the core product portfolio and value engineering to be cost competitive in the market place.

This year is marked with launch of consumer winning Choco Centre filled product "Pure Magic Chocolush", Tiger Cashew Krunch, Tiger Choco Glucose, Good Day Chunkies and Heavens smaller pack, Festive boxes for Chunkies and Chocolush which received very positive response from the market. Your R&D team also delivered a very differentiated and new to market innovation "Pure Magic Deuce", which is being test marketed in Bangalore city. This product is made using a combination of crispy biscuit and a delightful choco slab. Your Company has also renovated core product range including Good Day Butter and Cashew, Tiger Glucose, Tiger Cream, 50-50 range



of products, Milk Bikis and Bread. The product and packaging value engineering delivery from the team continued this year also and team has built a very robust pipeline for the future.

You will be pleased to know that your Company's R&D team is adopting best practices in innovations and renovation of the products and Quality by design principles are well integrated in our Innovation Process Management.

### 13. INFORMATION TECHNOLOGY (IT)

IT systems supports timely decisions through conversion of data into actionable information. During FY 2015-16, your Company has moved ahead on mobility front enabling field force MIS on tablets. With enhanced usage of Product Lifecycle Management (PLM) linked to ERP, the compliance levels on recipe are better managed.

As planned your Company has made the first move of procuring the license for HANA (in- memory computing platform). The implementation details are being worked out in line with hardware refresh cycle. This implementation in coming years will enhance analytical capabilities by introducing HANA in areas like sales / marketing and finance which will support real-time operations, smarter decision making and deliver better business results. Your Company is also looking at centralizing / consolidating other activities in line with global trends which will help in increasing flexibility to respond to market changes.

### 14. ENVIRONMENT AND SAFETY

Environment, Health and Safety (EHS) is considered critical to your Company. Your Company has introduced various accident prevention programs at work place as part of demonstrating continual improvement in the field of health and safety. Your Company has introduced benchmarking system to validate the EHS performance of the business using lead, lag and system-related performance indicators. Employee participation is a vital factor in your Company in strengthening the proactive safety culture through campaigns and competitions. Focused safety measures have been initiated for all on-going green and brown field projects.

As part of continual improvement at work place, your Company also initiated several activities as part of safety management like:

- (a) National safety week celebrations across the business
- (b) Safety KAIZENS
- (c) Tool box talks at work place to strengthen the awareness

- (d) Hazard and risk study
- (e) Incident analysis to identify the root causes
- (f) Work permit system as part of accident prevention
- (g) Plant safety inspection program to capture unsafe conditions
- (h) Plant safety observation program to capture unsafe practices
- (i) Technical safety programs as part of machine safety
- (j) Deployment of suitable controls at work place as part of standard approach with respect to the hierarchy of controls
- (k) Mock drills and fire drills as part of emergency preparedness
- (l) Preparing manufacturing sites for OHSAS 18001:2007 standard certification process

### 15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy and the details of the CSR activities are given as Annexure 'A' forming part of this Report.

### 16. PENSION

In the suit filed by the Britannia Industries Limited Pensioners Welfare Association, the Company received a judgement on 21 September 2015 from Hon'ble City Civil Court, Bangalore, in the matter of pension payable to its eligible beneficiaries. The Board of Directors reviewed the judgement and after obtaining legal opinion from eminent lawyers resolved to file an appeal in the higher court against the said judgement. Accordingly, the Company has appealed against the Hon'ble City Civil Court's judgement in the Hon'ble High Court of Karnataka. In response to the appeal filed, the Hon'ble High Court of Karnataka vide its order dated 18 December 2015 referred the matter to Bangalore Mediation Centre for exploring the possibilities of settlement. The Britannia Industries Limited Pensioners Welfare Association through their legal counsel had submitted that they will not precipitate execution before the trial court during mediation. The mediation meetings are currently in progress.

Related matters have been dealt within Note No. 33 of the Standalone Financial Statements and Note No. 34 of the Consolidated Financial Statements, which are self-explanatory.

### 17. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of energy conservation, technology absorption, foreign exchange earnings and outgo in accordance with the provisions of Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given as Annexure 'B' forming part of this Report.

### 18. CORPORATE GOVERNANCE

Pursuant to the provisions of Regulation 34 read with point C & E of Schedule V of SEBI (LODR) Regulations, 2015, a separate Report on Corporate Governance for the financial year ended 31 March 2016 along with the Auditor's Certificate on its compliance is forming part of this Annual Report.

### 19. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the "Business Responsibility Report" (BRR) of the Company for the financial year 2015-16 is forming part of this Annual Report.

### 20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Nusli N Wadia, Director, retiring by rotation at the ensuing Annual General Meeting, is eligible for re-appointment.

Dr. Vijay Kelkar has resigned from the Directorship of the Company w.e.f 31 May 2016. The Board of Directors placed on record their sincere appreciation for the valuable contribution made by Dr. Kelkar during his tenure as Director of the Company.

### 21. DIRECTORS' RESPONSIBILITY

Pursuant to Section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) They have 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 on 31 March 2016 and of the profit of the Company for the year;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Annual Accounts are prepared on a going concern basis;

(e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

(f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultant(s) and the reviews made by the Management and the relevant Board Committees, including the Audit Committee and Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operationally effective during the financial year 2015-16.

### 22. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 read with the rules made thereunder and Regulation 16(1)(b) of SEBI(LODR) Regulations, 2015.

### 23. BOARD AND COMMITTEE MEETINGS

A calendar of Board and Committee Meetings is circulated in advance to all the Directors. The details of the Board and Committee Meetings held during the year are given in the Clause No. 2 & 3 of the Corporate Governance Report.

### 24. BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 read with the rules made thereunder and SEBI(LODR) Regulations, 2015, the performance evaluation of individual Directors, Board and its Committees was carried out. The manner in which the evaluation has been carried out is given in the Clause No. 3(b) of the Corporate Governance Report.

### 25. REMUNERATION POLICY

The details of the Remuneration Policy are covered in the Clause No. 3(b) of the Corporate Governance Report. It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

## 26. AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE

The Board of Directors at their meeting held on 7 November 2015 had re-named and re-constituted Audit Committee as Audit Committee and Risk Management Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015.

The details of Committee along with Meetings held during the year are given in the Clause No. 3(a) of the Corporate Governance Report.

## 27. RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on dealing with Related Party Transactions. The Policy is disclosed on the website of the Company.

Weblink:[http://britannia.co.in/pdfs/statutory\\_disclosures/Britannia%20Industries%20Limited-Policy%20On%20Related%20Party%20Transactions.pdf](http://britannia.co.in/pdfs/statutory_disclosures/Britannia%20Industries%20Limited-Policy%20On%20Related%20Party%20Transactions.pdf)

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the year were in the ordinary course of business and on an arms' length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. However, pursuant to the provisions of Regulation 23 (2) of the SEBI (LODR) Regulations, 2015, prior approval of the Audit Committee and Risk Management Committee was sought for entering into the Related Party Transactions.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed under Note No. 44 of the Standalone Financial Statements.

## 28. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The details about the adequacy of Internal Financial Controls are covered in the Clause (H) of the Management Discussion and Analysis.

## 29. PARTICULARS OF EMPLOYEES

The disclosure as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the report and accounts are being sent to the Members and others entitled thereto, excluding the disclosure on particulars of employees which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

## 30. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, erstwhile Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and as per Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is given as Annexure 'C' forming part of this Report.

## 31. STATUTORY AUDITORS

The Members at the 95<sup>th</sup> Annual General Meeting held on 12 August 2014 had appointed M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 to hold office from the conclusion of that Annual General Meeting till the conclusion of the 5<sup>th</sup> consecutive Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

Further, the Members at the 96<sup>th</sup> Annual General Meeting held on 4 August, 2015 had ratified the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of the 4<sup>th</sup> consecutive Annual General Meeting.

## Britannia Annual Report 2015-16

In this regard, M/s. B S R & Co., LLP, Chartered Accountants have submitted their written consent that they are eligible and qualified to be re-appointed as Statutory Auditors of the Company in terms of Section 139 of the Companies Act, 2013 and also satisfy the criteria provided in Section 141 of the Companies Act, 2013.

Accordingly, the Board recommends to the Members for ratification of the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

### 32. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report is given as Annexure 'D' forming part of this Report.

### 33. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES

The particulars of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder are given in the Note No. 29, 30 and 31 of the Standalone Financial Statements.

### 34. RISK MANAGEMENT POLICY

The Company has formulated a Risk Assessment & Management Policy. The details of the same are covered in the Clause No. 5(d) of the Corporate Governance Report.

### 35. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There were no significant and material orders passed by the Regulators or Courts or Tribunals during the year impacting the going concern status and the operations of the Company in future.

### 36. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The details of the Whistle Blower Policy are covered in the Clause No.5 (c) of the Corporate Governance Report. The Whistle Blower Policy is available on the website of the Company. Weblink: [http://britannia.co.in/pdfs/statutory\\_disclosures/WHISTLE%20BLOWER%20POLICY.pdf](http://britannia.co.in/pdfs/statutory_disclosures/WHISTLE%20BLOWER%20POLICY.pdf)

### 37. PARTICULARS OF REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES

A statement containing the details of the Remuneration of Directors, Key Managerial Personnel (KMP) and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure 'E' forming part of this Report.

### 38. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, read with the rules made thereunder, an extract of the Annual Return in Form MGT-9 is given as Annexure 'F' forming part of this Report.

### 39. DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has set up an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. There was no case of sexual harassment reported during the year under review.

### 40. ACKNOWLEDGEMENTS

Your Directors would like to thank all stakeholders, namely customers, shareholders, dealers, suppliers, bankers, employees and all other business associates for the continuous support given by them to the Company and its Management.

On behalf of the Board

Place : Mumbai  
Date : 20 May 2016

Nusli N Wadia  
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of Projects or Programs proposed to be undertaken and a reference to the weblink to the CSR Policy and Projects or Programs:

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. The CSR activities and programs are initiated towards the communities and environment in which the Company operates. It represents the continuing commitment and actions of the Company towards socio-economic development.

The Company understands the need for promoting health, growth and development of children from lower socio-economic sections of society and has taken up various activities to promote health, growth and development of children and has also contributed towards restoration of hospitals for children as part of its CSR Programs during the Financial Year 2015-16.

The CSR Policy of the Company is disclosed on the website of the Company.

Weblink:[http://britannia.co.in/pdfs/statutory\\_disclosures/Britannia%20Industries%20Limited-%20CSR%20Policy.pdf](http://britannia.co.in/pdfs/statutory_disclosures/Britannia%20Industries%20Limited-%20CSR%20Policy.pdf)

2. Composition of the CSR Committee: CSR Committee comprises of the following Directors:

- I. Mr. Ness N Wadia – Chairman\*
- II. Mr. Keki Dadiseth – Member
- III. Dr. Ajai Puri – Member
- IV. Mr. S S Kelkar – Member

\*The Board of Directors at their meeting held on 7 November 2015 appointed Mr. Ness N Wadia as Chairman of the Committee.

3. Average net profit of the Company for last three Financial Years: ₹ 523.00 Crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : ₹ 10.46 Crores
5. Details of CSR spent during the Financial Year:
  - a. Total amount to be spent for the Financial Year : ₹ 10.46 Crores
  - b. Amount unspent, if any : Nil
  - c. Manner in which the amount spent during the Financial Year is detailed below:

₹ in Crores

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs were undertaken	Amount outlay (budget) Project or Program wise	Amount spent on the Projects or Programs (1) Direct exp (2) Over-heads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
1	Preservation of heritage building of Bai Jerbai Wadia Hospital for Children (BJWHC)	Promoting preventative health care	State: Maharashtra District: Mumbai	₹ 9.41	₹ 9.41	₹ 9.41	Direct
2	Promoting health care, growth and development of children from lower socio-economic section of the society through BNF	Health care	Rural Areas of Shimoga, Karnataka, Delhi and Mumbai	₹ 1.05	₹ 1.05	₹ 1.05	Direct



### i. Bai Jerbai Wadia Hospital for Children (BJWHC)

Established in the year 1929, BJWHC, Mumbai is a 242 bedded pediatric hospital meant exclusively for providing free or subsidized comprehensive health care for children in need of medical care and treatment across India.

Taking forward the vision of BJWHC of providing state-of-the-art comprehensive health care services which are affordable and convenient to children from lower socio-economic sections of society, the hospital proposed two Projects.

It is expected that proposed Projects will increase accessibility and affordability of basic and specialized medical services among vulnerable children across India.

- BJWHC has been awarded “Best Hospital in Paediatric Care” by the CIMS Healthcare Excellence Awards held on 19 July 2014 at The Lalit Hotel, Mumbai.
- BJWHC has been awarded “Best Single Specialty Hospital” by the South Asia E-Health Summit Awards 2014 held on 10 December 2014 at Delhi.
- BJWHC has been awarded “Best Hospital of the Year (Western India)” by the Worldwide Achievers Healthcare Awards held on 21 January 2015 at Delhi.
- Wadia Group has been awarded with the prestigious award for ‘Best Group in CSR Practices’ at CSR Leadership awards at the 24<sup>th</sup> World CSR congress, organized at the Taj Lands End Hotel in Mumbai on 18 February 2016. Dr. Minnie Bodhanwala, CEO of Wadia Hospitals, received the award on behalf of the Wadia Group from “Sharon M. Jackson’ Founder and Director of European Sustainability Academy (ESA).

Currently, BJWHC hosts the largest Neonatal ICU in India with 110 beds.

### ii. Britannia Nutrition Foundation (BNF)

BNF was set up in 2009 to help secure every Child’s right to Nutrition and Growth by implementing sustainable and replicable programs, pursuing product innovation and research, addressing core and allied causes for malnutrition and assuming responsibility for the nourishment and vitality of the community.

The Key initiatives undertaken by the Foundation this year are:-

#### 1. Partnership with the Government of Maharashtra in Melghat Nutrition Project

An area in Maharashtra where the problem persists in an acute form is in the Melghat region in Amravati district. This area has a predominantly tribal population and comprises two Integrated Child Development Services (ICDS) project blocks where over 35 % of the nearly 30000 children under 5 years of age are moderately or severely underweight. The approach to the problem is a Public Private Partnership wherein BNF builds capacity of the Government machinery and focuses on providing government real time nutrition data of the children and the Government presses various protocols into action for the immediate care of severely malnourished children.

#### The implementing partners

The Alliance comprises of Britannia Nutrition Foundation (BNF) as the lead partner along with Wadia Hospital and two private firms with proven expertise in the area of maternal and child nutrition and health, Riddhi Management Services Pvt. Ltd., Kolkata (Riddhi) and Access Advisory, Pune.

#### Components of the programme

The project will be implemented in three phases from January 2016 to December 2018. The “Jatak” software developed by Riddhi for child tracking has been deployed to bring the children under real time Nutrition surveillance for the very first time. Using the monthly weights of under-5 children reported by Anganwadi workers, the program website will list all under-5 children falling in the severe underweight (SUW) category and those whose weight gain is static or declining over a 3 month period. The desired outcome of the program is reduction in malnutrition levels in the Population of children who are under 5 years of age.



## Britannia Annual Report 2015-16

### Documentation of processes and outcomes for future action

An annual report to be published online every December to assess programme effectiveness and progress in outcomes and also to highlight innovative approaches to tackle child malnutrition. Based on these learnings, BNF aims to engage with other state governments and explore collaboration to expose nutrition data and put together a protocol to improve malnutrition indicators.

#### **2. Building an engagement with Communities around our Factories**

Our workforce in the factories is Britannia's lifeline and we have taken on the responsibility of nourishing the communities where they come from. Starting in December 2015, eight (8) of our own factories began health, nutrition, hygiene and sanitation focused programs in nearby villages. The factory locations where the CSR programs have been carried out are- Jhagadia (Gujarat), JBM (Gwalior), Hajipur (Bihar), Khurda (Odisha), IBPL 1 (Pondicherry), IBPL 2 (Chennai), Manna (Madurai) and Perundurai (Tamil Nadu).

#### **6. The CSR committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.**

Sd/-

**Varun Berry**  
Managing Director

Sd/-

**Ness N Wadia**  
Chairman of the Committee

Place : Mumbai

Date : 20 May 2016

ANNEXURE 'B' TO THE DIRECTORS' REPORT

The information as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is as follows:

**A. CONSERVATION OF ENERGY**

**1. Some of the energy conservation measures undertaken during 2015-16 are:**

- (i) Improved insulation has helped in reducing the heat requirement of ovens for baking.
- (ii) Fuel combustion efficiency improved by installing higher efficiency and right sized burners in baking ovens.
- (iii) Custom designed Air pre-heaters installed for recovering waste heat of flue gases in baking ovens.
- (iv) Variable frequency drives installed in baking to reduce the power consumption.

**2. Additional investments and proposals, if any, being implemented for reducing energy consumption:**

Your Company has already implemented the initiatives stated above and will extend and expand them wherever applicable. Additional investment of ₹ 13 Crores has been planned for 2016-17 in various projects related to further savings in energy consumption and use of alternate fuels.

**3. Impact of measures at (a) and (b) above:**

Fuel and energy costs have seen a decline in the past year with the successful energy reduction plan undertaken in both electricity and baking fuel consumptions.

**Form of disclosure of particulars with respect to conservation of energy:**

For the year ended	31 March 2016	31 March 2015
<b>ELECTRICITY</b>		
(a) Purchased (gwh)	21.68	19.79
Total amount (₹ Crores)	14.01	12.30
Rate/Unit (₹/ kwh) (1gwh = 1,000,000 kwh) <sup>#</sup>	6.46	6.22
(b) Own generation		
(i) Through diesel generator (gwh)	1.80	1.95
Unit per litre of diesel oil (kwh / Litre)	3.11	3.20
Cost / Unit (₹ / kwh) (1gwh = 1,000,000 kwh)	14.57	17.16

For the year ended	31 March 2016	31 March 2015
(ii) Others / Internal generation (Baking Fuel Consumption)*		
Quantity (Billion cal)	88,339	83,784
Total Cost (₹ Crores)	29.94	41.60
Rate / Unit (₹ / Billion cal)	3,389	4,965
Consumption per unit of Production Bakery products		
Biscuits & Cakes (MT) <sup>^</sup>	189,798	169,496
Electricity (kwh/ MT) <sup>^</sup>	124	128
Baking Fuel (Billion cal / MT) <sup>^</sup>	0.46	0.49

\* Different baking fuels like furnace oil, piped natural gas, coal gas, HSD and Biomass are used at factories.

# The rate per unit of electricity purchased was higher at ₹ 6.46 per kwh as compared to ₹ 6.22 per kwh in the previous year, owing to the increase in rate of grid power.

<sup>^</sup> The decrease in cost per unit of own generation of power is due to the decrease in price of HSD. However, consumption of energy (power and baking fuel) per ton of biscuit produced has reduced due to the structured energy program taken up by your Company and improving operational efficiencies in the factories.

Cost benefit in overall baking fuel has also been contributed by the declining market price of liquid fuels and natural gas.

**Technology absorption, adaptation and innovation**

**(a) Efforts in brief, made towards absorption, adaptation and innovation:**

Various actions were initiated for up-gradation of technology and automation in specific areas:

- (i) Using renewable fuels (biomass) as a baking fuel through the thermic fluid heater technology has helped in reducing cost of baking fuel.
- (ii) Company has invested on wider and longer lines with continuous mixers / thermic fluid oven / auto feeding of biscuits directly into trays and packing machines untouched by man. This technology platform has made

biscuit lines similar to any continuous operating industry with process driven platforms from mixing to packing. Your Company is aggressively driving feasible Automation Projects which benefit in lesser manual interventions as well as increased speeds of packing and other machines.

(b) **Benefits derived as a result of the above:**

The above initiatives resulted in achieving higher productivity and better energy utilization with reduced energy cost and has enhanced process capability to give superior and consistent product quality.

(c) **Details of imported technology:**

Your Company has invested in a state-of-the-art innovation product line from Denmark at its Gwalior factory (JBM) at a cost of ₹ 10.26 Crores. Production in this new line has commenced in 2015-16.

Your Company has also invested in another state-of-the-art innovation product line from Denmark at its Chennai factory (IBPL) at a cost of ₹ 12.40 Crores. This line will be commissioned in the financial year 2016-17.

Your Company is pursuing import of high technology lines to bring newer biscuit and bakery formats to consumers which will give a delightful experience.

**B. TECHNOLOGY ABSORPTION**

**Research and Development (R&D):**

Details of efforts made in technology absorption are as follows:

1. **Core areas of Research by the Company:**

Your Company R&D team's core focus is to continue to deliver significantly superior and organoleptically advantaged innovations, renovating the core to be superior to competition, value engineering of the product and packaging, building healthier product portfolio backed up with solid nutrition science and claim substantiation process, building state-of-the-art analytical excellence and ensuring regulatory compliance.

2. **Benefits delivered as a result of above R&D initiatives :**

These core areas of research will help your Company to launch certain new to market disruptive,

advantaged, nutritionally superior products. Core products range will continue to be renovated to stay relevant and competitive in the market place. Health and wellness category will see range of products based on nutritional benefits and fortification in coming year. Strong pipeline of innovations and few category innovations will be the key benefits from the above initiatives.

3. **Expenditure on R&D:**

₹ in Crores	
Particulars	31 March 2016
Capital	21.85
Recurring	21.95
<b>Total</b>	<b>43.80</b>
Total R&D expenditure as a % of turnover	0.54%

4. **Future plan of action:**

Your Company's R&D team will continue to focus on consumer winning technology & ingredients led disruptive and core innovations, strong health and wellness innovations based on nutrition claims, work on new adjacent category innovations for launch and reducing the cost of product and packaging recipe while continuing to build product advantage.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

**Activities relating to exports:**

- (i) The Company actively pursued and secured new export markets for its core products.
- (ii) Total foreign exchange used and earned:

₹ in Crores	
Particulars	31 March 2016
Foreign exchange used *	128.45
Foreign exchange earned	173.71

\*Foreign exchange used predominantly for dividend and import of capital goods and raw materials.

On behalf of the Board

Place : Mumbai  
Date : 20 May 2016

**Nusli N Wadia**  
Chairman

## Britannia Annual Report 2015-16

### ANNEXURE 'C' TO THE DIRECTORS' REPORT

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, erstwhile Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and as per Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 forming part of Directors' Report for the financial year ended 31 March 2016.

Particulars																			
(a) Options granted	<p style="text-align: center;"><b><u>No. of Options</u></b></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Financial Year: 2008-09</td> <td style="text-align: right;">75,000 *</td> </tr> <tr> <td>Financial Year: 2009-10</td> <td style="text-align: right;">75,000 *</td> </tr> <tr> <td>Financial Year: 2010-11</td> <td style="text-align: right;">1,00,000 *</td> </tr> <tr> <td>Financial Year: 2011-12</td> <td style="text-align: right;">1,25,000</td> </tr> <tr> <td>Financial Year: 2012-13</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Financial Year: 2013-14</td> <td style="text-align: right;">NIL</td> </tr> <tr> <td>Financial Year: 2014-15</td> <td style="text-align: right;">50,000</td> </tr> <tr> <td>Financial Year: 2015-16</td> <td style="text-align: right;">75,000</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b><u>6,00,000</u></b></td> </tr> </table> <p>* Adjusted number of options consequent upon sub-division of the equity shares on and from 9 September, 2010.</p>	Financial Year: 2008-09	75,000 *	Financial Year: 2009-10	75,000 *	Financial Year: 2010-11	1,00,000 *	Financial Year: 2011-12	1,25,000	Financial Year: 2012-13	1,00,000	Financial Year: 2013-14	NIL	Financial Year: 2014-15	50,000	Financial Year: 2015-16	75,000	<b>Total</b>	<b><u>6,00,000</u></b>
Financial Year: 2008-09	75,000 *																		
Financial Year: 2009-10	75,000 *																		
Financial Year: 2010-11	1,00,000 *																		
Financial Year: 2011-12	1,25,000																		
Financial Year: 2012-13	1,00,000																		
Financial Year: 2013-14	NIL																		
Financial Year: 2014-15	50,000																		
Financial Year: 2015-16	75,000																		
<b>Total</b>	<b><u>6,00,000</u></b>																		
(b) The pricing formula	<p>The exercise price was determined in accordance with the pricing formula approved by the Members i.e. at the latest available closing market price on the stock exchange having highest trading volume, prior to the date of the meeting of the Board of Directors or Nomination and Remuneration Committee in which options were granted.</p> <p>Accordingly the options were granted at an exercise price of ₹ 1,125.30, ₹ 1,698.15, ₹ 1,668.55, ₹ 391.75, ₹ 528.75, ₹ 870.35 and ₹ 2,332.05 being the closing market price prior to the date of the meeting of the Board for grant, i.e. 28 October 2008, 26 May 2009, 26 May 2010, 26 May 2011, 25 May 2012, 23 May 2014 and 20 May 2015 respectively for the grants made on 29 October 2008, 27 May 2009, 27 May 2010, 27 May 2011, 28 May 2012, 26 May 2014 and 21 May 2015.</p> <p>The prices relating to the options granted on 29 October 2008 and 27 May 2009 were adjusted downwards by ₹ 170, being the face value of bonus debenture, issued as per Scheme of Arrangement approved by Hon'ble High Court at Calcutta by its order dated 11 February 2010.</p> <p>Consequent upon the sub-division of equity shares on and from 9 September 2010, the exercise prices were further adjusted as under:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;">Date of Grant</th> <th style="text-align: right;">Adjusted Exercise Price (₹/share)</th> </tr> </thead> <tbody> <tr> <td>29 October 2008</td> <td style="text-align: right;">191.06</td> </tr> <tr> <td>27 May 2009</td> <td style="text-align: right;">305.63</td> </tr> <tr> <td>27 May 2010</td> <td style="text-align: right;">333.71</td> </tr> </tbody> </table>	Date of Grant	Adjusted Exercise Price (₹/share)	29 October 2008	191.06	27 May 2009	305.63	27 May 2010	333.71										
Date of Grant	Adjusted Exercise Price (₹/share)																		
29 October 2008	191.06																		
27 May 2009	305.63																		
27 May 2010	333.71																		

## Britannia Annual Report 2015-16

Particulars	
(c) Options vested (as at 31 March 2016)	<p>Nil.</p> <p>Vesting period is 1 to 3 years from the date of grant of options.</p> <p>The first lot of 75,000 options which were granted on 29 October 2008 vested on 29 October 2009, the second lot of 75,000 options which were granted on 27 May 2009 vested on 27 May 2010, the third lot of 1,00,000 options which were granted on 27 May 2010 vested on 27 May 2011, the fourth lot of 1,25,000 options were granted on 27 May 2011 vested on 27 May 2012, the fifth lot of 1,00,000 options were granted on 28 May 2012 vested on 28 May 2013, the sixth lot of 50,000 options were granted on 26 May 2014 vested on 26 May 2015 and the seventh lot of 75,000 options granted on 21 May 2015 out of which, 25,000 options are due for vesting in the current financial year (i.e., 21 May 2016) and out of the remaining, 25,000 options are due for vesting on 21 May 2017 and 25,000 options are due for vesting on 21 May 2018.</p> <p>There were no vested options outstanding to be exercised as at 31 March 2016.</p>
(d) Options exercised (as at 31 March 2016)	5,25,000 Options.
(e) The total number of shares arising as a result of exercise of option	5,25,000 Equity Shares.
(f) Options lapsed	Nil.
(g) Variation of terms of options	Not Applicable.
(h) Money realized by exercise of options till date.	₹ 21,59,84,000
(i) Total number of options in force	75,000 options
(j) Employee wise details of options granted to:	
(i) Key Managerial Personnel/Senior Managerial Personnel.	75,000 Options granted to the Managing Director, Mr. Varun Berry as on close of 31 March 2016.
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Not Applicable.
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Not Applicable.
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 (AS20) - "Earnings Per Share".	₹ 62.43

## Britannia Annual Report 2015-16

Particulars	
(l) Employee Compensation Cost	
(i) Method of calculating Employee Compensation Cost.	The Company has calculated the employee compensation cost using the intrinsic value method of accounting for the Options granted under the Scheme.
(ii) Difference between the Employee Compensation Cost so computed at (i) above and the Employee Compensation Cost that shall have been recognised if it had used the fair value of the Options.	₹ 2.25 Crores.
(iii) The impact of this difference on the profits and on EPS of the Company.	Had the Company considered 'fair value' method then the additional employee compensation cost would be ₹ 2.25 Crores. The profit before tax and EPS would be lower by ₹ 2.25 Crores and ₹ 0.19 respectively.
(m) Weighted-average exercise price and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock. [Also refer point (b)]	Weighted average Exercise Price for the options granted during the year: ₹ 2,332.05 Weighted average Fair Value of Option: ₹ 524.96 per option.
(n) Description of method and significant assumptions used during the year to estimate the fair values of options:	Black-Scholes Model.
i) Risk – free interest rate	7.76%
ii) Expected life of options	3 years
iii) Expected volatility	19.91%
iv) Expected dividends	800% of face value of share
v) Market price (latest available closing price prior to the date of the meeting of the Board for grant)	₹ 2,332.05 being the closing market price prior to the date of the Meeting of the Board for grant, i.e. 20 May 2015.



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## AUDITOR'S CERTIFICATE

To the Board of Directors of Britannia Industries Limited

We have examined the records and documents maintained by Britannia Industries Limited (the Company) and based on the information and explanations given to us and to the best of our knowledge and belief, we confirm that the Britannia Industries Limited Employee Stock Option Scheme (ESOS) approved by the Company at its annual general meeting held on 28 July 2008, duly amended by the special resolutions passed by the Company at its annual general meeting held on 9 August 2010 and 6 August 2011, have been implemented in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 as amended up to Circular No. CIR/CFD/POLICYCELL/14/2013 dated 29 November 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and in accordance with the terms of the aforesaid resolutions passed by the Company.

The certificate is issued on the request of the management of the Company and is solely for the purposes as stated in clause 13 of the Regulations. This certificate is not intended to be and should not be used for any other purpose.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

*Partner*

Membership number: 205385

Place: Bangalore

Date : 20 May 2016

# Britannia Annual Report 2015-16

## ANNEXURE 'D' TO THE DIRECTORS' REPORT

FORM No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(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 Members,  
Britannia Industries Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Britannia Industries Limited (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 Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March 2016 generally 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:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31 March 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (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 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) 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; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company, namely:
  - 1. Food Safety and Standard Act, 2006 and Food Safety and Standards (Packaging and Labeling) Regulations, 2011
  - 2. Legal Metrology Act 2009 and Legal Metrology (General) Rules, 2011
  - 3. Legal Metrology Act 2009 read with Legal Metrology (Packaged Commodities) Rules 2011

## Britannia Annual Report 2015-16

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General Meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

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.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days 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.

Decisions at the Board Meetings were taken unanimously. We further report that 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.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Parikh & Associates  
Company Secretaries

Place : Mumbai  
Date : 20 May 2016

P. N. Parikh  
Partner  
FCS No: 327  
CP No. 1228

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'

To,  
**The Members**  
**Britannia Industries Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the 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. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
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.
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 Parikh & Associates  
Company Secretaries

Place : Mumbai  
Date : 20 May 2016

P. N. Parikh  
Partner  
FCS No: 327  
CP No. 1228

## Britannia Annual Report 2015-16

### ANNEXURE 'E' TO THE DIRECTORS' REPORT

#### DETAILS OF THE REMUNERATION OF DIRECTORS, KMP'S AND EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the Performance of the Company are as under:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2015-16 (₹ in Crores)	% increase in Remuneration in the Financial Year 2015-16	Ratio of Remuneration of each Director to median Remuneration of employees	Comparison of the Remuneration of the KMP against the Performance of the Company
1.	Mr. Nusli N Wadia Promoter and Non-Executive Chairman	4.69	27.42%	129.1	-
2.	Mr. Varun Berry Managing Director	6.69	42.00%	184.1	Profit Before Exceptional Items and Tax increased by 54.2% and Profit After Tax increased by 20.4% in Financial Year 2015-16.
3.	Mr. A K Hirjee Promoter and Non-Executive Director	0.32	23.26%	8.8	-
4.	Mr. Avijit Deb Non-Executive and Independent Director	0.18	57.48%	5.0	-
5.	Mr. S S Kelkar Non-Executive and Independent Director	0.21	5.01%	5.9	-
6.	Mr. Nimesh N Kampani Non-Executive and Independent Director	0.24	20.97%	6.7	-
7.	Mr. Jeh N Wadia Promoter and Non-Executive Director	0.12	70.71%	3.4	-
8.	Mr. Keki Dadiseth Non-Executive and Independent Director	0.25	8.78%	6.8	-
9.	Dr. Ajai Puri Non-Executive and Independent Director	0.43	104.81%	11.7	-

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Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2015-16 (₹ in Crores)	% increase in Remuneration in the Financial Year 2015-16	Ratio of Remuneration of each Director to median Remuneration of employees	Comparison of the Remuneration of the KMP against the Performance of the Company
10.	Mr. Nasser Munjee Non-Executive and Independent Director	0.31	30.60%	8.6	-
11.	Mr. Ness N Wadia Promoter and Non-Executive Director	0.42	7.91%	11.6	-
12.	Dr. Vijay L Kelkar Non-Executive and Independent Director	0.08	4.95%	2.1	-
13.	Mrs. Ranjana Kumar Non-Executive and Independent Director	0.12	67.94%	3.3	-
14.	Mr. Amlan Datta Majumdar Chief Financial Officer	2.02	#	55.7	Profit Before Exceptional Items and Tax increased by 54.2% and Profit After Tax increased by 20.4% in Financial Year 2015-16.
15.	Mr. Rajesh Arora GM - Legal & Company Secretary	0.52	##	14.4	

# Details not given as Mr. Amlan Datta Majumdar was Chief Financial Officer and Key Managerial Personnel only for part of the Financial Year 2014-15 i.e., with effect from 12 March 2015

## Details not given as Mr. Rajesh Arora was GM - Legal & Company Secretary and Key Managerial Personnel only for part of the Financial Year 2014-15 i.e., with effect from 3 February 2015.

- (ii) The median remuneration of employees of the Company during the Financial Year was ₹ 3.64 Lakhs. In the Financial Year 2015-16, the median remuneration of employees was 3.9% higher compared to previous year.
- (iii) There were 3,027 permanent employees on the rolls of Company as on 31 March 2016.
- (iv) The explanation on the relationship between average increase in Remuneration and Company performance: The median remuneration has not increased in line with increase in profits mainly on account of improved productivity achieved through judicious spend on manpower including recruitments for new factories and promoting a performance based culture.
- (v) a) Variations in the Market Capitalisation of the Company : The Market Capitalization as on 31 March 2016 was ₹ 32,231.50 Crores (₹ 25,886.59 Crores as on 31 March 2015), representing growth of 24.51%.
- b) Price Earnings Ratio of the Company was ₹ 43.03 as at 31 March 2016 and was ₹ 41.59 as at 31 March 2015, representing growth of 3.45%.

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- c) Percentage increase over / decrease in the market quotations of the Shares of the Company in comparison to the rate at which the Company came out with the last Public Offer:

The Company came out with the Initial Public Offer (IPO) in 1978 wherein 1 Equity Share with a face value of ₹ 10/- each was offered at a premium of ₹ 5/- each aggregating to ₹ 15/- per Equity Share.

- (i) The Company had issued Bonus Shares and the details are as follows:

Year	No. of Shares	Ratio	Bonus Shares	Total Shares
1983	100	2:5	40	140
1987	140	2:5	56	196
1990	196	1:2	98	294
1999	294	1:2	147	441

- (ii) Further in the year 2010-11, the Company had sub-divided (split) the Equity Shares, wherein each Equity Share with a face value of ₹ 10/- each had been sub-divided (split) into 5 Equity Shares with a face value of ₹ 2/- each.

100 Shares with a face value of ₹ 10/- each held in 1978 have now grown to 2,205 Shares with a face value of ₹ 2/- each after considering the Bonus & Share Split as mentioned in (i) & (ii) above.

The closing price of Company's Equity Share as on 31 March 2016 was ₹ 2,686.50 (NSE) & ₹ 2,675.55 (BSE) respectively, representing increase of 3,94,816% (NSE) & 3,93,206% (BSE) respectively over the IPO price, adjusted for aforementioned Bonus Issues and Share Split.

- (vi) Average percentage increase made in the salaries of employees other than the Managerial Personnel in the Financial Year 2015-16 on comparable basis was 12% over previous year whereas the Managerial Remuneration for the same period was increased by 42%. There were no exceptional circumstances for increase in the Managerial Remuneration.
- (vii) Comparison of Remuneration of the Key Managerial Personnel(s) against the Performance of the Company: The shift in Remuneration of Key Managerial Personnel has been in line with average Market/Industry salary increases. The total Remuneration of Key Managerial Personnel increased by 51.4% from ₹ 6.1 Crores in 2014-15 to ₹ 9.23 Crores in 2015-16 whereas the Profit Before Exceptional Items and Tax increased by 54.2% from ₹ 740.55 Crores in 2014-15 to ₹ 1,141.89 Crores in 2015-16.
- (viii) The key parameters for any variable component of Remuneration availed by the Directors are considered by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company.
- (ix) The Ratio of the Remuneration of the highest paid Director to that of the Employees who are not Directors but receive Remuneration in excess of the highest paid Director during the year: There are no such cases wherein any employee received Remuneration in excess of the highest paid Director.
- (x) Affirmation that the Remuneration is as per the Remuneration Policy of the Company: It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.



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## ANNEXURE 'F' TO THE DIRECTORS' REPORT

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31 March 2016

[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: L15412WB1918PLC002964
- (ii) Registration Date: 21.03.1918
- (iii) Name of the Company: Britannia Industries Limited
- (iv) Category/ Sub Category of the Company: Company limited by Shares/Indian Non-Government Company
- (v) Address of Registered Office and contact details: 5/1A, Hungerford Street, Kolkata - 700 017  
Tel No : 033-22872439/2057; Fax No: 033-22872501
- (vi) Whether listed Company : Yes
- (vii) Name, address and contact details of Registrar & Transfer Agent (RTA)\*:  
Name of Registrar & Transfer Agent : Karvy Computershare Private Limited

Address	Karvy Selenium, Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda	
Town / City	Hyderabad	
State	Telangana	Pincode: 500032
Telephone with STD Area Code & Number	040 – 6716 2222	
Fax Number	040 – 2342 0814	Email Address: <a href="mailto:einward.ris@karvy.com">einward.ris@karvy.com</a>

\*During the FY 2015-16, M/s Sharepro Services (India) Pvt Ltd ("Sharepro") was the Registrar and Transfer Agent of the Company. The Company had terminated the arrangement with Sharepro w.e.f. closing business hours of 31 March 2016 and appointed Karvy Computershare Private Limited as Registrar and Transfer Agent w.e.f. 1 April 2016.

#### 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.	Manufacture of Biscuits, Cakes and Rusks	10712	~95%

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Britannia Dairy Private Limited (BDPL) 5/1A Hungerford Street, Kolkata, West Bengal - 700017	U15201WB2002PTC191511	Subsidiary	100	2(87)
2	Daily Bread Gourmet Foods (India) Private Limited Prestige Shantiniketan, The Business Precinct, Tower C, 16 <sup>th</sup> Floor, Whitefield Main Road, Mahadevpura Post, Bangalore, Karnataka - 560048	U01549KA2003PTC031859	Subsidiary	100	2(87)
3	Boribunder Finance and Investments Private Limited 3A, Metro Chambers, 69/71, S.S. Gaikwad Road (Trinity Street), Dhobi Talao, Mumbai, Maharashtra - 400002	U65990MH1983PTC030883	Subsidiary	100	2(87)
4	Flora Investments Company Private Limited 3A, Metro Chambers, 69/71, S.S. Gaikwad Road (Trinity Street), Dhobi Talao, Mumbai, Maharashtra - 400002	U65923MH1983PTC030875	Subsidiary	100	2(87)
5	Gilt Edge Finance and Investments Private Limited 3A, Metro Chambers, 69/71, S.S. Gaikwad Road (Trinity Street), Dhobi Talao, Mumbai, Maharashtra - 400002	U65923MH1983PTC030884	Subsidiary	100	2(87)
6	International Bakery Products Limited India Land Tech Park, Tower B, 5 <sup>th</sup> Floor, III Main Road, Ambattur Industrial Estate, Chennai, Tamil Nadu - 600058	U15419TN1997PLC037876	Subsidiary	100	2(87)
7	J. B. Mangharam Foods Private Limited D-1/502, Krishna Kaveri Society, Yamuna Nagar, Andheri (West), Mumbai, Maharashtra - 400053	U15100MH1984PTC031983	Subsidiary	100	2(87)
8	Manna Foods Private Limited Prestige Shantiniketan, The Business Precinct, Tower C, 16 <sup>th</sup> Floor, Whitefield Main Road, Mahadevpura Post, Bangalore, Karnataka - 560048	U15400KA1994PTC015687	Subsidiary	100	2(87)

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Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
9	Snacko Bisc Private Limited India Land Tech Park, Tower B, 5 <sup>th</sup> Floor, III Main Road, Ambattur Industrial Estate, Chennai, Tamil Nadu - 600058	U15419TN1997PTC039343	Subsidiary	100	2(87)
10	Vasana Agrex and Herbs Private Limited India Land Tech Park, Tower B, 5 <sup>th</sup> Floor, III Main Road, Ambattur Industrial Estate, Chennai, Tamil Nadu - 600058	U01119TN1996PTC034766	Subsidiary	100	2(87)
11	Sunrise Biscuit Company Private Limited Pub Boragaonganagar, Guwahati, Assam - 781033	U15412AS1985PTC002361	Subsidiary	99.16	2(87)
12	Ganges Vally Foods Private Limited Village-Jagannatpur, P O Bamunari, Hooghly, West Bengal - 712250	U15440WB1992PTC054793	Subsidiary	51	2(87)
13	Britannia Employees Educational Welfare Association Private Limited* Reay Road (East), Mazagaon, Mumbai, Maharashtra - 400010	U85110MH1992GAT242375	Subsidiary	N.A	2(87)
14	Britannia Employees General Welfare Association Private Limited* Reay Road (East), Mazagaon, Mumbai, Maharashtra - 400010	U85110MH1992GAT243304	Subsidiary	N.A	2(87)
15	Britannia Employees Medical Welfare Association Private Limited* Reay Road (East), Mazagaon, Mumbai, Maharashtra - 400010	U91120MH1992PTC242376	Subsidiary	N.A	2(87)
16	Strategic Foods International Co.LLC PO Box No. 53193, Dubai, United Arab Emirates.	Body Corporate	Subsidiary	100	2(87)
17	Britannia and Associates (Dubai) Private Company Limited PO Box No. 4254, Dubai, United Arab Emirates.	Body Corporate	Subsidiary	100	2(87)
18	Britannia and Associates (Mauritius) Private Limited Apex Fund Services (Mauritius) Ltd, 4 <sup>th</sup> Floor, 19 Bank Street, Cybercity, Ebene - 72201 Republic of Mauritius.	Body Corporate	Subsidiary	100	2(87)
19	Britannia Dairy Holdings Private Limited Apex Fund Services (Mauritius) Ltd, 4 <sup>th</sup> Floor, 19 Bank Street, Cybercity, Ebene - 72201 Republic of Mauritius.	Body Corporate	Subsidiary	100	2(87)

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Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
20	Strategic Brands Holding Company Limited PO Box No. 4421, Dubai, United Arab Emirates.	Body Corporate	Subsidiary	100	2(87)
21	AL Sallan Food Industries Company SAOC PO Box No. 970, Sohar, Postal Code: 311, Sultanate of Oman	Body Corporate	Subsidiary	65.46	2(87)
22	Nalanda Biscuit Company Limited Khagual Road, Naya Tola, PS-Phulwari Sharif, Patna, Bihar - 801505	U15410BR1986PLC002262	Associate	35	2(6)
23	Klassik Foods Private Limited Plot No F-30 Midcsatpur, Nasik, Maharashtra - 422007	U15120MH1981PTC025662	Associate	26.02	2(6)

\* Company Limited by Guarantee

#### 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 (II-I)
	Demat	Physical	Total	% of Total Shares (I)	Demat	Physical	Total	% of Total Shares (II)	
<b>A. Promoters</b>									
(1) Indian									
(a) Individual/HUF	0	0	0	0	4,551	0	4,551	0.00	0.00
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp	-	-	-	-	-	-	-	-	-
(e) Banks/Fl	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,551</b>	<b>0</b>	<b>4,551</b>	<b>0.00</b>	<b>0.00</b>
(2) Foreign									
(a) NRIs-Individuals	2,250	0	2,250	0.00	2,250	0	2,250	0.00	0.00
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp	6,08,66,095	0	6,08,66,095	50.75	6,08,66,095	0	6,08,66,095	50.74	(0.01)*
(e) Banks/Fl	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	<b>6,08,68,345</b>	<b>0</b>	<b>6,08,68,345</b>	<b>50.75</b>	<b>6,08,68,345</b>	<b>0</b>	<b>6,08,68,345</b>	<b>50.74</b>	<b>(0.01)*</b>
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>6,08,68,345</b>	<b>0</b>	<b>6,08,68,345</b>	<b>50.75</b>	<b>6,08,72,896</b>	<b>0</b>	<b>6,08,72,896</b>	<b>50.74</b>	<b>(0.01)*</b>

\*Change in the % of share holding is due to increase in paid up share capital of the Company on account of allotment of 50,000 equity shares under ESOS.

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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 (II-I)
	Demat	Physical	Total	% of Total Shares (I)	Demat	Physical	Total	% of Total Shares (II)	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds / UTI	62,42,506	1,250	62,43,756	5.21	73,90,573	1,250	73,91,823	6.16	0.95
(b) Banks/FI	1,87,122	5,350	1,92,472	0.16	2,07,969	5,350	2,13,319	0.18	0.02
(c) Central Govt	23,677	0	23,677	0.02	0	0	0	0	(0.02)
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	45,68,568	500	45,69,068	3.81	35,57,035	500	35,57,535	2.96	(0.85)
(g) FIs	2,11,37,902	0	2,11,37,902	17.62	1,37,45,676	0	1,37,45,676	11.46	(6.16)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)									
Foreign Portfolio Investors	17,72,369	0	17,72,369	1.48	78,06,291	0	78,06,291	6.51	5.03
<b>Sub-total(B)(1):-</b>	<b>3,39,32,144</b>	<b>7,100</b>	<b>3,39,39,244</b>	<b>28.30</b>	<b>3,27,07,544</b>	<b>7,100</b>	<b>3,27,14,644</b>	<b>27.27</b>	<b>(1.03)</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corp.									
(i) Indian	44,16,862	25,270	44,42,132	3.71	47,29,370	24,250	47,53,620	3.96	(0.25)
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1,29,29,416	28,09,166	1,57,38,582	13.12	1,39,23,828	26,08,267	1,65,32,095	13.78	0.66
(ii) Individual Shareholders holdings nominal share capital in excess of ₹ 1 lakh	29,62,563	13,86,675	43,49,238	3.63	27,67,594	13,31,890	40,99,484	3.42	(0.21)
(c) Others									
(i) Trusts	26,055	0	26,055	0.02	81,743	0	81,743	0.07	0.05
(ii) NBFCs	0	0	0	0	2,58,884	0	2,58,884	0.21	0.21
(iii) Individual NRI	5,42,574	15,230	5,57,804	0.46	6,42,598	15,230	6,57,828	0.55	0.09
(iv) Foreign National	320	4,095	4,415	0.00	526	4,095	4,621	0.00	0.00
<b>Sub-total(B)(2):-</b>	<b>2,08,77,790</b>	<b>42,40,436</b>	<b>2,51,18,226</b>	<b>20.95</b>	<b>2,24,04,543</b>	<b>39,83,732</b>	<b>2,63,88,275</b>	<b>21.99</b>	<b>1.04</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>5,48,09,934</b>	<b>42,47,536</b>	<b>5,90,57,470</b>	<b>49.25</b>	<b>5,51,12,087</b>	<b>39,90,832</b>	<b>5,91,02,919</b>	<b>49.26</b>	<b>0.01</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	--
<b>Grand Total (A+B+C)</b>	<b>11,56,78,279</b>	<b>42,47,536</b>	<b>11,99,25,815</b>	<b>100.00</b>	<b>11,59,84,983</b>	<b>39,90,832</b>	<b>11,99,75,815</b>	<b>100.00</b>	<b>-</b>

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### (ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during 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	Associated Biscuits International Limited	5,39,04,500	44.95	0	5,39,04,500	44.93	0	(0.02)*
2	Dowbiggin Enterprises Pte. Ltd	13,92,510	1.16	0	13,92,510	1.16	0	-
3	Nacupa Enterprises Pte. Ltd	1,392,510	1.16	0	13,92,510	1.16	0	-
4	Spargo Enterprises Pte. Ltd	13,92,510	1.16	0	13,92,510	1.16	0	-
5	Valletort Enterprises Pte. Ltd	13,92,510	1.16	0	13,92,510	1.16	0	-
6	Bannatyne Enterprises Pte. Ltd	13,91,555	1.16	0	13,91,555	1.16	0	-
7	Mr. Nusli N Wadia	2,250	0.00	0	2,250	0.00	0	-
8	Mr. Ness N Wadia	0	0	0	4,551	0.00	0	0.00
	<b>Total</b>	<b>6,08,68,345</b>	<b>50.75</b>	<b>0</b>	<b>6,08,72,896</b>	<b>50.74</b>	<b>0</b>	<b>(0.01)*</b>

\*Change in the % of share holding is due to increase in paid up share capital of the Company on account of allotment of 50,000 equity shares under ESOS.

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the Beginning of the year	6,08,68,345	50.75	6,08,68,345	50.75
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	4,551	0.00	4,551	0.00
	At the end of the Year	6,08,72,896	50.74*	6,08,72,896	50.74*

\*Change in the % of share holding is due to increase in paid up share capital of the Company on account of allotment of 50,000 equity shares under ESOS.

**Note:**

**Increase:** Mr. Ness N Wadia acquired 750 shares on 01.04.2015; 880 shares on 06.04.2015; 600 shares on 07.04.2015; 16 shares on 09.04.2015; 450 shares on 27.04.2015; 475 shares on 28.04.2015; 700 shares on 29.04.2015 and 680 shares on 30.04.2015



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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

1. Arisaig Partners (Asia) Pte Ltd. A/C Arisaig India Fund Limited (Client ID: 10438382)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	64,52,404	5.38	64,52,404	5.38
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	(28,11,773)	(2.34)	(28,11,773)	(2.34)
At the End of the Year (or on the date of separation, if separated during the year)	36,40,631	3.04	36,40,631	3.04

**Note:**

**Increase:** NIL

**Decrease:** Sold 89,023 shares on 10.04.2015; 2,74,812 shares on 17.04.2015; 29,938 shares on 24.04.2015; 2,60,799 shares on 07.08.2015; 3,81,230 shares on 14.08.2015; 1,85,005 shares on 21.08.2015; 178 shares on 09.10.2015; 1,56,483 shares on 23.10.2015; 2,289 shares on 30.10.2015; 4,71,064 shares on 29.01.2016; 5,37,301 shares on 05.02.2016; 1,47,226 shares on 12.02.2016; 1,71,911 on 26.02.2016; 84,447 shares on 11.03.2016 and 20,067 shares on 18.03.2016

2. Life Insurance Corporation of India (Client ID: 10000012)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	22,77,787	1.90	22,77,787	1.90
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	(6,07,861)	(0.51)	(6,07,861)	(0.51)
At the End of the Year (or on the date of separation, if separated during the year)	16,69,926	1.39	16,69,926	1.39

**Note:**

**Increase:** NIL

**Decrease:** Sold 1,99,006 shares on 10.04.2015; 1,26,028 shares on 10.07.2015; 74,636 shares on 17.07.2015; 1,08,254 shares on 24.07.2015 and 99,937 shares on 31.07.2015

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### 3. General Insurance Corporation of India (Client ID: 10000029)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	13,01,125	1.08	13,01,125	1.08
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	10,000 (75,000)	0.01 (0.06)	10,000 (75,000)	0.01 (0.06)
At the end of the Year	12,36,125	1.03	12,36,125	1.03

**Note:**

**Increase:** Acquired 1,000 shares on 11.12.2015; 3,000 shares on 15.01.2016 and 6,000 shares on 22.01.2016.

**Decrease:** Sold 7,507 shares on 16.10.2015; 46,145 shares on 23.10.2015 and 21,348 shares on 30.10.2015.

### 4. HDFC Standard Life Insurance Company Limited (Client ID: 11179789)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	4,31,115	0.36	4,31,115	0.36
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	8,98,533 (2,89,898)	0.75 (0.24)	8,98,533 (2,89,898)	0.75 (0.24)
At the end of the Year	10,39,750	0.87	10,39,750	0.87

**Note:**

**Increase:** Acquired 31,100 shares on 10.04.2015; 2,885 shares on 17.04.2015; 6,200 shares on 24.04.2015; 2,400 shares on 01.05.2015; 1,500 shares on 08.05.2015; 26,000 shares on 22.05.2015; 35,000 shares on 07.08.2015; 16,598 shares on 14.08.2015; 74,302 shares on 28.08.2015; 31,100 shares on 11.09.2015; 6,928 shares on 18.09.2015; 40,600 shares on 30.09.2015; 58,831 shares on 09.10.2015; 3,500 shares on 06.11.2015; 25,000 shares on 20.11.2015; 25,000 shares on 27.11.2015; 24,400 shares on 04.12.2015; 5,000 shares on 11.12.2015; 48,379 shares on 18.12.2015; 25,450 shares on 31.12.2015; 1,13,790 shares on 08.01.2016; 97,784 shares on 15.01.2016; 81,751 shares on 22.01.2016; 44,958 shares on 29.01.2016; 10,000 shares on 05.02.2016; 45,300 shares on 12.02.2016; 12,000 shares on 19.02.2016 and 2,777 shares on 04.03.2016.

**Decrease:** Sold 16,993 shares on 29.05.2015; 350 shares on 05.06.2015; 34,007 shares on 12.06.2015; 25,143 shares on 19.06.2015; 25,500 shares on 26.06.2015; 2,683 shares on 10.07.2015; 8,441 shares on 21.08.2015; 751 shares on 23.10.2015; 1,030 shares on 30.10.2015; 50,000 shares on 11.03.2016; 25,000 shares on 18.03.2016 and 1,00,000 shares on 31.03.2016.

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5. Arisaig Partners (Asia) Pte Ltd. A/C Arisaig Global Emerging Markets Consumer Fund (Singapore) Pte. Ltd (Client ID: 10723923)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	10,49,600	0.88	10,49,600	0.88
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	45,300 (2,39,958)	0.04 (0.20)	45,300 (2,39,958)	0.04 (0.20)
At the end of the Year	8,54,942	0.72	8,54,942	0.72

**Note:**

*Increase: Acquired 38,590 shares on 08.05.2015 and 6,710 shares on 15.05.2015.*

*Decrease: Sold 1,39,709 shares on 07.08.2015; 39,669 shares on 23.10.2015; 580 shares on 30.10.2015 and 60,000 shares on 29.01.2016.*

6. Motilal Oswal Most Focused Multicap 35 Fund (Client ID: 10074077)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	3,61,770	0.30	3,61,770	0.30
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	5,36,895 (71,499)	0.45 (0.06)	5,36,895 (71,499)	0.45 (0.06)
At the End of the Year (or on the date of separation, if separated during the year)	8,27,166	0.69	8,27,166	0.69

**Note:**

*Increase: Acquired 40,521 shares on 10.04.2015; 40,747 shares on 17.04.2015; 22,700 shares on 24.04.2015; 6,500 shares on 15.05.2015; 4,445 shares on 22.05.2015; 84,455 shares on 29.05.2015; 10,000 shares on 05.06.2015; 6,568 shares on 19.06.2015; 50,788 shares on 10.07.2015; 25,251 shares on 17.07.2015; 34,326 shares on 24.07.2015; 18,463 shares on 07.08.2015; 9,600 shares on 14.08.2015; 323 shares on 28.08.2015; 17,667 shares on 18.09.2015; 11,700 shares on 25.09.2015; 2,571 shares on 30.09.2015; 1,952 shares on 09.10.2015; 3,205 shares on 16.10.2015; 4,878 shares on 23.10.2015; 3,030 shares on 30.10.2015; 24,845 shares on 06.11.2015; 6,750 shares on 20.11.2015; 3,242 shares on 27.11.2015; 20,696 shares on 18.12.2015; 7,232 shares on 05.02.2016; 16,468 shares on 19.02.2016; 29,252 shares on 26.02.2016; 6,990 shares on 04.03.2016 and 21,730 shares on 18.03.2016.*

*Decrease: Sold 32,590 shares on 08.05.2015; 34,037 shares on 25.12.2015; 1,790 shares on 08.01.2016 and 3,082 shares on 15.01.2016.*

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### 7. Merrill Lynch Capital Markets Espana S.A. S.V (Client ID: 10015153)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	9,80,580	0.82	9,80,580	0.82
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	1,45,701 (3,11,193)	0.12 (0.26)	1,45,701 (3,11,193)	0.12 (0.26)
At the end of the Year	8,15,088	0.68	8,15,088	0.68

**Note:**

**Increase:** Acquired 17,971 shares on 08.05.2015; 429 shares on 11.12.2015; 135 shares on 18.12.2015; 776 shares on 25.12.2015; 751 shares on 31.12.2015; 2,452 shares on 08.01.2016; 1,261 shares on 15.01.2016; 243 shares on 22.01.2016; 2,721 shares on 29.01.2016; 1,738 shares on 05.02.2016; 7,731 shares on 11.03.2016; 45,762 shares on 18.03.2016; 52,931 shares on 25.03.2016 and 10,800 shares on 31.03.2016.

**Decrease:** Sold 22,532 shares on 28.08.2015; 26,128 shares on 04.09.2015; 1,551 shares on 11.09.2015; 69,643 shares on 18.09.2015; 38,636 shares on 09.10.2015; 418 shares on 23.10.2015; 9,365 shares on 06.11.2015; 1,085 shares on 27.11.2015; 36 shares on 04.12.2015; 16,000 shares on 19.02.2016; 1,05,307 shares on 26.02.2016 and 20,492 shares on 04.03.2016.

### 8. Kotak Mahindra Old Mutual Life Insurance Limited (Client ID: 30026774)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	9,35,423	0.78	9,35,423	0.78
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	1,30,169 (3,44,632)	0.11 (0.29)	1,30,169 (3,44,632)	0.11 (0.29)
At the end of the Year	7,20,960	0.60	7,20,960	0.60

**Note:**

**Increase:** Acquired 12,965 shares on 24.04.2015; 15,000 shares on 01.05.2015; 36 shares on 19.06.2015; 7,050 shares on 28.08.2015; 753 shares on 04.09.2015; 32,971 shares on 27.11.2015; 3,366 shares on 04.12.2015; 4,757 shares on 11.12.2015; 4,991 shares on 31.12.2015; 4,506 shares on 08.01.2016; 33,774 shares on 22.01.2016 and 10,000 shares on 29.01.2016.

**Decrease:** Sold 7,117 shares on 10.04.2015; 16,785 shares on 17.04.2015; 2,685 shares on 08.05.2015; 10,857 shares on 15.05.2015; 25,474 shares on 22.05.2015; 54,899 shares on 29.05.2015; 6,206 shares on 05.06.2015; 20,260 shares on 12.06.2015; 2,846 shares on 30.06.2015; 65,330 shares on 10.07.2015; 13,500 shares on 17.07.2015; 88 shares on 24.07.2015; 10,050 shares on 31.07.2015; 31,816 shares on 14.08.2015; 7,645 shares on 21.08.2015; 712 shares on 18.09.2015; 16,962 shares on 09.10.2015; 26,825 shares on 23.10.2015; 3,582 shares on 06.11.2015; 1,000 shares on 13.11.2015; 6,050 shares on 05.02.2016; 500 shares on 04.03.2016; 2,443 shares on 25.03.2016 and 11,000 shares on 31.03.2016.

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### 9. Goldman Sachs India Fund Limited (Client ID: 10044058)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	4,88,479	0.41	4,88,479	0.41
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	2,85,193 (77,682)	0.24 (0.06)	2,85,193 (77,682)	0.24 (0.06)
At the end of the Year	6,95,990	0.59	6,95,990	0.59

**Note:**

*Increase: Acquired 31,521 shares on 24.04.2015; 18,292 shares on 29.05.2015; 1,79,082 shares on 05.06.2015; 17,612 shares on 26.06.2015 and 38,686 shares on 31.07.2015.*

*Decrease: Sold 77,682 shares on 28.08.2015.*

### 10. Morgan Stanley Asia (Singapore) PTE (Client ID: 10077067)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	16,16,911	1.35	16,16,911	1.35
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	2,98,787 (12,63,600)	0.25 (1.05)	2,98,787 (12,63,600)	0.25 (1.05)
At the end of the Year	6,52,098	0.55	6,52,098	0.55

**Note:**

*Increase: Acquired 10,893 shares on 10.04.2015; 11,263 shares on 17.04.2015; 10,041 shares on 24.04.2015; 1,48,203 shares on 01.05.2015; 2,218 shares on 08.05.2015; 3,501 shares on 15.05.2015; 16,354 shares on 05.06.2015; 40,287 shares on 10.07.2015; 25,827 shares on 31.07.2015; 17,315 shares on 14.08.2015; 2,236 shares on 20.11.2015; 1,118 shares on 27.11.2015; 5,727 shares on 11.03.2016; 546 shares on 18.03.2016 and 3,258 shares on 31.03.2016;*

*Decrease: Sold 973 shares on 22.05.2015; 1,46,833 shares on 29.05.2015; 10,225 shares on 12.06.2015; 21,335 shares on 19.06.2015; 1,492 shares on 26.06.2015; 1,148 shares on 30.06.2015; 7,143 shares on 17.07.2015; 47,283 shares on 24.07.2015; 32,550 shares on 07.08.2015; 2,764 shares on 21.08.2015; 46,597 shares on 28.08.2015; 57,085 shares on 04.09.2015; 52,967 shares on 11.09.2015; 35,700 shares on 18.09.2015; 17,806 shares on 25.09.2015; 97,919 shares on 30.09.2015; 1,08,684 shares on 09.10.2015; 7,597 shares on 16.10.2015; 12,752 shares on 23.10.2015; 33,306 shares on 06.11.2015; 2,750 shares on 13.11.2015; 15,562 shares on 04.12.2015; 23,941 shares on 11.12.2015; 3,381 shares on 18.12.2015; 2,177 shares on 25.12.2015; 7,400 shares on 31.12.2015; 89,140 shares on 08.01.2016; 56,433 shares on 15.01.2016; 53,864 shares on 22.01.2016; 4,200 shares on 29.01.2016; 81,329 shares on 05.02.2016; 19,321 shares on 12.02.2016; 39,389 shares on 19.02.2016; 76,428 shares on 26.02.2016 and 46,126 shares on 04.03.2016;*

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### 11. Robeco Capital Growth Funds A/C Robeco Emerging Conservative Equities\* (Client ID: 10711180)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	6,74,690	0.56	6,74,690	0.56
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	(59,851)	(0.05)	(59,851)	(0.05)
At the end of the Year	6,14,839	0.51	6,14,839	0.51

**Note:**

*Increase: NIL*

*Decrease: Sold 23,986 shares on 28.08.2015 and 35,865 shares on 15.01.2016.*

*\* Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2015.*

### 12. United India Insurance Company Limited\* (Client ID: 10000543)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	7,74,372	0.65	7,74,372	0.65
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	(2,47,842)	(0.21)	(2,47,842)	(0.21)
At the end of the Year	5,26,530	0.44	5,26,530	0.44

**Note:**

*Increase: NIL*

*Decrease: Sold 17,837 shares on 16.10.2015; 37,000 shares on 23.10.2015; 20,263 shares on 30.10.2015; 4,327 shares on 06.11.2015; 2,000 shares on 27.11.2015; 4,601 shares on 11.12.2015; 22,366 shares on 18.12.2015; 18,000 shares on 25.12.2015; 18,000 shares on 31.12.2015; 14,754 shares on 08.01.2016; 13,000 shares on 15.01.2016; 2,000 shares on 22.01.2016; 7,000 shares on 05.02.2016; 7,000 shares on 12.02.2016; 31,000 shares on 26.02.2016; 16,894 shares on 04.03.2016; 8,255 shares on 11.03.2016 and 3,545 shares on 18.03.2016.*

*\* Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2015.*

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### 13. Goldman Sachs Investment (Mauritius) I Ltd\* (Client ID: 10090603)

For each of Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	7,00,595	0.58	7,00,595	0.58
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	1,50,312 (3,71,223)	0.12 (0.31)	1,50,312 (3,71,223)	0.12 (0.31)
At the end of the Year	4,79,684	0.39	4,79,684	0.39

**Note:**

**Increase:** Acquired 44,169 shares on 24.04.2015; 8,034 shares on 22.05.2015; 691 shares on 19.06.2015; 8,706 shares on 14.08.2015; 20,144 shares on 31.12.2015; 13,107 shares on 08.01.2016 and 55,461 shares on 05.02.2016.

**Decrease:** Sold 57,765 shares on 10.04.2015; 1,427 shares on 29.05.2015; 871 shares on 05.06.2015; 10,065 shares on 10.07.2015; 9,474 shares on 31.07.2015; 1,049 shares on 07.08.2015; 37,537 shares on 28.08.2015; 25,081 shares on 04.09.2015; 8,215 shares on 09.10.2015; 47,119 shares on 06.11.2015; 59,420 shares on 13.11.2015; 1,06,634 shares on 20.11.2015 and 6,566 shares on 15.01.2016.

\* Ceased to be in the list of Top 10 shareholders as on 31.03.2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on 01.04.2015.

Note: The above changes in shareholding are derived based on weekly benpos statement.

### (v) Shareholding of Directors and Key Managerial Personnel:

#### 1. Mr. Nusli N Wadia, Promoter and Non-Executive Chairman

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	2,250	0.00	2,250	0.00
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	2,250	0.00	2,250	0.00

#### 2. Mr. Varun Berry, Managing Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	50,000 (10,570)	0.04 (0.01)	50,000 (10,570)	0.04 (0.01)
At the end of the Year	39,430	0.03	39,430	0.03

**Note:**

**Increase:** Allotted 50,000 Equity Shares on 10.06.2015 under ESOS.

**Decrease:** Sold 4,000 shares on 22.02.2016 and 6,570 shares on 02.03.2016.



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### 3. Mr. A.K. Hirjee, Promoter and Non-Executive Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### 4. Mr. Avijit Deb, Non-Executive and Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### 5. Mr. S S Kelkar, Non-Executive and Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

## Britannia Annual Report 2015-16

### 6. Mr. Nimesh N Kampani, Non-Executive and Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### 7. Mr. Jeh N Wadia, Promoter and Non-Executive Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### 8. Mr. Keki Dadiseth, Non-Executive and Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

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### 9. Dr. Ajai Puri, Non-Executive and Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### 10. Mr. Naseer Munjee, Non-Executive and Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### 11. Mr. Ness N Wadia, Promoter and Non-Executive Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	4,551	0.00	4,551	0.00
At the end of the Year	4,551	0.00	4,551	0.00

**Note:**

*Increase: Acquired 750 shares on 01.04.2015; 880 shares on 06.04.2015; 600 shares on 07.04.2015; 16 shares on 09.04.2015; 450 shares on 27.04.2015; 475 shares on 28.04.2015; 700 shares on 29.04.2015 and 680 shares on 30.04.2015.*

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### 12. Dr. Vijay L Kelkar, Non-Executive and Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### 13. Mrs. Ranjana Kumar, Non-Executive and Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### 14. Mr. Amlan Datta Majumdar, Chief Financial Officer

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

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### 15. Mr. Rajesh Arora, GM - Legal & Company Secretary

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the Beginning of the year	NIL	NIL	NIL	NIL
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.,)	NIL	NIL	NIL	NIL
At the end of the Year	NIL	NIL	NIL	NIL

### V. INDEBTEDNESS

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

(₹ in lakhs)

Particulars	Secured Loans Excluding Deposits*	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	97.00	-	-	97.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>97.00</b>	<b>-</b>	<b>-</b>	<b>97.00</b>
Change in Indebtedness during the Financial Year				
• Addition	-	-	-	-
• Reduction	(29.00)	-	-	(29.00)
<b>Net Change</b>	<b>(29.00)</b>	<b>-</b>	<b>-</b>	<b>(29.00)</b>
Indebtedness at the end of the Financial Year				
i) Principal Amount	68.00	-	-	68.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>68.00</b>	<b>-</b>	<b>-</b>	<b>68.00</b>

\* Relates to Motor Vehicles taken on lease.

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

#### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Varun Berry Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	374.96	374.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.99	0.99
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2.	Stock Options*	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	-	-
5.	Others		
	- Bonus / Performance linked incentive	275.00	275.00
	- Contribution to Provident Fund, Meal Voucher and Medical Insurance premium	18.48	18.48
	<b>Total (A)</b>	<b>669.43</b>	<b>669.43</b>
	Ceiling as per the Act	5,627.40	5,627.40

\*During FY 2015-16, Mr. Varun Berry, Managing Director has been granted 75,000 stock options at an exercise price of ₹ 2,332.05 per option with a vesting period of minimum one (1) year from the date of grant and vesting over three (3) years i.e., 1/3 every year.

#### B. Remuneration to other Directors:

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Keki Dadiseth	Mr. Avijit Deb	Mr. Nimesh N Kampani	Mr. S S Kelkar	Dr. Ajai Puri	Mr. Nasser Munjee	Dr. Vijay L Kelkar	Mrs. Ranjana Kumar	
	1. Independent Directors									
	Fee for attending Board /Committee meetings	3.20	2.40	3.40	3.00	2.60	3.20	1.00	1.60	20.40
	Commission	21.65	15.75	21.00	18.37	40.00	28.00	6.56	10.50	161.83
	Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>24.85</b>	<b>18.15</b>	<b>24.40</b>	<b>21.37</b>	<b>42.60</b>	<b>31.20</b>	<b>7.56</b>	<b>12.10</b>	<b>182.23</b>

(₹ in lakhs)

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Nusli N Wadia	Mr. A K Hirjee	Mr. Ness N Wadia	Mr. Jeh N Wadia	
	2. Other Non-Executive Directors					
	Fee for attending Board / Committee meetings	2.60	4.40	4.00	1.80	12.80
	Commission	466.67	27.56	38.06	10.50	542.79
	Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>469.27</b>	<b>31.96</b>	<b>42.06</b>	<b>12.30</b>	<b>555.59</b>
	<b>Total (B) = (1+2)</b>					<b>737.82</b>
	Total Managerial Remuneration					<b>704.62</b>
	Overall Ceiling as per the Act					<b>1,125.48</b>

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C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

(i) Remuneration to Chief Financial Officer:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Amlan Datta Majumdar	Total
		01.04.2015 to 31.03.2016	
1	Gross salary	113.13	113.13
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.50	3.50
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	-	-
5.	Others		
	- Joining Bonus	30.00	30.00
	- Bonus / Performance Linked Incentive	49.73	49.73
	- Contribution to Provident Fund, Meal Voucher and Medical Insurance premium	5.97	5.97
	<b>Total</b>	<b>202.33</b>	<b>202.33</b>

(ii) Remuneration to Company Secretary:

(₹ in lakhs)

Sr. No.	Particulars of Remuneration	Rajesh Arora	Total
		01.04.2015 to 31.03.2016	
1	Gross salary	39.02	39.02
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.29	0.29
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others	-	-
5.	Others		
	- Bonus / Performance Linked Incentive	11.05	11.05
	- Contribution to Provident Fund, Meal Voucher and Medical Insurance premium	1.88	1.88
	<b>Total</b>	<b>52.24</b>	<b>52.24</b>



### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of the Companies Act against the Company or its Directors or other Officers in default, if any, during the financial year.

**FORM -AOC -I**

(Statement Pursuant to first proviso 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**

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Capital *	Reserves *	Total Assets (including investments) *	Total Liabilities (excluding shareholders funds) *	Investments (except investment in subsidiaries) *	Turnover (revenue from operations + other income) #	Profit Before Tax #	Provision for Tax#	Profit After Tax #	Proposed Dividend#	% Of Shareholding	Country
1	Borbunder Finance and Investments Private Limited	INR	1.00	1.00	26,710	(13,289)	13,665	244	120	17	(67)	(30)	(97)	-	100.00	India
2	Britannia Dairy Private Limited	INR	1.00	1.00	117,800	1,084,400	1,630,900	428,700	578,300	3,293,100	426,200	86,000	340,200	-	100.00	India
3	Britannia Employees' Educational Welfare Association Private Limited	INR	1.00	1.00	1,752 ^	1,302	3,106	52	-	128	79	24	55	-	N.A.	India
4	Britannia Employees' General Welfare Association Private Limited	INR	1.00	1.00	1,750 ^	1,171	2,991	71	-	121	72	22	50	-	N.A.	India
5	Britannia Employees' Medical Welfare Association Private Limited	INR	1.00	1.00	1,800 ^	914	2,765	50	40	102	53	16	37	-	N.A.	India
6	Daily Bread Gourmet Foods (India) Private Limited	INR	1.00	1.00	316,726	(275,068)	55,913	14,255	-	109,836	(19,583)	-	(19,583)	-	100.00	India
7	Flora Investments Company Private Limited	INR	1.00	1.00	2,843	16,388	20,391	1,159	-	1,569	1,489	646	843	-	100.00	India
8	Ganges Vally Foods Private Limited	INR	1.00	1.00	6,000	35,591	77,942	36,351	-	192,613	2,505	1,816	689	-	51.00	India
9	Gilt Edge Finance and Investments Private Limited	INR	1.00	1.00	2,498	17,151	20,752	1,104	-	1,589	1,511	686	825	-	100.00	India
10	International Bakery Products Limited	INR	1.00	1.00	14,500	1,246	411,480	395,734	-	342,037	9,443	1,799	7,644	-	100.00	India
11	J B Mangharam Foods Private Limited	INR	1.00	1.00	4,502	31,985	314,914	278,427	26	356,971	(5,108)	600	(4,508)	-	100.00	India
12	Manna Foods Private Limited	INR	1.00	1.00	48,750	(5,393)	744,366	701,009	240	370,693	(13,278)	-	(13,278)	-	100.00	India
13	Sunrise Biscuit Company Private Limited	INR	1.00	1.00	141,995	13,101	397,203	242,107	-	1,531,701	3,090	976	2,114	-	99.16	India
14	Al Sallan Food International Co. SAOC	OMR	171.90	169.97	343,800	(855,398)	669,723	1,181,321	-	2,101,521	59,181	-	59,181	-	65.46	Oman
15	Strategic Food International Co. LLC, Dubai	AED	18.03	17.83	351,585	86,593	1,634,731	1,196,553	-	4,324,764	201,058	-	201,058	-	100.00	Dubai
16	Britannia and Associates (Dubai) Private Company Limited, Dubai	USD	66.25	65.49	18	(162,461)	2,340,053	2,502,496	-	14,126	(12,852)	-	(12,852)	-	100.00	Dubai - JAFZA
17	Britannia and Associates (Mauritius) Private Limited, Mauritius	USD	66.25	65.49	1,614,651	8,332	2,489,483	866,501	-	23,880	10,579	323	10,256	-	100.00	Mauritius
18	Britannia Dairy Holdings Private Limited, Mauritius	USD	66.25	65.49	491,111	(263,950)	227,590	428	-	-	(25,275)	-	(25,329)	-	100.00	Mauritius
19	Strategic Brands Holding Company Limited, Dubai	USD	66.25	65.49	18	(6,065)	45	6,092	-	-	(617)	-	(617)	-	100.00	Dubai - JAFZA
20	Vasna Agrex and Herbs Private Limited	INR	1.00	1.00	100	(105,490)	1	105,390	-	-	(19)	-	(19)	-	100.00	India
21	Snacko Bisc Private Limited	INR	1.00	1.00	255,208	(420,272)	216	165,280	-	-	(19)	-	(19)	-	100.00	India

\* Converted using closing exchange rate.  
# Converted using average exchange rate.  
^ Represents contribution.

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## PART - B ASSOCIATES

₹ in '000

Sr. No.	Name of the Associate Company	Klassik Foods Private Limited	Nalanda Biscuits Company Limited
1	Latest Unaudited Balance Sheet Date	31.03.2016	31.03.2016
2	Share of Associate held by the Company on the year end		
	Number of Shares	3,390	87,500
	Amount of Investment in Associate	3,198	2,908
	Extend of Holding %	26.02	35.00
3	Description of how there is significant influence	Voting power	Voting power
4	Reason why the associate is not consolidated	N.A.	N.A.
5	Net worth attributable to Shareholding as per latest unaudited Balance Sheet	7,472	10,672
6	Profit / Loss for the year	1,622	5,400
	(i) Considered in consolidation	322	1,890
	(ii) Not Considered in consolidation	1,300	3,510

*for and on behalf of the Board of Directors*

Chairman:	Nusli N Wadia
Managing Director:	Varun Berry
Directors:	A K Hirjee
	S S Kelkar
	Nasser Munjee
	Nimesh N Kampani
	Avijit Deb
	Jeh N Wadia
	Ajai Puri
	Ness N Wadia
	Ranjana Kumar
Chief Financial Officer:	Amlan Datta Majumdar
Company Secretary:	Rajesh Arora

Place : Mumbai  
Date : 20 May 2016

MANAGEMENT DISCUSSION AND ANALYSIS

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company operates in the business segment of Foods comprising of Bakery and Dairy Products.

I. Bakery

Bakery industry presently comprises primarily of four traditional products viz. Biscuit, Cake, Rusk and Bread. Biscuit is the largest category accounting around two-third of the overall bakery industry growing at 10-14% per annum in the last five years. Cake, Rusk and Bread constitute the rest. While Cake and Rusk categories have seen growth in mid-teens, Bread category has experienced growth of mid to high single digit over the last five years.

a) Biscuit

Although biscuit category is large in size, consumption per capita is modest in comparison to other developing countries. Countries such as Indonesia and Philippines have a significantly higher per capita spend at 1.7x and 2.2x respectively. This gap is caused by lower volume consumed per capita as well as the extent of value addition that as compared to other developing countries. As India continues on the path of income enhancement, biscuit consumption is expected to increase thus sustaining the growth rates of the past.

Competition in biscuit market is vigorous and participation is from large Indian Companies with national foot print such as yours, medium sized companies with regional foot print and multinationals. In response to the trend of format upgradation, most significant players including regional players have been making investments in technology.

b) Cake

Relatively speaking, Cake is a nascent category in India with basic and less differentiated products dominating the market. There is immense scope for organoleptic value addition and building consumption. Your Company

has introduced value added products in the last couple of years which has been greeted by a warm reception by trade and consumers. This reaffirms our belief that value added products at the right price can change the growth trajectory of the category.

Cake market in India has one national player viz. your Company and some notable regional players strong within their region.

c) Rusk

Rusk is similar to cake in its market and competitive structure. Per capita expenditure on rusk is modest as it is in other bakery categories. Growth in this category is expected to come from format upgrades as well as consumption increase through specific product and marketing solutions.

d) Bread

Bread on account of its relatively low shelf life is a category with localized production reaching the proximate market. Your Company while being the largest national player encounters local competition.

II. Dairy

India remains the largest producer and consumer of dairy. However, as in the case of other food products, Indians trail much of the world in per capita dairy consumption. This gap is getting bridged rapidly with demand growing at a faster pace than supply. Many industry experts opine that this is likely to cause a supply deficit in the near future.

Largeness of the Dairy opportunity is visible to all; as a result the industry this year saw heightened activity with several private companies announcing entry, cooperatives expanding footprint and multinationals formally entering.

While the growth in the last few years has been on account of increasing milk consumption; value added segments of dairy such as Cheese and Set Dahi in which your Company participates have grown at a faster pace.

A range of factors will drive the growth of dairy industry going forward:

- i) With time available to manage households declining; consumers will seek day-to-day needs in ready to consume and convenient forms.

With this, dairy industry which is overwhelmingly unorganized today, will shift steadily towards the organized sector;

- ii) With increasing affluence there will be demand for value added products; as a result dairy market will shift from basic to processed;
- iii) Consumption of all dairy products will go up as consumers gravitate towards a more balanced diet as income levels increase.

The levers of success going forward are likely to be:

- a) Access to quality milk as basic raw material;
- b) The right product value addition capability;
- c) Access to a cold chain.

### (B) BUSINESS STRATEGY

As India's economic landscape changes for the better, the proportion of packaged goods in the overall consumption basket will increase. Consumer and market studies conducted by your Company indicate that this increase will be driven by delivery on three axes viz. pleasure, health and convenience. In other words Indian consumers will seek higher pleasure, better health and greater convenience. Categories that inherently deliver on the above axes or are capable of redesigning themselves to deliver the above will grow faster than overall market. This will cause packaged food industry of future to be significantly larger in size and substantially different in form. Categories such as chocolates, foods, salted snacks that help in health management and ready to eat solutions are seeing wider and deeper consumer traction than ever before.

To remain relevant and improve relative significance in future Indian market, companies such as yours will have to venture outside of their traditional bastions and build presence in adjacent categories. We believe that your Company is well positioned to undertake this transition even while strengthening its hold on the bastion categories.

In this context, your Company's strategy to increase consumer relevance in a changing food landscape and grow ahead of direct and indirect competition is:

1. Strengthen position in bastion categories (Biscuit, Cake and Rusk) by:
  - a. Increasing demand for current assortment through a combination of superior brand promotion and aggressive distribution expansion;
  - b. Creating fresh demand through innovation on pleasure, health and convenience axes;
  - c. Running the supply chain for better cost efficiency and superior delivered quality.
2. Successfully enter attractive adjacencies for an accelerated future growth.
3. Evaluating transition of the dairy model to a fully Integrated One.

#### Strengthen position in bakery

Strengthening and expansion of sales and distribution network accelerated this year with direct reach increasing by nearly 25%, a noteworthy feat in the Indian retail-scape. Additionally, your Company embarked on an ambitious rural expansion through the Rural Preferred Dealers Program. With these initiatives your Company is establishing a wide and reliable pipeline which will be of great value as more Indians switch from home-made/local to packaged foods.

Your Company continued the high-visibility promotion of its pillar brands this year too through association with widely loved entertainment genres of film and sports. Additionally, a lot more emphasis was placed on activation which helps convert a consumer connect into an emotional bond. Activation programs executed to support the relaunch of Good Day were loved by consumers and went on to win several awards from professional bodies.

Your Company continues to work on breakthrough innovation and some of the qualifying innovations have gone through the test market phase during the year. Upon fine-tuning of product (basis consumer and market feedback), a market introduction will be considered.

Breads continue to strengthen its more profitable Health portfolio through healthier recipes, new packaging and availability in more number of stores. This business maintains a sharp focus on distribution expansion across metro and urban markets in addition to the new age channels like Modern trade, Institutions and E-commerce.

### Dairy

Your Company continues to drive development of a differentiated portfolio and in line with the overarching corporate strategy has been working on further strengthening the organoleptic performance of its products.

While there are multiple players entering this Industry, your Company is also evaluating various options to strengthen its position in this Industry. Your Company is continuously extracting benefits from an integrated sales and distribution system and is also evaluating the viability of fully integrated business model.

In the coming year, your Company will implement various initiatives in all areas of operations to create an efficient and robust supply chain and build cold chain capabilities to enhance sales and service to the trade and final consumers. The business will identify more opportunities to reduce recipe cost and optimize cost structurally across the value chain.

### (C) SEGMENT INFORMATION

The primary business segment of your Company is Foods comprising Bakery and Dairy Products.

### (D) OUTLOOK

Indian economy has been facing headwinds these past couple of years. For the first part of the year your Company had remained less affected by the larger economic slowdown through focused execution. The second half of the year has seen a slight slowdown which is expected to remain for the next

12-18 months. However, Your Company expects industry to bounce back to double digit growth on the back of the socio-economic fundamentals.

Your Company has instituted a sense of thrift through out the organization which will help it perform swim against the present economic tide.

### (E) FINANCIAL AND OPERATIONAL PERFORMANCE

Sale of Products in the domestic market for bakery business and exports from India representing the standalone performance of your Company grew 11.4% from ₹ 7,269.26 Crores in 2014-15 to ₹ 8,097.81 Crores in 2015-16. Net Profit grew 20.4% from ₹ 622.41 Crores in 2014-15 to ₹ 749.09 Crores in 2015-16. The key financials are as under:

Particulars	₹ in Crores	
	2015-16	2014-15
Sales of Products	8,097.81	7,269.26
Total Expenditure	6,904.22	6,522.97
Profit Before Tax	1,131.56	882.61
Tax Expense	382.47	260.20
Net Profit	749.09	622.41

### (F) OPPORTUNITIES AND THREATS

#### Bakery

Rising income and aspiration of consumers is the largest opportunity for your Company.

To exploit this opportunity, your Company is actively seeking technology solutions which help service consumer needs in a differentiated manner while effecting cost savings/efficiencies. Your Company is uniquely positioned to encash on the following opportunities:

- a) Disruptive innovation in Biscuits
- b) Nascent categories of Rusk & Cake
- c) Large & profitable international markets
- d) Growing consumer preference for Healthy Breads
- e) Rural growth in India
- f) Untapped geographies in India

These opportunities are equally visible to the current and future competitors of your Company and that constitutes the primary threat. Intensified

competition due to lower industry growth, challenges in retaining a pool of talented human capital & fast changing regulatory needs are some of the major threats seen by your Company.

A combination of ahead-of-market innovations, consistent quality delivery, supporting the brand aggressively through consistent and competitive investment and continuous enhancement of capability and efficiency of distribution pipeline will help your Company address the threats.

### Dairy

Increasing consumer and industry appetite for value added dairy constitutes the single largest opportunity. Infrastructure improvement including cold chain that aids easier distribution is another opportunity.

Increased competitive activity and good quality milk availability are two of the biggest challenges seen by your Company.

Your Company is working actively to evolve strategies to manage these challenges.

### Adjacencies

The opportunity in adjacencies such as chocolate products, breakfast, salted snacks and other ready-to-eat foods is huge. This is not only borne out by the observed growth rate in India but also by the experience of countries such as Brazil, Malaysia etc., that are one step ahead on the development ladder.

Your Company is evaluating several of these categories carefully and working on business model options before choosing a few for entry.

## (G) RISKS AND CONCERNS

Growth of individual categories is linked to the overall economic growth. Primary risk to the business will be on account of adverse changes to the economy. Volatility in commodity prices is the other significant risk.

## (H) INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company's Internal Control Systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of

assets, maintaining proper accounting records and providing reliable financial information.

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company 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.

An external independent firm carries out the internal audit of the Company operations and reports its findings to the Audit Committee and Risk Management Committee on a regular basis. Internal Risk & Control function also evaluates organisational risk along with controls required for mitigating those risks. Internal Audit provides assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting.

Your Company has a Code of Business Conduct for all employees and a clearly articulated and internalized delegation of financial authority. These authority levels are periodically reviewed by management and modifications, if any, are submitted to the Audit Committee and Risk Management Committee and Board for approval. Your Company also takes prompt action on any violations of the Code of Business Conduct by its employees.

The Audit Committee and Risk Management Committee reviews the effectiveness of the internal control system and also invites senior management personnel to provide updates on operating effectiveness and controls from time to time. A CEO and CFO Certificate confirm the existence and effectiveness of internal controls and reiterate their responsibilities to report deficiencies to the Audit Committee and Risk Management Committee and rectify the same. The Audit Committee and Risk Management Committee also reviews the risk management framework periodically and ensures it is updated and relevant.



During the year under review, the Internal Financial Control (IFC) Audit was carried out by the Statutory Auditors, the Report of which is forming part of this Annual Report.

### **(I) HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Your Company is committed to create an environment of learning and development, promote internal talent and build an appreciating culture. Your Company has created platforms for recognizing and motivating employees for the good work they do in the organization.

Your Company has established listening and feedback systems from employees through usage of employee engagement surveys, 360 degree feedback for leadership team. Such feedbacks help your Company to have a collaborative, open and transparent culture.

During the year under review, your Company has focused on functional training programs such as bakery technology, machine training, Food Safety Regulations, industrial safety, crucial conversations to name a few.

In 2015-16, your Company has continued to maintain amicable Industrial Relation footprint by focusing on increased worker level engagement through formal and informal communication and training forums.

As of 31 March 2016, your Company had 3,027 employees on its rolls.

### **(J) CAUTIONARY STATEMENT**

Statements in this Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, competitive actions, changes in Government regulations, tax regimes, economic developments in India and in countries in which the Company conducts business and other incidental factors.

# Britannia Annual Report 2015-16

## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company considers good Corporate Governance a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders in the Company and firmly believes that the same could be achieved by maintaining transparency in its dealings, creating robust policies and practices for key processes and systems with clear accountability, integrity, transparent governance practices and the highest standards of regulatory compliances.

### 2. BOARD OF DIRECTORS

The Board is headed by a Non-Executive Chairman, Mr. Nusli N Wadia and comprises eminent persons with high credentials of considerable professional experience and expertise in diverse fields who effectively contribute to the Company's business and policy decisions.

As on 31 March 2016, the Board comprised of Thirteen (13) Directors, out of which Eight (8) are Independent Directors, Four (4) are Non-Executive Directors and One (1) is Managing Director.

Category	No of Directors	% to total number of Directors
Executive Director	1	8%
Non-Executive Directors	4	31%
Independent Directors	8	61%

During the year under review, seven (7) Board Meetings were held, the dates of the Meetings being 20 April 2015, 21 May 2015, 4 August 2015, 22 September 2015, 7 November 2015, 9 February 2016 and 28 March 2016. The maximum gap between any two Board Meetings held during the year was not more than one hundred and twenty days.

The details of composition of the Board, Directors' attendance at the Board Meetings and last Annual General Meeting, other Directorships and the Board Committee Memberships as on 31 March 2016 are given hereunder:

Name of the Director / Director Identification Number (DIN)	Category of Directorship	No. of Board Meetings attended	Whether last AGM held on 4 August 2015	No. of other Directorship held #	No. of Chairmanship / Membership in Committees of other Companies ##
Mr. Nusli N Wadia (DIN: 00015731)	Promoter and Non-Executive Chairman	7	Yes	7	Nil
Mr. Varun Berry (DIN: 05208062)	Managing Director	7	Yes	Nil	Nil
Mr. A K Hirjee (DIN: 00044765)	Promoter and Non-Executive	7	Yes	4	Member - 2 Chairman - 4
Mr. Avijit Deb (DIN: 00047233)	Non-Executive and Independent	5	Yes	Nil	Nil
Mr. S S Kelkar (DIN: 00015883)	Non-Executive and Independent	7	Yes	8	Member – 2 Chairman - 2
Mr. Nimesh N Kampani (DIN: 00009071)	Non-Executive and Independent	6	Yes	7	Member - 4
Mr. Jeh N Wadia (DIN: 00088831)	Promoter and Non-Executive	7	Yes	4	Member – 1

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Name of the Director / Director Identification Number (DIN)	Category of Directorship	No. of Board Meetings attended	Whether attended last AGM held on 4 August 2015	No. of other Directorship held #	No. of Chairmanship / Membership in Committees of other Companies ##
Mr. Keki Dadiseth (DIN: 00052165)	Non-Executive and Independent	5	No	9	Member - 4 Chairman - 4
Dr. Ajai Puri (DIN: 02631587)	Non-Executive and Independent	6	Yes	Nil	Nil
Mr. Nasser Munjee (DIN: 00010180 )	Non-Executive and Independent	5	Yes	9	Member - 1 Chairman - 4
Mr. Ness N Wadia (DIN: 00036049)	Promoter and Non-Executive	6	Yes	6	Member – 2
Dr. Vijay L Kelkar* (DIN: 00011991)	Non-Executive and Independent	4	Yes	6	Member - 3 Chairman - 1
Mrs. Ranjana Kumar (DIN: 02930881)	Non-Executive and Independent	5	Yes	4	Member - 1 Chairman - 2

**Note:**

Mr. Nusli N Wadia, Mr. Jeh N Wadia and Mr. Ness N Wadia are relatives in terms of Section 2 (77) of the Companies Act, 2013 read with Companies (Specification of definitions details) Rules, 2014

# Excludes alternate directorship and directorship in Foreign Companies, Private Companies and Companies under Section 8 of the Companies Act, 2013.

## Excludes Committees other than Audit Committee and Stakeholders Relationship Committee of Public Limited Companies.

\* Dr. Vijay L Kelkar ceased to be the Director of the Company w.e.f 31 May 2016.

The Members at the 95<sup>th</sup> Annual General Meeting held on 12 August 2014 approved appointment of all the Independent Directors to hold office for five consecutive years with effect from the date of the Annual General Meeting held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment. The Company issued letter of appointment to all the Independent Directors as per Schedule IV to the Companies Act, 2013 and the terms and conditions of their appointment are disclosed on the website of the Company.

Weblink: [http://britannia.co.in/pdfs/statutory\\_disclosures/Draft%20Letter%20of%20%20Appointment%20-%20Independent%20Directors.pdf](http://britannia.co.in/pdfs/statutory_disclosures/Draft%20Letter%20of%20%20Appointment%20-%20Independent%20Directors.pdf)

### 3. BOARD COMMITTEES

The Board has constituted the following Committees:

**(a) Audit Committee and Risk Management Committee:**

The Board of Directors at their meeting held on 7 November 2015 had re-named and re-constituted Audit Committee as Audit Committee and Risk Management Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'SEBI (LODR) Regulations, 2015')

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The Audit Committee and Risk Management Committee as on 31 March 2016 comprised of following six (6) Non-Executive Directors:

Mr. Nasser Munjee	-	Chairman
Mr. Nimesh N Kampani	-	Member
Mr. Keki Dadiseth	-	Member
Mr. Avijit Deb	-	Member
Mr. A K Hirjee	-	Member
Mr. Ness N Wadia	-	Member

Mr. Nasser Munjee, Chairman of the Committee, Mr. Nimesh N Kampani, Mr. Keki Dadiseth, Mr. Avijit Deb are Independent Directors and Mr. A K Hirjee and Mr. Ness N Wadia are Non-Executive Directors.

All the members of the Committee are financially literate and Mr. Nasser Munjee, Mr. Nimesh N Kampani, Mr. Keki Dadiseth and Mr. A K Hirjee have financial management expertise.

Mr. Rajesh Arora, GM - Legal & Company Secretary is the Secretary to the Committee.

The role of the Audit Committee and Risk Management Committee flows directly from the Board of Director's overview function on corporate governance, which holds the Management accountable to the Board and the Board accountable to the stakeholders. The term of reference of the Committee broadly includes acting as a catalyst in helping the organization achieve its objectives the Committee's primary role is to review the Company's financial statements, internal financial reporting process, internal financial controls, the audit process, adequacy, reliability and effectiveness of the internal control systems and risk management process, vigil mechanism, related party transactions, monitoring process for compliance with laws and regulations and the code of conduct.

During the year under review, the Committee held Seven (7) Meetings, the dates of the meetings being 20 May 2015, 13 July 2015, 4 August 2015, 22 September 2015, 5 November 2015, 5 February 2016 and 28 March 2016. The maximum gap between any two Meetings of Audit Committee and Risk Management Committee held during the year was not more than one hundred and twenty days.

The attendance of the members at the Audit Committee and Risk Management Committee Meetings held during the year under review is as follows:

Name of the Member	Attendance
Mr. Nasser Munjee	7
Mr. Nimesh N Kampani	6
Mr. Keki Dadiseth	5
Mr. Avijit Deb	6
Mr. A K Hirjee	6
Mr. Ness N Wadia	7

At the Annual General Meeting of the Company held on 4 August 2015, Mr. Nasser Munjee, Chairman of the Audit Committee and Risk Management Committee was present.

The Managing Director, Chief Financial Officer, Statutory Auditors, Internal Auditors and other Executives as considered appropriate, also attended the meeting of Audit Committee and Risk Management Committee.

### Internal Audit and Control:

M/s Aneja & Associates, Chartered Accountants have conducted the Internal Audit for the period 1 April 2015 to 30 September 2015. Thereafter, M/s. Ernst and Young LLP, Chartered Accountants, were appointed as the Internal Auditors of the Company in the Board Meeting held on 22 September 2015 for the period from 1 October 2015 to 31 March 2016. The internal audit plan and remuneration are approved by the Audit Committee and Risk Management Committee. The reports and findings of the Internal Auditor and the internal control system are periodically reviewed by the Audit Committee and Risk Management Committee.

### (b) Nomination and Remuneration Committee:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee as on 31 March 2016 comprised of the following Directors:

Mr. Keki Dadiseth	-	Chairman
Mr. Nusli N Wadia	-	Member
Mr. A K Hirjee	-	Member
Mr. Nimesh N Kampani	-	Member
Mr. Nasser Munjee	-	Member
Dr. Ajai Puri	-	Member

Mr. Keki Dadiseth, Chairman of the Committee, Mr. Nasser Munjee, Mr. Nimesh N Kampani, Dr. Ajai Puri are Independent Directors and Mr. Nusli N Wadia and Mr. A.K Hirjee are Non-Executive Directors.

Mr. Rajesh Arora, GM - Legal & Company Secretary is the Secretary to the Committee.

The broad terms of reference of the Nomination and Remuneration Committee includes:

- Setup and composition of the Board, its Committees and the leadership team of the Company comprising Key Managerial Personnel (“KMP” as defined by the Companies Act, 2013) and Executive Team (as defined by the Committee).
- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Evaluation of performance of the Board, its Committees and individual Directors.
- Remuneration for Directors, KMP, Executive Team and other employees.
- Oversight of the familiarisation programme of Directors.
- Oversight of the HR philosophy, HR and People strategy and key HR practices.
- Devising a policy on diversity of Board of Directors.

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During the year under review, the Nomination and Remuneration Committee held three (3) Meetings, the dates of the meetings being 20 April 2015, 21 May 2015 and 28 March 2016.

The attendance of the members at the Nomination and Remuneration Committee Meetings held during the year under review is as follows:

Name of the Member	Attendance
Mr. Keki Dadiseth	2
Mr. Nusli N Wadia	3
Mr. A K Hirjee	3
Mr. Nimesh N Kampani	2
Mr. Nasser Munjee	3
Dr. Ajai Puri	3

### Evaluation of Performance of the Board, its Committees and Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors has carried out an annual evaluation of its own performance and that of its Committees and individual Directors.

The performance of the Board and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members. The Nomination and Remuneration Committee reviewed the performance of the individual Directors.

A separate meeting of Independent Directors was also held to review the performance of the Board, Non-Independent Directors and Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors.

The criteria for performance evaluation of the Board include aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board include aspects like composition of Committees, effectiveness of Committee meetings, Committee dynamics etc., The criteria for performance evaluation of the individual Directors include aspects like contribution to the Board and Committee Meetings, professional conduct, roles and functions etc., In addition, the performance of Chairman is also evaluated on the key aspects of his roles and responsibilities.

### Policy on Board Diversity

The Company has adopted the Policy on Board Diversity as required under Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

The broad objectives of the Policy are:

- Diversity and inclusion initiatives based on sound business principles and objectives;
- To help the Company build a Board that can draw upon a wide range of perspectives, expertise, knowledge and experience;
- To bridge the gap in Board composition for achieving optimum and balanced Board with a wide range of attributes; and
- To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations.

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## Remuneration Policy

The Company has adopted the Remuneration Policy as required under the provisions of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

The broad objectives of the Policy are:

- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board;
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management;
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations; and
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

## Managing Director

Mr. Varun Berry was appointed as Managing Director for a period of five years with effect from 1 April 2014 to 31 March 2019. The said appointment, its terms and conditions including remuneration was approved by the Members of the Company at the 95<sup>th</sup> Annual General Meeting held on 12 August 2014. The terms and conditions of appointment and remuneration payable to Mr. Varun Berry as Managing Director were fixed by the Board of Directors of the Company and to this effect, an agreement was entered between the Managing Director and the Company.

The remuneration to Mr. Varun Berry comprises of basic salary of ₹ 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs Only) per annum effective 1 April 2014 in the range of ₹ 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs Only) per annum to ₹ 2,16,00,000/- (Rupees Two Crores Sixteen Lakhs Only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee and/or the Board of Directors, based on merit and taking into account the Company's performance for the year. Other benefits, perquisites and allowances will be determined by the Board from time to time. Reimbursement of actual medical expenses incurred on self and family (wife and children). Performance Linked Incentive is decided based on performance criteria laid down by the Board. Contribution to Provident Fund, Superannuation Fund and Gratuity Fund as per the Rules of the Company.

The aggregate of the remuneration shall be within the maximum limits as laid down under Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if and to the extent necessary. Notwithstanding anything to the contrary, in the event of there being no profits or inadequate profits, the Company will pay remuneration to Mr. Varun Berry by way of salary and perquisites and allowances as specified above in compliance with abovementioned provisions and with the approval of the Central Government, if and to the extent necessary.

As per the agreement referred to above, either party to the agreement is entitled to terminate the employment by giving not less than six calendar months prior notice in writing to the other party, provided that the Company shall be entitled to terminate the incumbent's employment at any time by payment of six months' basic salary in lieu of such notice.

The details of remuneration paid/payable to Mr. Varun Berry for the financial year 2015-16 are as follows:

Name	Salary / Benefits (₹)	Performance linked incentives (₹)	Total (₹)*	No. of Stock Options on 21 May 2015*
Mr. Varun Berry	3,94,42,990	2,75,00,000	6,69,42,990	75,000

\*Contributions to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis are excluded from above.

# Refer Note i & ii hereinafter.



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### Notes:

- i. Vesting period of Options: A minimum period of 1 year from the date of grant and vesting over 3 years i.e., 1/3 every year. Out of 75,000 options granted, 25,000 options are due for vesting in the current financial year (i.e., 21 May 2016), remaining 25,000 options are due for vesting on 21 May 2017 and 25,000 options are due for vesting on 21 May 2018.
- ii. Exercise period of Options: A maximum period of 3 years from the date of each vesting.
- iii. As on the close of business hours of 31 March 2016, Mr. Varun Berry holds 39,430 shares of the Company.
- iv. Details of the Options granted including Exercise Price etc., are given in Annexure C to the Director's Report.

### Non-Executive Directors

The Non-Executive Directors are paid sitting fees and commission on the net profits of the Company. The Board collectively decides the aggregate amount of commission for each year and the amount of commission payable to individual Non-Executive Directors is determined based on their attendance and contribution at the meetings of the Board of Directors and its Committees. The Members of the Company have approved the payment of commission to Non-Executive Directors at the 95<sup>th</sup> Annual General Meeting held on 12 August 2014.

Details of remuneration to Non-Executive Directors for the financial year 2015-16 are given below:

Name	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Nusli N Wadia	2,60,000	4,66,66,900	4,69,26,900
Mr. A K Hirjee	4,40,000	27,56,200	31,96,200
Mr. Avijit Deb	2,40,000	15,75,000	18,15,000
Mr. S S Kelkar	3,00,000	18,37,000	21,37,000
Mr. Nimesh N Kampani	3,40,000	21,00,000	24,40,000
Mr. Jeh N Wadia	1,80,000	10,50,000	12,30,000
Mr. Keki Dadiseth	3,20,000	21,65,600	24,85,600
Dr. Ajai Puri	2,60,000	40,00,000	42,60,000
Mr. Nasser Munjee	3,20,000	28,00,000	31,20,000
Mr. Ness N Wadia	4,00,000	38,06,200	42,06,200
Dr. Vijay L Kelkar	1,00,000	6,56,200	7,56,200
Mrs. Ranjana Kumar	1,60,000	10,50,000	12,10,000

The commission amount as mentioned above will be paid subject to deduction of tax, after the adoption of financial statements for the financial year ended 31 March 2016 by the Members of the Company at the 97<sup>th</sup> Annual General Meeting to be held on 8 August 2016. During the financial year 2015-16, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company.

None of the Non-Executive Directors other than Mr. Nusli N Wadia, Non-Executive Chairman and Mr. Ness N Wadia, Non-Executive Director holds any shares of the Company. Mr. Nusli N Wadia holds 2,250 equity shares of ₹ 2/- each and Mr. Ness N Wadia holds 4,551 equity shares of ₹ 2/- each.

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### (c) Stakeholders' Relationship Committee:

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 read with Part D of Schedule II of SEBI (LODR) Regulations, 2015.

The Stakeholders' Relationship Committee as on 31 March 2016 comprised of the following Directors:

Mr. A K Hirjee	-	Chairman
Mr. S S Kelkar	-	Member
Mr. Nimesh N Kampani	-	Member
Mr. Jeh N Wadia	-	Member
Mr. Varun Berry	-	Member

Mr. Varun Berry is the Managing Director. Mr. S S Kelkar and Mr. Nimesh N Kampani are Independent Directors and Mr. A K Hirjee and Mr. Jeh N Wadia are Non-Executive Directors.

The broad terms of reference of the Stakeholders' Relationship Committee includes:

- approve and monitor transfer, transmission, split, consolidation and dematerialization, rematerialisation of shares and/or securities and issue of duplicate share and/or security certificates by the Company over and above the delegated power;
- looks into various issues relating to shareholders and/or security holders, including redressal of complaints relating to transfer of shares and/or security, non-receipt of annual reports, dividends declared etc; and
- carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted by the Company in terms of provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Board of Directors of the Company at their Meeting held on 10 November 2010 had delegated the powers to approve transfer and transmission of securities, issuance of duplicate certificates of securities etc. subject to certain guidelines and limits laid down and as modified by the Board at its meeting held on 6 August 2011 and 14 November 2014, to any two among Managing Director and/or Chief Financial Officer and/or Company Secretary and/or Assistant Company Secretary.

During the year under review, two meetings of Stakeholders Relationship Committee were held on 21 May 2015 and 28 March 2016.

The attendance of the members at the Stakeholders' Relationship Committee Meetings held during the year under review is as follows:

Name of the Member	Attendance
Mr. A K Hirjee	2
Mr. S S Kelkar	2
Mr. Nimesh N Kampani	2
Mr. Jeh N Wadia	2
Mr. Varun Berry	2

Mr. Rajesh Arora, GM - Legal & Company Secretary is the Compliance Officer of the Company.

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Complaints received and resolved during the year:

No. of shareholders' complaints received during the year	14
No. of complaints disposed off during the year	14
No. of complaints not resolved to the satisfaction of shareholders	Nil
No. of pending complaints	Nil

The Company has generally attended to the investors' grievances / correspondence except in cases that are constrained by disputes or legal impediments. There are some pending cases relating to disputes over title to shares, in which the Company is made a party. However, these cases are not material in nature.

Shareholders' requests for transfer / transmission of equity shares were effected within 15 days from the date of receipt. There were no valid transfers pending for registration as of 31 March 2016.

The Company obtains half-yearly certificate from a Company Secretary in Practice confirming the issue of certificates for transfer, sub-division, consolidation etc., and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of SEBI (LODR) Regulations, 2015. Further, the Compliance Certificate under Regulation 7(3) of the SEBI (LODR) Regulations, 2015 confirming that all activities in relation to both physical and electronic share transfer facility are maintained by Registrar and Share Transfer Agent registered with the Board is also submitted to the Stock Exchanges on a half yearly basis.

**(d) Finance Committee:**

The Finance Committee as on 31 March 2016 comprised of the following Directors, all being Non-Executive Directors:

Mr. A K Hirjee	-	Chairman
Mr. S S Kelkar	-	Member
Mr. Ness N Wadia	-	Member

The brief terms of reference of this Committee are to approve investments / divestments of the funds of the Company within the limits prescribed by the Board from time to time. During the year under review, four (4) Meetings of the Committee were held, the dates of meetings being 20 May 2015, 4 August 2015, 28 August 2015 and 5 February 2016. The attendance of the members at the Finance Committee Meetings held during the year under review is as follows:

Name of the Member	Attendance
Mr. A K Hirjee	4
Mr. S S Kelkar	4
Mr. Ness N Wadia	3

**(e) Strategy & Innovation Steering Committee:**

The Strategy & Innovation Steering Committee as on 31 March 2016 comprised of the following Directors:

Mr. Nusli N Wadia	-	Chairman
Mr. Keki Dadiseth	-	Member
Dr. Ajai Puri	-	Member
Mr. Ness Wadia	-	Member
Mr. Varun Berry	-	Member
Mrs. Ranjana Kumar	-	Member

## Britannia Annual Report 2015-16

The broad terms of reference of the Committee are to address all matters relating to the Company's products and technical development activities.

During the year under review, three (3) Strategy & Innovation Steering Committee Meetings were held on 21 May 2015, 7 November 2015 and 9 February 2016 and the attendance of the members is as follows:

Name of the Member	Attendance
Mr. Nusli N Wadia	3
Mr. Keki Dadiseth	2
Dr. Ajai Puri	3
Mr. Ness N Wadia	3
Mr. Varun Berry	3
Mrs. Ranjana Kumar	2

Further, the matters relating to the Company's products and technical development activities were also taken up and reviewed in separate forums and also at the Board Meetings held from time to time.

**(f) Corporate Social Responsibility (CSR) Committee:**

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 135 of the Companies Act, 2013.

The CSR Committee as on 31 March 2016 comprised of following Directors:

Mr. Ness N Wadia	-	Chairman*
Mr. Keki Dadiseth	-	Member
Mr. S S Kelkar	-	Member
Dr. Ajai Puri	-	Member

\*The Board of Directors at their meeting held on 7 November 2015 appointed Mr. Ness N Wadia as Chairman of the Committee.

The broad terms of reference of the CSR Committee includes:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the activities referred in Clause above; and
- Monitor the CSR Policy of the Company from time to time.

During the year under review, the CSR Committee met once on 22 September 2015 and all the members attended the Meeting except Dr. Ajai Puri.

**(g) Independent Directors Meeting:**

During the year under review, separate Meeting of the Independent Directors was held on 28 March 2016, without the attendance of Non-Independent Directors and members of the Management, inter alia, to evaluate:

- Performance of Non-Independent Directors and the Board as a whole;
- Performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- The quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors attended the Meeting.

## Britannia Annual Report 2015-16

### (h) Familiarization Programme:

The Company at its various meetings held during the financial year 2015-16 had familiarized the Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. The Independent Directors have been provided with necessary documents, reports and internal policies to familiarise them with the Company's policies, procedures and practices.

Periodic presentations are made at the Board and Committee Meetings on business and performance updates of the Company, business strategy and risks involved.

Quarterly updates on relevant statutory changes, judicial pronouncements and important amendments are provided to the Directors. The details of such Familiarization Programmes for Independent Directors are disclosed on the website of the Company.

Weblink: [http://britannia.co.in/pdfs/statutory\\_disclosures/Familiarisation%20Programme.pdf](http://britannia.co.in/pdfs/statutory_disclosures/Familiarisation%20Programme.pdf)

### 4. GENERAL BODY MEETINGS

#### (a) Location and time where the last three Annual General Meetings were held and the Special Resolutions passed thereat:

Date	Location	Time	Special Resolutions Passed
4 August 2015	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098.	11.00 A.M	Nil
12 August 2014	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098.	11.00 A.M	- Special Resolution under Section 197 of the Companies Act, 2013 for payment of remuneration to Non-Executive Directors of the Company (i.e. Directors other than the Managing Director and / or the Wholetime Directors). - Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing upto ₹ 2,000 Crores - Special Resolution under Section 180(1) (a) of the Companies Act, 2013 for creating charges, mortgages and hypothecations in connection with the borrowing upto ₹ 2,000 Crores.
12 August 2013	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098.	11.00 A.M	Nil

(b) Whether any Special Resolutions were passed last year through postal ballot: No.

(c) Whether any Special Resolution is proposed to be passed through postal ballot this year: Currently, there is no proposal to pass any Special resolution through Postal Ballot. Special resolutions by way of Postal Ballot, if required to be passed in the future, will be decided at the relevant time.

### 5. DISCLOSURES

(a) Disclosures of materially significant related party transactions, i.e., transactions of the Company of material nature, with its Promoters, the Directors or the Management, their Subsidiaries or relatives etc., that may have potential conflict with the interests of the Company at large:

## Britannia Annual Report 2015-16

The Company has formulated a policy on dealing with Related Party Transactions. The policy is disclosed on the website of the Company. weblink: [http://britannia.co.in/pdfs/statutory\\_disclosures/Britannia%20Industries%20Limited-Policy%20On%20Related%20Party%20Transactions.pdf](http://britannia.co.in/pdfs/statutory_disclosures/Britannia%20Industries%20Limited-Policy%20On%20Related%20Party%20Transactions.pdf) All transactions entered into with Related Parties as prescribed under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. However, in compliance with the requirements of Clause 49 of the erstwhile Listing Agreement and Regulation 23 (2) of SEBI (LODR) Regulations, 2015, prior approval of the Audit Committee and Risk Management Committee was sought for entering into the Related Party Transactions.

Further, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given are also placed before the Committee for its review on quarterly basis. During the year under review, there were no material related party transactions in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015.

- (b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three years: **None.**

- (c) Whistle Blower Policy:

The Board has adopted a Whistle Blower Policy to maintain highest standards of professionalism, honesty, integrity, ethical behaviour and to provide a vigil mechanism for Directors/Employees to voice concern in a responsible and effective manner regarding unethical matters involving serious malpractice, abuse or wrongdoing within the organisation. It also provides for adequate safeguards against victimization of Directors/Employees who avail of the mechanism. The Company affirms that during the year no personnel have been denied access to the Audit Committee and Risk Management Committee.

The Whistle Blower Policy is available on the website of the Company. weblink: [http://britannia.co.in/pdfs/statutory\\_disclosures/WHISTLE%20BLOWER%20POLICY.pdf](http://britannia.co.in/pdfs/statutory_disclosures/WHISTLE%20BLOWER%20POLICY.pdf)

- (d) Risk Management:

A detailed review of business risks and the Company's plan to mitigate them is presented to the Audit Committee and Risk Management Committee and Board. The Company has been taking steps to mitigate foreseeable business risks. Business risk evaluation and management is an ongoing and continuous process within the Company and is regularly updated to the Audit Committee and Risk Management Committee and Board.

- (e) Code of Conduct: The Company has laid down a Code of Conduct for the members of the Board as well as for all employees of the Company. The Code has also been posted on the Company's website - [www.britannia.co.in](http://www.britannia.co.in). The Managing Director has confirmed and declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

- (f) Public, Rights and Other Issues: **None.**

- (g) The Financial Statements for the financial year 2015-16 have been prepared in accordance with the applicable accounting principles in India, the mandatory Accounting Standards ('AS') as prescribed under Section 133 and other applicable provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the guidelines issued by the Securities and Exchange Board of India ('SEBI') and the Companies Act, 1956 to the extent relevant.

- (h) CEO/ CFO Certification:

Mr. Varun Berry, Managing Director and Mr. Amlan Datta Majumdar, Chief Financial Officer have provided Compliance Certificate to the Board in accordance with Regulation 17(8) read with Part B of Schedule II of the SEBI (LODR) Regulations, 2015 for the financial year ended 31 March 2016.

- (i) Management Discussion and Analysis Report: This forms part of the Directors' Report.

## Britannia Annual Report 2015-16

(j) Compliance Reports:

The Board has noted and reviewed the compliance reports from all functions pertaining to the respective laws applicable to them, which were placed before the Board at its meetings every quarter during the year under review.

### 6. MEANS OF COMMUNICATION

#### Quarterly, Half-Yearly and Annual Results:

The Company has been sending Annual Reports, notices and other communications to the Shareholders through e-mail, post or courier.

Quarterly, half-yearly and yearly financial results of the Company as per the statutory requirement under Regulation 33 & 47 of the SEBI (LODR) Regulations, 2015 are published within the stipulated time as per the regulations in leading newspapers i.e. Financial Express (all editions) and Sangbad Pratidin (Kolkata edition). The financial results are also filed electronically with National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) and posted on the Company's website - [www.britannia.co.in](http://www.britannia.co.in).

The presentations made to analysts and others are also posted on the Company's website. The Shareholding Pattern and Compliance Report on Corporate Governance as per SEBI (LODR) Regulations, 2015 are filed electronically with NSE & BSE and investor complaints are redressed through SEBI Complaints Redress System (SCORES).

The quarterly and half-yearly reports are not separately sent to each Shareholder. However, the Company provides the same to individual Shareholders, if requested.

Two presentations were made to the institutional investors and to the analysts during the financial year 2015-16 which are available on the website of the Company - [www.britannia.co.in](http://www.britannia.co.in).

### 7. GENERAL SHAREHOLDER INFORMATION

(i) Annual General Meeting - Date, time and venue:

Monday, 8 August 2016 – 11 A.M. at Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098.

(ii) Financial calendar (tentative):

Period	Approval of Quarterly Results
For the first quarter ending 30 June 2016	1 week of August 2016
For the second quarter and half year ending 30 September 2016	1 week of November 2016
For the third quarter ending 31 December 2016	2 week of February 2017
For the year ending 31 March 2017	Last week of May 2017

(iii) Book closure period Tuesday, 2 August 2016 to Monday, 8 August 2016 (both days inclusive).

(iv) Dividend Payment date on or before 20 August 2016.

(v) Listing on Stock Exchanges: The Company's equity shares are listed on:

- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023.
- National Stock Exchange of India Limited (NSE), Exchange Plaza, 5<sup>th</sup> Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051.

The annual listing fees for equity shares has been paid to the aforesaid Stock Exchanges for the financial year 2016-17.

## Britannia Annual Report 2015-16

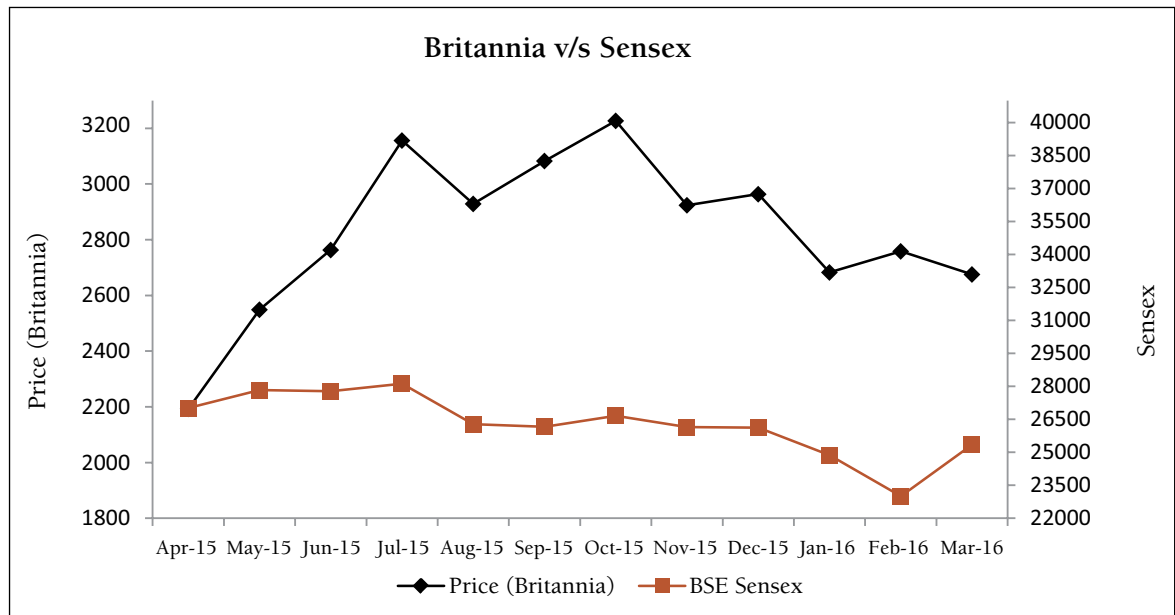
(vi) Stock Code:

<b>Stock Exchange</b>	<b>Code</b>
BSE Limited (BSE)	500825
National Stock Exchange of India Limited (NSE)	BRITANNIA

(vii) Stock Price Data:

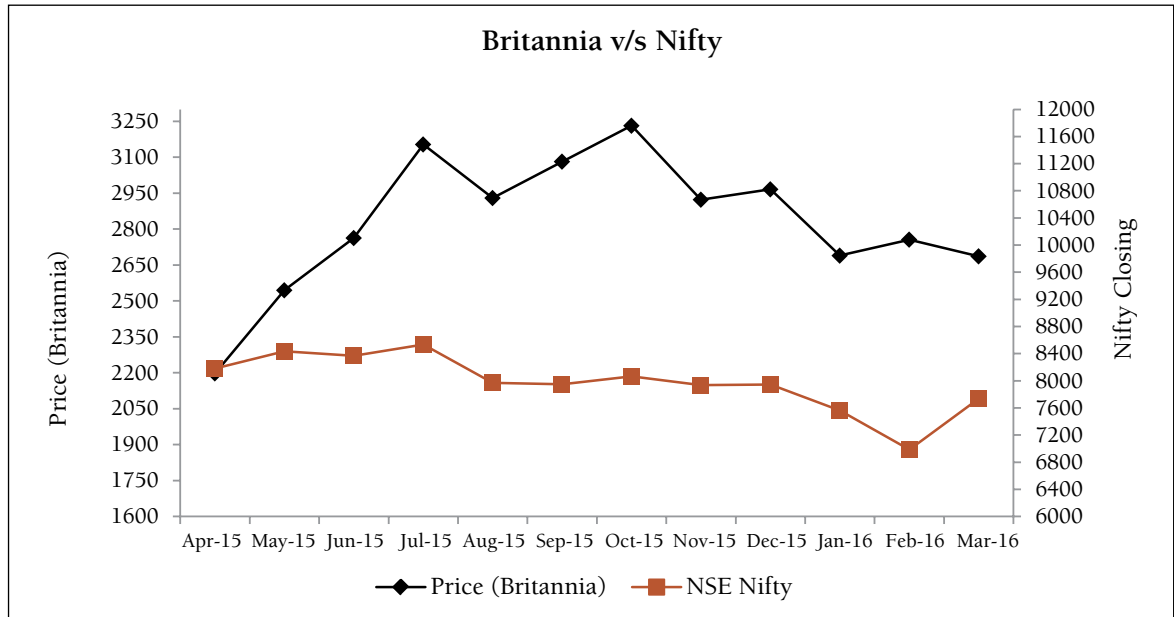
Year/ Month	BSE		BSE (Sensex) (Monthly Closing)	NSE		NSE (Nifty) (Monthly Closing)
	(in ₹)			(in ₹)		
	High	Low		High	Low	
<b>2015</b>						
April	2377.00	2009.00	27011.31	2377.80	2006.50	8181.50
May	2685.00	2195.00	27828.44	2686.00	2190.65	8433.65
June	2809.00	2421.00	27780.83	2810.00	2424.00	8368.50
July	3250.00	2720.00	28114.56	3245.50	2720.00	8532.85
August	3435.00	2788.80	26283.09	3434.20	2790.00	7971.30
September	3147.00	2770.85	26154.83	3145.00	2765.00	7948.90
October	3333.00	3085.55	26656.83	3326.45	3083.50	8065.80
November	3237.00	2824.50	26145.67	3239.00	2829.00	7935.25
December	3012.75	2723.00	26117.54	3013.00	2721.05	7946.35
<b>2016</b>						
January	3012.00	2587.95	24870.69	3006.00	2588.75	7563.55
February	2952.00	2506.65	23002.00	2953.35	2505.05	6987.05
March	2912.50	2523.15	25341.86	2914.50	2519.05	7738.40

(viii) Stock Performance (Comparison of closing price / index value on the respective dates):





## Britannia Annual Report 2015-16



- (ix) In terms of Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001, during the financial year ended 31 March 2016, the Company has credited an aggregate amount of ₹ 16,33,788.00/- to the Investor Education and Protection Fund (IEPF).

As at 31 March 2016, the Company's unpaid / unclaimed dividend / interest / debenture redemption proceeds account had a balance of ₹ 4,56,29,726.07/- in various dividend / interest / debenture redemption proceeds accounts. The Company sends out reminders to those Shareholders who have not claimed the dividends for earlier years to claim the same from the Company failing which the Company would be required to transfer the same to IEPF after seven years.

- (x) **Registrar and Transfer Agent:**

During the year, based on certain queries received from the Securities and Exchange Board of India (SEBI), the Company had discovered certain irregularities at M/s. Sharepro Services (India) Pvt. Ltd, Company's erstwhile Registrar and Transfer Agent (hereinafter referred to as 'Sharepro') with respect to the share related operations and dividend encashment activities. After conducting preliminary internal investigations, the Company has filed a complaint with the Economic Offence Wing of the Mumbai Police against Sharepro and its employees for further investigation which has been converted into a FIR on 1 April 2016. After following the due process, Company has eventually terminated the arrangement with Sharepro and appointed M/s. Karvy Computershare Private Limited (hereinafter referred to as 'Karvy') as its Registrar and Transfer Agent effective 1 April 2016.

Further, in compliance with the SEBI Order dated 22 March 2016, the Company has appointed M/s. Parikh & Associates, Practising Company Secretaries to conduct the audit of share transfers and dividend payouts for the last ten years and the same is in progress.

## Britannia Annual Report 2015-16

Karvy handles the entire share registry work, both Physical and Electronic. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the Registrar and Transfer Agents at the address mentioned below:

### Karvy Computershare Private Limited

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032  
Ph: 040 – 6716 2222; Fax No. 040 – 2342 0814; Email: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

Requests for dematerialization / re-materialisation of shares were processed and confirmation was given to the depositories i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), as the case may be, within 15 days of receipt.

(xi) Distribution of shares according to Size, Class and Categories of Shareholding as on 31 March 2016:

Group of Shares	No. of Shareholders	Percentage to Total Shareholders	No. of Shares held	Percentage to Total Shares
1 to 500	69,748	89.56	38,80,953	3.23
501 to 1000	4,009	5.16	26,77,843	2.23
1001 to 2000	2,274	2.92	30,60,706	2.55
2001 to 3000	602	0.77	14,56,407	1.22
3001 to 4000	219	0.28	7,67,627	0.64
4001 to 5000	154	0.19	7,07,089	0.59
5001 to 10000	344	0.44	25,10,195	2.09
10001 and above	532	0.68	10,49,14,995	87.45
<b>Total</b>	<b>77,882</b>	<b>100.00</b>	<b>11,99,75,815</b>	<b>100.00</b>

(xii) Shareholding Pattern as on 31 March 2016:

Category of Shareholder	No. of Shareholders	Total No. of Shares held	Percentage of Shareholding
Promoters*	8	6,08,72,896	50.74
Mutual Funds	167	73,91,823	6.16
Banks and Financial Institutions	44	40,29,738	3.36
Foreign Institutional Investors	308	2,15,51,967	17.96
Bodies Corporate and Trusts	1,622	48,35,363	4.03
Director and Relatives	1	39,430	0.04
Foreign Nationals and NRIs	2,032	6,62,449	0.55
Indian Public	73,700	2,05,92,149	17.16
<b>Total</b>	<b>77,882</b>	<b>11,99,75,815</b>	<b>100.00</b>

\* Includes 2,250 equity shares of ₹ 2/- each held by Mr. Nusli N Wadia and 4,551 equity shares of ₹ 2/- each held by Mr. Ness N Wadia, Promoter Directors.

(xiii) Dematerialisation of Shares:

The Company's shares are available for dematerialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31 March 2016, 11,59,84,983 equity shares representing 96.67% of the total paid up share capital were held in dematerialised form with NSDL and CDSL.



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(xix) Audit of Reconciliation of Share Capital:

As stipulated by SEBI, a Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. This audit is carried out every quarter and the report there on is submitted to the Stock Exchanges and is placed before the Board of Directors of the Company. The audit, inter alia, confirms that the total issued and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form held with NSDL and CDSL and total number of shares in physical form.

(xx) Corporate Identity Number (CIN):

CIN of the Company as allotted by the Ministry of Corporate Affairs, Government of India is L15412WB1918PLC002964.

(xxi) Information flow to the Board Members:

Information is provided to the Board members on a continuous basis for their information, review, inputs and approval from time to time. More specifically, the Management presents our annual Strategic Plan and Operating Plans of our businesses to the Board for their review, inputs and approval. Likewise, the quarterly financial statements and annual financial statements are first presented to the Audit Committee and Risk Management Committee for its review, approval and subsequent recommendation to the Board of Directors for their approval. In addition, important managerial decisions, material positive / negative developments and statutory matters are presented to the Board and Committees of the Board for their approval. All the relevant information to Directors is submitted along with the agenda papers well in advance of the Board and Committee Meetings.

(xxii) Code of Conduct for Prevention of Insider Trading

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has a comprehensive Code of Conduct for Prohibition of Insider Trading and procedures for fair disclosure of Unpublished Price Sensitive Information.

(xxiii) Compliance with mandatory requirements

The Company has complied with all the mandatory requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.

(xxiv) Adoption, Compliance and Non-adoption of Non-mandatory requirements:

(a) The Board:

The Company defrays expenses of the Non-Executive Chairman's office incurred in the performance of his duties.

(b) Shareholder Rights – furnishing of half-yearly results:

The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website - [www.britannia.co.in](http://www.britannia.co.in). Therefore, no individual communication is sent to Shareholders on the quarterly and half-yearly financial results. However, the Company furnishes the quarterly and half-yearly results on receipt of a request from the Shareholders.

(c) Audit Qualifications:

There are no qualifications in the Independent Auditor's Report on the financial statements for the financial year 2015-16.

(d) Separate posts of Chairman and CEO:

The Company has separate posts of Chairman and Managing Director.

(e) Reporting of Internal Auditors:

The Internal Auditors report directly to the Audit Committee and Risk Management Committee.

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**DECLARATION**

In compliance with the requirements of the Regulation 26(3) of Listing Regulations, 2015 this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2016.

for Britannia Industries Limited

Place : Mumbai  
Date : 20 May 2016

**Varun Berry**  
Managing Director

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**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To the Members of Britannia Industries Limited**

We have examined the compliance of conditions of Corporate Governance by Britannia Industries Limited ('the Company'), for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1 April 2015 to 30 November 2015 and as per regulations 17-27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1 December 2015 to 31 March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify

that the Company has complied with the conditions of Corporate Governance as specified in clause 49 of the Listing Agreement or regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

This Certificate is issued solely for the purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose

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

Place: Bangalore  
Date : 20 May 2016

**Supreet Sachdev**  
*Partner*  
Membership number: 205385

# Britannia Annual Report 2015-16

## BUSINESS RESPONSIBILITY REPORT

### ABOUT BRITANNIA

Britannia Industries Limited is one of India's leading food companies with ~ ₹ 8500 Crores in revenues, delivering products through 4 million retail outlets to more than half the Indian population. From its humble beginning in small house in Central Calcutta 123 years ago, Britannia has been serving the consumers with a range of fresh, nutritious and flavour-rich products.

Britannia manufactures India's favourite food brands like Good Day, Tiger, NutriChoice, Milk Bikis and Marie Gold with which many generations of Indians have grown up.

Britannia takes pride in having stayed true to its credo, 'Eat Healthy, Think Better'. Britannia's core emphasis across portfolios is on healthy, fresh and delicious food and it is the First Zero Trans-fat Company in India. 50% of its product portfolio is enriched with micro-nutrients.

Britannia believes that 'Taste & Trust' are its sobriquet and will constantly endeavor to make billion Indians reach out for delightful and healthy Britannia products several times a day.

### ABOUT THIS REPORT

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the Directors present the "Business Responsibility Report" (BRR) of the Company for the financial year 2015-16 forming part of the Annual Report.

The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles.

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L15412WB1918PLC002964
2. Name of the Company: Britannia Industries Limited
3. Registered Office Address: 5/1A, Hungerford Street, Kolkata, West Bengal-700017
4. Website : [www.britannia.co.in](http://www.britannia.co.in)
5. E-mail Id : [investorrelations@britindia.com](mailto:investorrelations@britindia.com)
6. Financial Year reported : 2015-16
7. Sector(s) that the Company is engaged : Food Products.
8. List three key products/services that the Company manufactures/provides (as in balance sheet):  
Biscuits, Cake & Rusk.
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations (Provide details of major 5) : The products of the Company are exported across the world viz., Gulf Cooperation Council Countries (GCC), African Countries, American Countries etc.,
  - (b) Number of National Locations : The Business of the Company is spread across the Country. Details of Plant Locations of the Company are provided under the head 'General Shareholders Information' in the Corporate Governance Report.
10. Markets served by the Company: Britannia products have a National presence and are also exported to other countries.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)

1. Paid up Capital (INR) : ₹ 24.00 Crores
2. Total Turnover (INR) : ₹ 7,868.89 Crores (net of excise duty)
3. Total Profit After Taxes (INR) : ₹ 749.09 Crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2%(₹ 10.46 Crores).

## Britannia Annual Report 2015-16

5. List of activities in which expenditure in 4 above has been incurred:
- Preservation of heritage building of Bai Jerbai Wadia Hospital for Children (BJWHC)
  - Promoting health care, growth and development of children from lower socio-economic section of the society through Britannia Nutrition Foundation (BNF).

### SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**  
Yes. The List of subsidiaries is given in Annexure – F - MGT-9 - Extract of Annual Return forming part of the Director's Report.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s) :**  
The subsidiary companies operate in different geographies and conduct their own BR initiatives as appropriate.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] :**

Britannia actively engages with its stakeholders through its various BR initiatives.

### SECTION D: BR INFORMATION

- Details of Director/Directors responsible for BR.**

- Details of the Director responsible for implementation of the BR policy/policies:

Sr. No.	Particulars	Details
1	DIN Number	05208062
2	Name	Varun Berry
3	Designation	Managing Director

- Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	Amlan Datta Majumdar
3	Designation	Chief Financial Officer
4	Telephone number	080- 39400080
5	E-mail Id	<a href="mailto:investorrelations@britindia.com">investorrelations@britindia.com</a>

- Principle-wise (as per NVGs) BR Policy/Policies**

- Details of compliance (Reply in Y/N)

Sr. No.	Questions	Principles (as defined under Section E)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for the Principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies conform to the National and International standards like ISO 22K, ISO 14001, OHSAS 18001 etc.,								
4	Has the policy been approved by the Board? if yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 are approved by the Board and other policies are approved by the Managing Director or Functional Heads of the Company as appropriate.								

## Britannia Annual Report 2015-16

5	Does the Company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	The Company has Ethics Committee, CSR Committee, Audit Committee and Risk Management Committee, Internal Complaints Committee and also adequate internal control systems to oversee the implementation of policies.
6	Indicate the link for the policy to be viewed online?	The links to view the policies online are given herein below*.
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate.
8	Does the Company have in-house structure to implement the policy / policies.	Yes
9	Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Yes, wherever appropriate.
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.

**\*Links to Company's Policies:**

- Code of Business Conduct for employees - [http://britannia.co.in/pdfs/Code\\_of\\_conduct/COBCforEmployeesFINAL.pdf](http://britannia.co.in/pdfs/Code_of_conduct/COBCforEmployeesFINAL.pdf)
- CSR Policy - [http://britannia.co.in/pdfs/statutory\\_disclosures/Britannia%20Industries%20Limited-%20CSR%20Policy.pdf](http://britannia.co.in/pdfs/statutory_disclosures/Britannia%20Industries%20Limited-%20CSR%20Policy.pdf)
- Whistle Blower Policy - [http://britannia.co.in/pdfs/statutory\\_disclosures/WHISTLE%20BLOWER%20POLICY.pdf](http://britannia.co.in/pdfs/statutory_disclosures/WHISTLE%20BLOWER%20POLICY.pdf)

- (b) If answer to the question at serial number 1 against any principle is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

**3. Governance related to BR**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year :

At Britannia, the BR performance of the Company under various principles is assessed periodically at various Board and Committee meetings.



- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report being published by the Company for FY 2015-16. The same will be disclosed on the website of the Company [www.britannia.co.in](http://www.britannia.co.in).

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The reputation that Britannia has built over the years for high ethical standards is one of its greatest business assets. Britannia firmly believes that good Corporate Governance is a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders. The Company follows the principles of Ethics, Transparency and Accountability and has proud legacy of more than 95 years of doing business in the country.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Britannia's Code of Business Conduct outlines the principles, policies and laws that govern the activities of the Company and to which employees of Britannia and others who work with, or represent Britannia directly or indirectly, must adhere to. The Code is circulated to all employees and directors and other associated with the business of the Company and offers guidance for professional conduct.

Further, the Company has adopted the Whistle Blower Policy to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee and Risk Management Committee of the Company for reporting genuine concerns. The Code of Business Conduct and Whistle Blower Policy provide a platform for reporting unethical behaviour, fraud and actual or potential violation of the Code.

The Company has also in place Anti-Sexual Harassment Policy to maintain a work environment free from any form of discrimination or conduct which can be considered as harassing, coercive or disruptive.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year, a total of 7 complaints and issues from employees/other stakeholders were reported under Code of Business Conduct and the same were investigated and resolved in accordance with the COBC procedures.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Britannia believes in creating products which are safe for its consumers and achieving growth in a responsible manner. Environment, health and safety continues to be key focus area and the Company strives to reduce its environmental impact through various initiatives in the field of Energy Efficiency and Conservation.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities:

As an environmentally conscious Company, we continue to innovate and use efficient technologies to bring down our strain on ecology, for example- all of our products laminates have got "Keep your city clean" symbol on the pack.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

Details of conservation of energy are given in Annexure-B of the Directors Report.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

The Company endeavours to embed sustainability throughout its supply chain system.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company sources most of the raw materials from areas near by factories and work with vendors extensively to improve capacities and capabilities which results in high standards of food safety.

5. Does the Company have a mechanism to recycle products and waste? If, yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company while pursuing energy efficiency programs in the factories also takes initiatives for recycling of wastes generated during production. 5-10% of the flue gases generated in the ovens are recycled to recover heat and also water from the effluent treatment plants is recycled within the factories to maintain greenbelts / gardens/ landscapes.

### **Principle 3: Businesses should promote the wellbeing of all employees**

Britannia firmly believes that the knowledge, expertise and passion of its employees drive the growth of the Company. It provides the work environment that promotes well-being of its employees while giving them various opportunities to grow. It has adopted various policies, procedures and manuals for the protection and welfare of the employees.

Britannia provides a work environment that is free from any discrimination or harassment, promotes health and safety and prohibits using, selling or distributing controlled substances.

Britannia acknowledges that the employees are its greatest assets and is consistently taking various initiatives, adopting various policies, conducting training programmes etc., to enable the employees to feel good, live healthy and work safely.

1. Total number of employees : 3027
2. Total number of employees hired on temporary/contractual/casual basis : ~ 5500
3. Number of permanent women employees : 164
4. Number of permanent employees with disabilities : Nil
5. Do you have an employee association that is recognized by management : Yes
6. What percentage of your permanent employees is members of this recognized employee association: ~ 20%
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: Nil
8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
  - (a) Permanent Employees : > 85%
  - (b) Permanent Women Employees : 100%
  - (c) Casual/Temporary/Contractual Employees : 100%
  - (d) Employees with Disabilities : NA

### **Principle 4: Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

Britannia aims to meet the expectations of its stakeholders that include shareholders, consumers, farmers, suppliers, media and the government. Britannia understands the needs of its stakeholders and develops action plans to fulfill them while achieving its business goals.

Britannia has in place investor redressal system, consumer call centres and various other committees to protect the interest of all the stakeholders. It discloses all the relevant information about its products, business, financial performance, press releases and other statutory information on the website of the Company to ensure effective stakeholders engagement.

1. Has the Company mapped its internal and external stakeholders?

Britannia has mapped its internal and external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.**

Britannia identifies communities (with a focus on women and children from these communities) around our manufacturing facilities. The Company is committed towards proactively engaging with all the employees, business associates, customers and communities who may be disadvantaged, vulnerable or marginalized.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders.**

Britannia thinks beyond business and undertakes various initiatives to improve the lives of the lower socio-economic sections of the society. During the financial year 2015-16, it has contributed as part of its CSR initiatives to Bai Jerbai Wadia Hospital for Children (BJWHC), Mumbai and Britannia Nutrition Foundation (BNF) to improve the health, growth and development of children from lower section of the society. The details of the activities are given in Annexure- A - CSR Report forming part of the Director's Report.

### **Principle 5: Businesses should respect and promote human rights**

Britannia firmly believes in upholding and promoting human rights. Human Rights are protected under Code of Business Conduct, Whistle Blower Policy, Anti - Sexual Harassment Policy, Labour Welfare Policies and Employee Welfare Policies.

Grievance Redressal Systems are put in place like Internal Complaints Committee, Ethics Committee etc which resolves the issues reported in an expeditious manner.

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Code of Business Conduct extends not only to employees of Britannia and others who work with, or represent Britannia directly or indirectly. Britannia's Anti-Sexual Harassment Policy is applicable to all the employees including contractual and also covers trainees, consultants, contractors and vendors.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

During the financial year 2015-16, the Company did not receive any complaint with regard to violation of human rights.

### **Principle 6: Business should respect, protect and make efforts to restore the environment**

Britannia understands its responsibility towards environment and has taken various initiatives to reduce its environmental impact. Energy conservation and use of clean fuels continue to be a priority area of the Company. A focused energy program has been established with a view to carry out specific initiatives in the field of Energy Efficiency and Conservation.

During the financial year 2015-16, the Company has taken various initiatives for conservation of energy and reducing its environmental impact as given below:

- Improved insulation has helped in reducing the heat requirement of ovens for baking.
  - Fuel combustion efficiency improved by installing higher efficiency and right sized burners in baking ovens.
  - Custom designed air pre-heaters installed for recovering waste heat of flue gases in baking ovens.
  - Variable frequency drives installed in baking to reduce the power consumption.
1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others.**

The Company has an Environment, Health and Safety Policy that covers areas of compliance with statutory standards. The Policy extends to all its subsidiary companies.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for Britannia. The Company is continually investing in new technologies, implementing process improvements and innovation to address the global environmental challenges.

**3. Does the Company identify and assess potential environmental risks?**

Sustainable development is at the core of the Company's operations which is also outlined in the Environment, Health and Safety Policy. The Company follows sound environmental management practices across all its manufacturing units to assess and address potential environmental risks.

**4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

While the Company has so far not registered any project related to Clean Development Mechanism, it is continuously endeavouring to identify opportunities to contribute in this regard.

**5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment.

The details of initiatives taken for conservation of energy are given in Annexure-B to the Directors Report.

**6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

As per the Company monitoring and measurement plan, all applicable statutory requirements are complied within acceptable levels.

**7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

The Company did not receive any show cause/ legal notices from CPCB/SPCB which are pending as on end of financial year 2015-16.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

Britannia believes that working together with the institutions or associations engaged in policy advocacy like Confederation of Indian Industry (CII), The Associated Chambers of Commerce and Industry of India (ASSOCHAM) etc., will help the Company create positive social and environment impact while achieving its business goals. Its intention is not just to be a member of these institutions but also advocating best practices for the benefit of the society at large.

The Company's approach to deal with these institutions is guided by the principles of Code of Business Conduct i.e., Honesty, Transparency, Integrity and Accountability.

**1. Is your Company a member of any trade and chamber or association?**

Yes, the Company is the member of various trade and industrial associations like ASSOCHAM, CII etc.,

**2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

Britannia has been actively participating in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders. Britannia prefers to be part of the broader policy development process and do not practice lobbying on any specific issue.

**Principle 8: Businesses should support inclusive growth and equitable development**

Britannia supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and also through its core business. The Company acknowledges the impact of its activities on social and economic development and strives to create positive environment.

**1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Britannia executes its CSR initiatives through Bai Jerbai Wadia Hospital for Children (BJWHC) and Britannia Nutrition Foundation (BNF).

The details of the projects/programmes are given in Annexure-A - CSR Report forming part of the Director's Report.

**2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The programmes/projects are undertaken through own foundation and other NGOs as well. BNF works with NGOs, Social Consulting & Implementation Firms and Government bodies to implement its programs.

3. **Have you done any impact assessment of your initiative?**

The Company assesses the impact of its CSR Projects and Programs at Board and CSR Committee meetings. An update on the CSR project and programs is placed at the Board and CSR Committee meetings for their review and assessment.

4. **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The Company has spent ₹ 10.46 Crores as part of its CSR initiatives. Details of the projects are given in Annexure-A - CSR Report forming part of Director's Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

At Britannia, the CSR projects and programs are undertaken after identifying the communities that require development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively.

**Behavior and attitude change** which is a consultative process for addressing knowledge, attitudes and practices by providing relevant information and motivation through well-defined strategies, using a mix of media channels and participatory methods. In the program in Jhagadia being executed in partnership with the local Government authorities in Gujarat, the thrust is on developing child feeding practices at home which are nutritive and made with locally grown/available food items. The second thrust is on bringing about an attitude change towards services/support offered by the Government agencies to a large section of society including infants, children, adolescents, pregnant women and lactating mothers. The efforts are being undertaken keeping the individual as the locus of change.

**Social change** on the other hand is where we are focusing on the community as the unit of change and for which certain harmful cultural practices, societal norms and structural inequalities have to be considered and addressed. In the Children's Nutrition Project undertaken in Melghat area, Amravati District and Maharashtra, the thrust in partnership with the Government is to work towards ensuring better access to nutrition & health care by bringing in real time data on nutritional status of the children in a community and exposing the status to all relevant stakeholders.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

Britannia's consistent commitment to provide world-class products to consumers has made it as one of the most trusted, valuable and popular brands among Indian consumers in various reputed surveys. Though Britannia has been receiving various awards and appreciations, the award that it cherishes the most is the one given by the consumers.

Britannia has been providing value to its consumers since years without any compromise and has put in place effective consumer complaints redressal system. The Company discloses the necessary information on its products to promote consumer awareness, market its products in responsible manner and exercise due care in utilization of natural resources.

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company has successfully resolved 89% of the complaints received during the financial year ended 31 March 2016.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

Britannia is displaying additional product related information and 'Keep your city clean' symbol on product packs over and above what is mandated as per the laws.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**

As part of the consumer complaint handling process, the Company carries out consumer satisfaction survey on monthly basis against certain defined attributes. Results are shared with the stakeholders for necessary action to improve the process.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Britannia Industries Limited Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Britannia Industries Limited ("the Company"), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 2016 and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order to the extent applicable.
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, and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", 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 financial statements – Refer notes 27 (i) (a), 32 and 33 to the standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer note 54 to the standalone financial statements.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

for B S R & Co. LLP  
Chartered Accountants

Firm Registration No: 101248W/W-100022

Supreet Sachdev  
Partner

Place : Bangalore  
Date : 20 May 2016

Membership Number: 205385



ANNEXURE – A TO THE AUDITOR'S REPORT

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were observed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.
- (iii) According to information and explanations given to us, the Company has granted loans to four companies covered in the register maintained under Section 189 of the Companies Act, 2013 ('the Act').
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, *prima facie*, prejudicial to the interest of the Company.
  - (b) In the case of the loans granted to the companies listed in the register maintained under Section 189 of the Act, the borrowers have been regular in the repayment of the principal and payment of interest wherever stipulated.
  - (c) There are no overdue amounts in respect of loans granted to companies listed in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, 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 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) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products manufactured by the Company.
- (vii) (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, Employees State Insurance, Income-tax, Sales-tax, Service-tax, Duty of customs, Duty of excise, Value added tax and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employee State Insurance, Income-tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax and any other material statutory dues were in arrears, as at 31 March 2016, for a period of more than six months from the date they became payable.

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- (b) According to the information and explanations given to us, there are no dues which have not been deposited by the Company on account of disputes except for the following:

Statute/ Nature of dues	Amount* (₹)	Period to which the amount relates	Forum where dispute is pending
Excise duty (including service tax)	35,937,637	1980-1999	High Court (s)
	188,873,634	1995-2013	CESTAT (s)
	639,189,725	1986-2015	Appellate Authority up to Commissioner's level
Sales tax/ Value added tax	138,572,862	1998-2016	Supreme Court
	310,461,172	1989-2016	High Court (s)
	55,163,399	1996-2012	Tribunal (s)
	573,486,447	1999-2016	Appellate Authority up to Commissioner's level
Customs duty	7,833,410	2004-2014	CESTAT
	24,343,861	2010-2013	Appellate Authority up to Commissioner's level
Income tax	298,867,108	1991-2005	High Court
	6,725,975	1990-2008	Tribunal (s)
	872,103,036	1997-2012	Appellate Authority up to Commissioner's level

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution and dues to debenture holders. The Company does not have any outstanding loans or borrowings from any bank or government during the year.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year.
- (x) According to the information and explanations given to us, no material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided for managerial remuneration 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, in our opinion the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us and in our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Supreet Sachdev  
Partner  
Membership Number: 205385

Place: Bangalore  
Date : 20 May 2016



**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BRITANNIA INDUSTRIES LIMITED**

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

We have audited the internal financial controls over financial reporting of Britannia Industries Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("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 over financial reporting 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 over financial reporting

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) 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
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

*for B S R & Co. LLP*  
*Chartered Accountants*

Firm Registration No: 101248W/W-100022

**Supreet Sachdev**  
*Partner*

Place : Bangalore  
Date : 20 May 2016

Membership Number: 205385

# Britannia Annual Report 2015-16

## BALANCE SHEET

₹ in Crores

As at	Note No.	31 March 2016	31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	2	24.00	23.99
(b) Reserves and surplus	3	1,676.16	1,211.63
		<u>1,700.16</u>	<u>1,235.62</u>
(2) Capital subsidy	48	2.86	3.57
(3) Non-current liabilities			
(a) Long-term borrowings	4	0.49	0.73
(b) Other long-term liabilities	5	21.05	19.62
		<u>21.54</u>	<u>20.35</u>
(4) Current liabilities			
(a) Trade payables	6	659.44	615.21
(b) Other current liabilities	7	191.18	176.33
(c) Short-term provisions	8	492.08	410.91
		<u>1,342.70</u>	<u>1,202.45</u>
		<u>3,067.26</u>	<u>2,461.99</u>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets	9		
(i) Tangible assets		626.13	513.24
(ii) Intangible assets		13.26	12.70
(iii) Capital work-in-progress		74.50	48.22
		<u>713.89</u>	<u>574.16</u>
(b) Non-current investments	10	551.25	273.14
(c) Deferred tax asset, net	11	22.71	21.11
(d) Long-term loans and advances	12	324.45	127.15
(e) Other non-current assets	13	37.57	37.12
(2) Current assets			
(a) Current investments	14	343.63	387.90
(b) Inventories	15	384.01	345.74
(c) Trade receivables	16	106.70	70.98
(d) Cash and bank balances	17	24.80	186.67
(e) Short-term loans and advances	18	558.25	438.02
		<u>1,417.39</u>	<u>1,429.31</u>
		<u>3,067.26</u>	<u>2,461.99</u>
Significant accounting policies	1		

See accompanying notes to financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee  
S S Kelkar  
Nasser Munjee  
Nimesh N Kampani

Avijit Deb

Jeh N Wadia

Ajai Puri

Ness N Wadia

Ranjana Kumar

Chief Financial Officer : Amlan Datta Majumdar

Company Secretary : Rajesh Arora

Supreet Sachdev

Partner

Membership number: 205385

Place : Bangalore

Date : 20 May 2016

Place : Mumbai

Date : 20 May 2016

**Britannia Annual Report 2015-16**  
**STATEMENT OF PROFIT AND LOSS**

₹ in Crores

For the year ended	Note No.	31 March 2016	31 March 2015
<b>I. Revenue from operations</b>			
Sale of products		8,097.81	7,269.26
Less: Excise duty		(228.92)	(168.80)
Net sale of products		7,868.89	7,100.46
Other operating revenues	19	79.01	75.53
		<b>7,947.90</b>	<b>7,175.99</b>
<b>II. Other income</b>	20	98.21	87.53
<b>III. Total revenue (I + II)</b>		<b>8,046.11</b>	<b>7,263.52</b>
<b>IV. Expenses:</b>			
Raw materials including packaging materials consumed		3,796.44	3,592.99
Purchase of stock-in-trade	21	833.01	749.33
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(7.12)	(25.48)
Employee benefits expense	23	209.21	176.79
Finance costs	24	1.25	1.21
Depreciation and amortisation	9	86.89	117.27
Other expenses	25	1,984.54	1,910.86
<b>Total expenses</b>		<b>6,904.22</b>	<b>6,522.97</b>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<b>1,141.89</b>	<b>740.55</b>
<b>VI. Exceptional items (expense) / income, net</b>	26	(10.33)	142.06
<b>VII. Profit before tax (V + VI)</b>		<b>1,131.56</b>	<b>882.61</b>
<b>VIII. Tax expense:</b>			
(1) Current tax			
Income tax		384.07	285.68
(2) Deferred tax charge		(1.60)	(25.48)
<b>IX. Profit for the year (VII - VIII)</b>		<b>749.09</b>	<b>622.41</b>
<b>X. Earnings per equity share</b>	42		
(1) Basic [nominal value of ₹ 2/- each]		62.44	51.90
(2) Diluted [nominal value of ₹ 2/- each]		62.43	51.89
Weighted average number of equity shares used in computing earnings per share:			
- Basic		119,966,116	119,925,815
- Diluted		119,998,089	119,942,424
Significant accounting policies	1		

See accompanying notes to financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee

S S Kelkar

Nasser Munjee

Nimesh N Kampani

Avijit Deb

Jeh N Wadia

Ajai Puri

Ness N Wadia

Ranjana Kumar

Chief Financial Officer : Amlan Datta Majumdar

Company Secretary : Rajesh Arora

Supreet Sachdev

Partner

Membership number: 205385

Place : Bangalore

Date : 20 May 2016

Place : Mumbai

Date : 20 May 2016

# Britannia Annual Report 2015-16

## CASH FLOW STATEMENT

₹ in Crores

For the year ended	Note No.	31 March 2016	31 March 2015
<b>Cash flows from operating activities</b>			
Profit before tax		1,131.56	882.61
<b>Adjustments for:</b>			
Depreciation and amortisation		86.89	117.27
Profit on sale of investments, net		(21.16)	(38.53)
Loss / (Profit) on sale of fixed assets, net		5.04	(153.84)
Provision for diminution in value of investment		-	4.00
Dividend income		(0.02)	(0.22)
Interest income		(75.30)	(45.84)
Interest expense		1.25	1.21
<b>Operating profit before working capital changes</b>		<b>1,128.26</b>	<b>766.66</b>
(Increase) / decrease in inventories		(38.27)	21.12
(Increase) / decrease in trade receivables		(35.72)	(17.29)
(Increase) / decrease in loans and advances and other assets		(11.69)	40.93
(Increase) / decrease in bank balances (other than cash and cash equivalents)		149.80	(175.12)
Increase / (decrease) in liabilities and provisions		76.86	173.42
<b>Cash generated from operations</b>		<b>1,269.24</b>	<b>809.72</b>
Income taxes paid, net of refund		(391.55)	(294.39)
<b>Net cash provided by operating activities</b>		<b>877.69</b>	<b>515.33</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets (including finance leased assets)		(220.98)	(88.04)
Proceeds from sale of fixed assets		0.40	162.44
Purchase of investments, net		(212.68)	(253.52)
Inter-corporate deposits placed		(360.00)	(355.00)
Inter-corporate deposits redeemed		75.00	105.00
Loans given to subsidiaries		(15.84)	(19.94)
Loans repaid by subsidiaries		6.53	28.38
Interest received		68.18	36.17
Dividend received		0.02	0.22
<b>Net cash used in investing activities</b>		<b>(659.37)</b>	<b>(384.29)</b>
<b>Cash flows from financing activities</b>			
Proceeds from / (repayment) of secured loans, net		(0.33)	0.44
Interest paid		(1.53)	(0.43)
Proceeds from share allotment		4.35	-
Dividend paid including tax thereon		(230.78)	(168.12)
<b>Net cash used in financing activities</b>		<b>(228.29)</b>	<b>(168.11)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(9.97)</b>	<b>(37.07)</b>
Cash and cash equivalents at the beginning of the year		17.62	54.69
<b>Cash and cash equivalents at the end of the year (Refer note below)</b>		<b>7.65</b>	<b>17.62</b>

## Britannia Annual Report 2015-16

### CASH FLOW STATEMENT (CONTINUED)

₹ in Crores

For the year ended	Note No.	31 March 2016	31 March 2015
<b>Note:</b>			
Cash and cash equivalents at the end of the year	17	18.95	30.57
Book overdraft	7	(11.30)	(12.95)
		7.65	17.62
Significant accounting policies	1		

As per our report of even date attached

*for B S R & Co. LLP*

*Chartered Accountants*

Firm registration number: 101248W/W-100022

**Supreet Sachdev**

*Partner*

Membership number: 205385

Place : Bangalore

Date : 20 May 2016

*for and on behalf of the Board of Directors*

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee

S S Kelkar

Nasser Munjee

Nimesh N Kampani

Avijit Deb

Jeh N Wadia

Ajai Puri

Ness N Wadia

Ranjana Kumar

Chief Financial Officer : Amlan Datta Majumdar

Company Secretary : Rajesh Arora

Place : Mumbai

Date : 20 May 2016

**Britannia Annual Report 2015-16**  
**NOTES TO FINANCIAL STATEMENTS**

**Note 1 Significant accounting policies**

**(a) Basis of accounting and preparation of financial statements**

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting to comply in all material aspects with the applicable accounting principles in India, the mandatory Accounting Standards ('AS') as prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Act, the guidelines issued by the Securities and Exchange Board of India ('SEBI') and the Companies Act, 1956 to the extent relevant.

**(b) Use of estimates**

The preparation of the financial statements, in conformity with generally accepted accounting principles in India, requires that the Management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

**(c) Fixed assets**

**Tangible assets**

Tangible assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost includes inward freight, duties, taxes and expenses incidental to acquisition and installation or construction, net of CENVAT and VAT credit, where applicable.

The cost of the fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

**Intangible assets**

Intangible assets are stated at cost of acquisition less accumulated amortisation.

**(d) Depreciation and amortisation**

Depreciation in respect of all the assets is provided on straight line method over the useful lives of assets estimated by the Company. Depreciation for assets purchased / sold during the period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its use. The Company estimates the useful life of fixed assets as follows:

<b>Assets classification</b>	<b>Useful life</b>
Plant and equipment *	7.5 - 15 years
Furniture and fixtures	10 years
Motor vehicles	8 years
Computer software	6 years
Office equipment	3-5 years
Buildings	60 years
Leasehold land	Lease period
Moulders, cutters and spare parts *	1 year

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(e) **Impairment of assets**

The Company assesses at each balance sheet date whether there is any indication that an asset, including intangible, may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

(f) **Leases**

Assets acquired under lease where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of lease at lower of the fair value and present value of minimum lease payments. Assets taken on finance lease are depreciated over their estimated useful life or the lease term whichever is lower.

Assets acquired under lease where the significant portion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to the statement of profit and loss on accrual basis.

(g) **Inventories**

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

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

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

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Stock-in-trade is valued at the lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

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

(h) **Trade receivables and loans and advances**

Trade receivables and loans and advances are stated after making adequate provision for doubtful receivables and loans and advances.

(i) **Investments**

Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments.

Current investments are stated at lower of cost and fair value for each investment individually.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**(j) Revenue recognition**

Revenue from sale of goods and sale of scrap is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax and net of trade discounts and sales returns. Sales are presented both gross and net of excise duty.

Income from royalty is accounted based on contractual agreements.

Dividend income is accounted for in the year in which the right to receive the same is established.

Interest on investments and deposits is booked on a time-proportion basis taking into account the amounts invested and the rate of interest.

**(k) Foreign currency transactions**

Transactions in foreign currency are recorded at exchange rates prevailing on the respective dates of the relevant transactions. Monetary assets and liabilities denominated in foreign currency are restated at the exchange rates prevailing at the balance sheet date. The gains or losses resulting from such transactions are adjusted to the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value / net realisable value are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent on the date of transaction.

The Company uses foreign exchange forward contracts to cover its exposure towards movements in foreign exchange rates. The use of foreign exchange forward contracts reduces the risk of fluctuations in exchange rate movements for the Company. The Company does not use the foreign exchange forward contract for trading or speculative purposes.

Premium or discount arising at the inception of the forward contracts against the underlying assets is amortised as expense or income over the life of the contract. Exchange differences on forward contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

**(l) Derivative contracts**

Based on the principle of prudence as provided in Accounting Standard 1 - "Disclosure of Accounting Policies", the Company assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 - "Effects of Changes in Foreign Exchange Rates" (Refer point (k) above)] at the balance sheet date and provides for such losses. The net gain, if any, based on the said evaluation is not accounted for in line with the applicable ICAI notification issued in relation to such transactions.

**(m) Taxes on income**

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the Income-tax laws) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing differences originate. For this purpose the timing differences, which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent where there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets / liabilities are reviewed at each balance sheet date and written-down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by Institute of Chartered Accountants of India ('ICAI'), the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**(n) Employee benefits**

**(i) Short-term employee benefits**

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

**(ii) Post-employment benefits**

Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee renders the related service. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date.

The Britannia Industries Limited Covenanted Staff Pension Fund Trust ('BILCSPF') and Britannia Industries Limited Officers' Pension Fund Trust ('BILOPF') were established by the Company to administer pension schemes for its employees. These trusts are managed by the Trustees. The Pension Scheme is applicable to all the managers and officers of the Company who have been employed up to the date of 15 September 2005 and any manager or officer employed after that date, if he has opted for the membership of the Scheme. The Company makes a contribution of 15% of basic salary in respect of the members, each month to the trusts. On retirement, subject to the vesting conditions as per the rules of the trust, the member becomes eligible for pension, which is paid from annuity purchased in the name of the member by the trusts.

**(iii) Other long-term employee benefits**

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

**(iv) Voluntary retirement scheme benefits**

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(o) **Employee share based payments**

The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

(p) **Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset only when reimbursement is virtually certain.

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

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

(q) **Earnings per share**

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

(r) **Cash flow statement**

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

(s) **Borrowing costs**

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are accounted as an expense in the statement of profit and loss.

(t) **Capital subsidy**

Capital subsidy related to depreciable fixed assets is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

(u) **Government grants related to revenue**

Government grants related to revenue are recognised in the statement of profit and loss on a systematic basis over the periods to which they relate.

(v) **Cash and cash equivalents**

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

# Britannia Annual Report 2015-16

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 2 - Share capital</b>		
<b>Authorised</b>		
Equity shares	50.00	50.00
[250,000,000 equity shares of ₹ 2/- each (previous year: 250,000,000 equity shares of ₹ 2/- each)]		
<b>Issued, subscribed and paid up</b>		
Equity shares fully paid	24.00	23.99
[119,975,815 equity shares of ₹ 2/- each (previous year: 119,925,815 equity shares of ₹ 2/- each)]*		
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (previous year: 60,866,095 equity shares of ₹ 2/- each) are held by the subsidiaries of The Bombay Burmah Trading Corporation Limited, the ultimate holding Company [Refer note (a) below]		
Rights, preferences and restrictions attached to the equity shares:		
<ul style="list-style-type: none"> <li>- The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.</li> <li>- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.</li> <li>- During the year ended 31 March 2016, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 20/- (previous year: ₹ 16/-). The total dividend appropriation for the year ended 31 March 2016 amounted to ₹ 288.80 (previous year: ₹ 230.94) including corporate dividend tax of ₹ 48.85 (previous year: ₹ 39.06).</li> <li>- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</li> </ul>		
Details of shareholders holding more than 5% of total number of equity shares, including amount [Refer note (b) below].		
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year [Refer note (c) below].		
Under the Britannia Employee Stock Option Scheme the total number of options that can be granted is 875,000. Out of this, 600,000 options have been granted and 525,000 options exercised. Allotment details: 75,000 shares were allotted on 21 September 2012 at an exercise price of ₹ 191.06/-; 75,000 shares were allotted on 2 April 2013 at an exercise price of ₹ 305.63/-; 100,000 shares were allotted on 11 June 2013 at an exercise price of ₹ 333.71/-; 125,000 shares were allotted on 24 July 2013 at an exercise price of ₹ 391.75/-; 100,000 shares were allotted on 5 December 2013 at an exercise price of ₹ 528.75/- and 50,000 shares were allotted on 10 June 2015 at an exercise price of ₹ 870.35/- [Refer note (d) below]		
Also Refer note 50		
	24.00	23.99

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Notes:

- (a) Shares in respect of equity in the Company held by its holding or ultimate holding Company, including shares held by subsidiaries or associates of the holding Company or the ultimate holding Company in aggregate:

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
<b>Holding Company</b>				
Associated Biscuits International Limited (ABIL), UK	53,904,500	10.78	53,904,500	10.78
<b>Subsidiaries of holding Company</b>				
Bannatyne Enterprises Pte Limited, Singapore	1,391,555	0.28	1,391,555	0.28
Dowbiggin Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Nacupa Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Spargo Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Valletort Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
	<u>60,866,095</u>	<u>12.18</u>	<u>60,866,095</u>	<u>12.18</u>

- (b) Details of shareholders holding more than 5% of total number of equity shares:

	31 March 2016		31 March 2015	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	44.93	53,904,500	44.95
Arisaig Partners (Asia) Pte Ltd.	3,640,631	3.03	6,452,404	5.38

- (c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	119,925,815	23.99	119,925,815	23.99
Shares issued during the reporting year	50,000	0.01	-	-
Closing balance at the end of the reporting year	<u>119,975,815</u>	<u>24.00</u>	<u>119,925,815</u>	<u>23.99</u>

- (d) During the financial year 2008-09, the Company introduced Britannia Industries Limited Employee Stock Option Scheme ('the Scheme'). As per the Scheme, the Remuneration / Compensation Committee grants options to the employees and Executive Directors of the Company. The vesting period of the option is one to three years from the date of grant. Options granted under the Scheme can be exercised within a period of three years from the date of vesting. Exercise of an option is subject to continued employment.

Under the Scheme, the Company granted 15,000 options on 29 October 2008 at an exercise price of ₹ 1,125.30/-; 15,000 options on 27 May 2009 at an exercise price of ₹ 1,698.15/-; 20,000 options on 27 May 2010 at an exercise price of ₹ 1,668.55/-; 125,000 options on 27 May 2011 at an exercise price of ₹ 391.75/-; 100,000 options on 28 May 2012 at an exercise price of ₹ 528.75/-; 50,000 options on 26 May 2014 at an exercise price of ₹ 870.35 and 75,000 options on 21 May 2015 at an exercise price of ₹ 2,332.05/- to the Managing Director of the Company. Each option represents one equity share of ₹ 10/- each (for options granted between the years 2008 to 2010) and one equity share of ₹ 2/- each (for options granted after the year 2010). The said price was determined in accordance with the pricing formula approved by the shareholders i.e. the latest available closing price, prior to the date of the meeting of the Board of Directors or Remuneration / Compensation Committee in which options were granted, on the stock exchange having higher trading volume.

Exercise prices as stated above are adjusted downwards by ₹ 170/- per share for options granted on 29 October 2008 and 27 May 2009, being the face value of bonus debentures issued pursuant to the Scheme of Arrangement approved by the Honourable Calcutta High Court on 11 February 2010.

The number of options have been appropriately adjusted, consequent upon the sub-division of the equity shares [Refer note (e) below].

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Method used for accounting of share based payment plan:**

The Company has used intrinsic value method to account for the compensation cost of stock options to employees and Executive Directors of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price (without considering the impact of ₹ 170/- on account of issue of bonus debentures) of the option. Since the options under the Scheme were granted at the market price, the intrinsic value of the option is ₹ Nil. Consequently the accounting value of the option (compensation cost) is also ₹ Nil.

	31 March 2016	31 March 2015
<b>Movement in the options under the scheme:</b>		
Options outstanding at the beginning of the year	50,000	-
Options granted during the year	75,000	50,000
Options vested during the year	50,000	-
Options exercised during the year	50,000	-
Shares allotted against options exercised during the year	50,000	-
Options lapsed during the year	-	-
Shares under option at the end of the year	75,000	50,000
Options exercisable at the end of the year	-	-
Weighted average price per option (₹)	1,747.37	870.35

**Fair Value Methodology:**

Options have been valued based on Fair Value method of accounting as described under guidance note on Accounting for Employee Share-based Payments using Black Scholes valuation option-pricing model, using the market values of the Company's shares as quoted on the National Stock Exchange.

The key assumptions used in Black-Scholes model for calculating fair value of options under the scheme as on the date of grant are as follows:

Particulars	31 March 2016	31 March 2015
No. of options granted	75,000	50,000
Date of grant	21 May 2015	26 May 2014
Vesting period (years)	1 to 3	1
Expected life of option (years)	3	3
Expected volatility	19.91%	22.56%
Risk free rate	7.76%	8.57%
Expected dividends expressed as a dividend yield	0.69%	1.84%
Weighted-average fair values of options per share (₹)	524.96	206.18

Had the compensation cost for the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the pro-forma amounts indicated below:

Particulars	31 March 2016	31 March 2015
Net profit (as reported)	749.09	622.41
Less: Stock-based compensation expense determined under fair value based method, net of Intrinsic Value (without considering tax impact)	2.25	0.88
Net profit (pro-forma) considered for computing EPS (pro-forma)	746.84	621.53
Basic earnings per share (as reported) (₹)	62.44	51.90
Basic earnings per share (pro-forma) (₹)	62.25	51.83
Diluted earnings per share (as reported) (₹)	62.43	51.89
Diluted earnings per share (pro-forma) (₹)	62.24	51.82

- (e) In the Annual General Meeting held on 9 August 2010, the shareholders of the Company approved the sub-division of equity shares, where in each equity share with a face value of ₹ 10/- has been subdivided into 5 equity shares with a face value of ₹ 2/- each. The effective date for the sub-division was 10 September 2010.

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

### Note 3 - Reserves and surplus

	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Surplus	Total
Balance as at 1 April 2015	379.02	3.96	0.43	17.15	811.07	1,211.63
Additions:						
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	749.09	749.09
Transfer from surplus	74.91	-	-	-	-	74.91
On issue of equity shares	-	-	-	4.34	-	4.34
	<u>453.93</u>	<u>3.96</u>	<u>0.43</u>	<u>21.49</u>	<u>1,560.16</u>	<u>2,039.97</u>
Deductions:						
Transfer to general reserve	-	-	-	-	74.91	74.91
Proposed dividend *	-	-	-	-	239.95	239.95
Tax on proposed dividend	-	-	-	-	48.85	48.85
Dividend for previous year on equity shares issued under ESOS after the year end	-	-	-	-	0.08	0.08
Tax on dividend for previous year on equity shares issued under ESOS after the year end	-	-	-	-	0.02	0.02
Balance as at 31 March 2016	<u>453.93</u>	<u>3.96</u>	<u>0.43</u>	<u>21.49</u>	<u>1,196.35</u>	<u>1,676.16</u>

\* The Board of Directors of the Company has recommended a dividend of ₹ 20/- per share of face value of ₹ 2/- amounting to ₹ 239.95 for the year ended 31 March 2016.

	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Surplus	Total
Balance as at 1 April 2014	316.78	3.96	0.43	17.15	491.15	829.47
Additions:						
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	622.41	622.41
Transfer from surplus	62.24	-	-	-	-	62.24
	<u>379.02</u>	<u>3.96</u>	<u>0.43</u>	<u>17.15</u>	<u>1,113.56</u>	<u>1,514.12</u>
Deductions:						
Transfer to general reserve	-	-	-	-	62.24	62.24
Proposed dividend *	-	-	-	-	191.88	191.88
Tax on proposed dividend	-	-	-	-	39.06	39.06
Fixed assets charged off due to change in useful life as per Companies Act, 2013 #	-	-	-	-	9.31	9.31
Balance as at 31 March 2015	<u>379.02</u>	<u>3.96</u>	<u>0.43</u>	<u>17.15</u>	<u>811.07</u>	<u>1,211.63</u>

\* The Board of Directors of the Company had recommended a dividend of ₹ 16/- per share of face value of ₹ 2/- amounting to ₹ 191.88 for the year ended 31 March 2015.

# Net of deferred taxes of ₹ 4.81 [also refer note 11]

As at	31 March 2016	31 March 2015
<b>Note 4 - Long-term borrowings</b>		
<b>Secured</b>		
Long-term maturities of finance lease obligations [Refer note 7 (a) for details of maturity period, repayment terms and rate of interest] [Secured by hypothecation of assets (vehicles) taken on lease]	0.49	0.73
	<u>0.49</u>	<u>0.73</u>

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 5 - Other long-term liabilities</b>		
Deposits from customers	21.05	19.62
	<u>21.05</u>	<u>19.62</u>
<b>Note 6 - Trade payables</b>		
Total Outstanding dues of micro and small enterprises [Refer note below]	4.00	5.19
Total Outstanding dues of other than micro and small enterprises	655.44	610.02
	<u>659.44</u>	<u>615.21</u>
<b>Note:</b>		
There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2016. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.		
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	4.00	5.19
- Interest	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

# Britannia Annual Report 2015-16

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 7 - Other current liabilities</b>		
Current maturities of finance lease obligations [Refer note (a) below]	0.19	0.24
Interest accrued but not due	0.76	1.02
Unclaimed debenture interest *	0.44	0.46
Unpaid dividend *	2.99	2.73
Unclaimed debenture redemption balance *	1.12	1.16
Other payables:		
- Book overdraft	11.30	12.95
- Advance from customers	14.18	13.45
- Creditors for capital goods	24.18	14.37
- Statutory related liabilities (VAT, TDS, PF, etc.)	52.73	57.92
- Other liabilities	83.29	72.03
	<b>191.18</b>	<b>176.33</b>

\* Investor Education and Protection Fund shall be credited when due.

[Refer note 50]

**Note:**

- (a) Rate of interest for finance lease obligations ranges from 15.55% to 19.2% per annum. Number of repayment installments (quarterly) for lease obligations ranges from 12 to 20. Period of maturity for the lease obligations ranges from 5 months to 5 years.

As at	31 March 2016	31 March 2015
<b>Note 8 - Short-term provisions</b>		
Provision for employee benefits	8.46	7.66
Others:		
Excise and service tax related issues (a)	53.12	51.68
Sales tax and other issues (a)	83.42	61.67
Trade and other issues (a)	21.20	20.79
Provision for income tax	37.08	38.17
Proposed dividend	239.95	191.88
Tax on proposed dividend	48.85	39.06
	<b>492.08</b>	<b>410.91</b>

- (a) Refer note 32.



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 9 - Fixed assets

Description	Gross block at cost			Accumulated depreciation and amortisation			Net block		
	As at 1 April 2015	Additions	Deletions	As at 31 March 2016	As at 1 April 2015	Charge for the year	On deletions during the year	As at 31 March 2016	As at 31 March 2015
<b>Tangible assets</b>									
<b>Own assets</b>									
Freehold land	61.53	-	-	61.53	-	-	-	61.53	61.53
Leasehold land	29.26	-	-	29.26	1.40	0.32	-	27.54	27.86
Buildings	193.81	74.96	0.12	268.65	28.77	6.15	0.08	233.81	165.04
Plant and equipment	625.00	113.99	10.58	728.41	390.83	72.18	6.81	272.21	234.16
Furniture and fixtures	20.90	6.90	1.53	26.27	6.60	0.70	0.06	19.03	14.30
Motor vehicles	1.09	0.13	-	1.22	0.37	0.12	-	0.73	0.72
Office equipment	41.18	5.96	0.59	46.55	32.36	3.98	0.57	10.78	8.82
<b>Leased assets</b>									
Motor vehicles	1.19	-	0.28	0.91	0.38	0.17	0.14	0.50	0.81
	<b>973.96</b>	<b>201.94</b>	<b>13.10</b>	<b>1,162.80</b>	<b>460.71</b>	<b>83.62</b>	<b>7.66</b>	<b>626.13</b>	<b>513.24</b>
<b>Intangible assets</b>									
<b>Own assets</b>									
Trademarks	0.03	-	-	0.03	-	-	-	0.03	0.03
Designs	0.01	-	-	0.01	-	-	-	0.01	0.01
Computer software	26.71	4.54	-	31.25	14.05	3.98	-	13.22	12.66
	<b>26.75</b>	<b>4.54</b>	<b>-</b>	<b>31.29</b>	<b>14.05</b>	<b>3.98</b>	<b>-</b>	<b>13.26</b>	<b>12.70</b>
<b>Total</b>	<b>1,000.71</b>	<b>206.48</b>	<b>13.10</b>	<b>1,194.09</b>	<b>474.76</b>	<b>87.60<sup>(c)</sup></b>	<b>7.66</b>	<b>639.39</b>	<b>525.94</b>
Previous year	939.33	120.97	59.59	1,000.71	393.67	132.08	50.99	74.50	48.22
Add: Capital work-in-progress								<b>713.89</b>	<b>574.16</b>

Notes:

- (a) Agreement in respect of leasehold land at one factory (previous year: one factory) is in the process of renewal.  
 (b) Buildings include fully paid unquoted shares and bonds in respect of ownership of flats in I Co-operative Housing Societies (previous year: 10 shares) of ₹ 50/- each.

(c) Depreciation:

Depreciation charge for the year	87.60	132.08
Transfer from capital subsidy [Refer note 1 (t) and 48]	(0.71)	(0.71)
Fixed assets charged off due to change in useful life as per the Companies Act, 2013	-	(14.10)
<b>Net depreciation charge for the year</b>	<b>86.89</b>	<b>117.27</b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(d) During the year ended 31 March 2015, the management based on internal technical evaluation reassessed the remaining useful life of assets primarily consisting of Buildings and Plant and equipment with effect from 1 April 2014. Accordingly the useful lives of certain assets required a change from the previous estimates. The earlier and revised useful lives are as below:

Assets Classification	Earlier useful life (Years)	Revised useful life (Years)
Buildings	60 - 65 years	60 years
Plant and equipment	10 - 20 years	7.5 - 15 years
Furniture & fixtures	15 years	10 years
Motor vehicles	5 years	8 years
Computer software	6 years	6 years
Office equipment	5 years	3-5 years
Moulders, cutters and spare parts	10 - 20 years	1 year

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 10 - Non-current investments

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>At cost less provision for other than temporary diminution</b>					
<b>Trade investments</b>					
<b>Unquoted</b>					
<b>(i) Investments in equity instruments (fully paid)</b>					
<b>Subsidiaries</b>					
Sunrise Biscuit Company Private Limited	₹ 10	14,049,650	14,049,650	14.03	14.03
Ganges Vally Foods Private Limited	₹ 10	252,000	252,000	0.72	0.72
J B Mangharam Foods Private Limited	₹ 10	354,136	354,136	0.54	0.54
International Bakery Products Limited	₹ 10	1,320,009	370,009	1.75	0.80
Manna Foods Private Limited	₹ 10	4,875,001	4,875,001	4.67	4.67
Britannia Dairy Private Limited	₹ 10	5,779,999	5,779,999	70.02	70.02
Boribunder Finance and Investments Private Limited	₹ 10	2,670,999	2,670,999	2.58	2.58
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	2,000	2,000	0.01	0.01
				<u>94.32</u>	<u>93.37</u>
Daily Bread Gourmet Foods (India) Private Limited	₹ 4	79,181,417	69,181,417	31.67	27.67
Less: Provision for diminution in value of investments				(24.00)	(24.00)
				<u>7.67</u>	<u>3.67</u>
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	24,372,087	24,372,087	121.69	121.69
Less: Provision for diminution in value of investments				(35.00)	(35.00)
				<u>86.69</u>	<u>86.69</u>
<b>Associates</b>					
Klassik Foods Private Limited	₹ 100	3,260	3,260	0.32	0.32
Nalanda Biscuits Company Limited	₹ 10	87,500	87,500	0.28	0.28
				0.60	0.60
			(a)	<u>189.28</u>	<u>184.33</u>
<b>(ii) Investments in preference shares (fully paid)</b>					
<b>Subsidiaries</b>					
Britannia Dairy Private Limited - 10% Non-cumulative Redeemable preference shares	₹ 10	6,000,000	6,000,000	6.00	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - preference shares	USD 1	7,411,000	7,411,000	0.05	0.05
			(b)	<u>6.05</u>	<u>6.05</u>
			(a) + (b)	<u>195.33</u>	<u>190.38</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>(iii) Investments in debentures / bonds</b>					
<b>Subsidiaries</b>					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹ 100,000	582	677	5.82	6.77
<b>Non-Trade Investments</b>					
<b>(iv) Investments in mutual funds</b>					
ICICI Prudential Fixed Maturity Plan - Series 76 - 1100 days - Plan T - Direct Plan - Cumulative	₹ 10	9,000,000	9,000,000	9.00	9.00
ICICI Prudential Fixed Maturity Plan - Series 76 - 1155 days - Plan K - Direct Plan - Cumulative	₹ 10	15,000,000	15,000,000	15.00	15.00
HDFC Fixed Maturity Plan - 1157 days - February 2015 (1) - Direct - Growth - Series 33	₹ 10	15,000,000	15,000,000	15.00	15.00
HDFC Fixed Maturity Plan - 1135 days - March 2015 (1) - Direct - Growth - Series 33	₹ 10	6,000,000	6,000,000	6.00	6.00
HDFC Fixed Maturity Plan - 1112 days - June 2015 (1) - Direct - Growth - Series 33	₹ 10	10,000,000	-	10.00	-
ICICI Prudential Fixed Maturity Plan - Series 77 - 1132 days - Plan A - Direct Plan - Cumulative	₹ 10	10,000,000	-	10.00	-
ICICI Prudential Fixed Maturity Plan - Series 77 - 1473 days - Plan C - Direct Plan - Cumulative	₹ 10	10,000,000	-	10.00	-
ICICI Prudential Fixed Maturity Plan - Series 77 - 1134 days - Plan H - Direct Plan - Cumulative	₹ 10	10,000,000	-	10.00	-
UTI Fixed Term Income Fund - Series XXII - IX - 1098 days - Direct Growth Plan	₹ 10	5,000,000	-	5.00	-
UTI Fixed Term Income Fund - Series XXII - X - 1098 days - Direct Growth Plan	₹ 10	10,000,000	-	10.00	-
UTI Fixed Term Income Fund - Series XXII - XIV - 1100 days - Direct Growth Plan	₹ 10	10,000,000	-	10.00	-
Sundaram Fixed Term Plan HB - Direct Growth	₹ 10	10,000,000	-	10.00	-
ICICI Prudential Fixed Maturity Plan - Series 78 - 1212 days - Plan A - Direct Plan - Cumulative	₹ 10	15,000,000	-	15.00	-
Birla Fixed Term Plan - 1099 Days - Series NB - Direct Plan - Growth	₹ 10	10,000,000	-	10.00	-
Sundaram Fixed Term Plan HC - Direct - Growth	₹ 10	10,000,000	-	10.00	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Birla Fixed Term Plan - 1109 Days - Series ND - Direct Plan - Growth	₹ 10	10,000,000	-	10.00	-
ICICI Prudential Fixed Maturity Plan - Series 78 - 1190 days - Plan C - Direct Plan - Cumulative	₹ 10	10,000,000	-	10.00	-
HDFC Fixed Maturity Plan - 1105 Days - Dec 2015 (1) - Direct - Growth	₹ 10	10,000,000	-	10.00	-
HDFC Fixed Maturity Plan - 1167 Days - January 2016 (1) - Series 35 -Direct - Growth	₹ 10	20,000,000	-	20.00	-
Birla Fixed Term Plan - 1169 Days - Series NG - Direct Plan - Growth	₹ 10	10,000,000	-	10.00	-
UTI Fixed Term Income Fund - Series XXIII - XV - 1176 Days - Direct Growth Plan	₹ 10	15,000,000	-	15.00	-
<b>(v) Investments with insurance companies</b>					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment	₹ 10	1,014,874	1,011,586	3.08	3.08
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment	₹ 10	3,034,827	3,008,383	2.91	2.91
<b>Quoted</b>					
<b>(i) Investments in debentures / bonds</b>					
Tata Capital 10.25% Secured Redeemable NCD	₹ 500,000	500	500	25.00	25.00
Kotak Mahindra Investments Limited 08 Sep 2017- 8.70%	₹ 1,000,000	100	-	10.00	-
Kotak Mahindra Investments Limited 11 Sep 2017- 8.90%	₹ 1,000,000	150	-	15.00	-
Kotak Mahindra Investments Limited 03 May 2017- 8.41%	₹ 1,000,000	250	-	25.00	-
Mahindra & Mahindra Financial Services Limited 03 Nov 2017-8.48%	₹ 1,000,000	250	-	25.00	-
<b>(ii) Investments in Tax free bonds</b>					
National Highway Authority of India - 7.11% - 18 Sep 2025	₹ 1,000,000	100	-	10.00	-
National Highway Authority of India - 7.14% - 11 Jan 2026	₹ 1,000	28,570	-	2.86	-
National Thermal Power Corporation Limited - 7.11% 05 Oct 2025	₹ 1,000	12,491	-	1.25	-
<b>Total long-term investments</b>				<b>551.25</b>	<b>273.14</b>
Total quoted non-current investments				114.11	25.00
Total unquoted non-current investments				437.14	248.14
				<b>551.25</b>	<b>273.14</b>
Aggregate provision for diminution in value of investments				59.00	59.00
Aggregate market value of quoted non-current investments				114.11	25.00
Aggregate value of long-term investments (part of non-current investments)				551.25	273.14
Aggregate value of long-term investments (part of current investments)				-	-

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

### Note 11 - Deferred tax asset, net

Disclosure as per Accounting Standard 22 - "Accounting for Taxes on Income" - Major components of deferred tax assets and liabilities on account of timing differences are as follows:

As at	31 March 2016		31 March 2015	
	Asset	Liability	Asset	Liability
Depreciation and amortisation	-	28.86	-	21.28
Voluntary retirement scheme, terminal compensation benefits	1.99	-	3.73	-
Statutory payments	42.10	-	31.46	-
Provisions allowed on payments, write off	7.48	-	7.20	-
	<u>51.57</u>	<u>28.86</u>	<u>42.39</u>	<u>21.28</u>
	<u>22.71</u>		<u>21.11</u>	

As at	31 March 2016	31 March 2015
<b>Note 12 - Long-term loans and advances</b>		
<b>Unsecured</b>		
<i>Considered good:</i>		
- Capital advances	19.81	21.79
- Deposits	7.72	7.15
- Loans and advances to related parties *	76.10	68.12
- Other loans and advances:		
Recoverable in cash or in kind or for value to be received	33.46	20.11
Advance income tax and tax deducted at source	16.36	9.98
Inter-corporate deposits [Refer note 30 (b)]	171.00	-
<i>Considered doubtful:</i>		
- Loans and advances recoverable in cash or in kind or for value to be received	8.95	8.68
- Loans and advances to related parties *	1.04	1.04
	<u>334.44</u>	<u>136.87</u>
Less: Provision for doubtful loans / advances	9.99	9.72
	<u>324.45</u>	<u>127.15</u>
<b>Note 13 - Other non-current assets</b>		
Fixed deposits with banks [Refer note 17 (b) (ii)]	25.45	25.00
Other deposits [Refer note 33]	12.12	12.12
	<u>37.57</u>	<u>37.12</u>

\* Forms a part of outstanding balances as disclosed under note 44.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 14 - Current investments

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
<b>Lower of cost or fair value</b>					
<b>Non-trade investments</b>					
<b><u>Unquoted</u></b>					
<b>(i) Investments in mutual funds</b>					
IDFC Money Manager Fund - Treasury Plan - Growth - Direct Plan	₹ 10	22,541,730	-	52.61	-
ICICI Prudential Liquid - Direct Plan - Growth	₹ 100	-	27,427	-	0.56
L&T Ultra Short Term Fund - Direct Plan - Growth	₹ 10	2,557,272	-	6.00	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	₹ 100	-	297,744	-	5.82
Tata Liquid Fund - Direct Plan - Growth	₹ 1,000	-	23,301	-	6.00
Tata Floater Fund - Direct Plan - Growth	₹ 1,000	130,956	-	28.47	-
J.P Morgan India Active Bond Fund - Direct Plan - Growth	₹ 10	-	32,506,651	-	50.00
DSP Black Rock Banking and PSU Debt Fund - Direct - Growth	₹ 10	-	21,437,146	-	25.00
DSP Ultra Short Term Fund - Direct Plan - Growth	₹ 10	80,529,302	-	84.42	-
ICICI Prudential Ultra Short Term Plan - Direct - Growth	₹ 10	52,760,808	833,182	79.00	1.17
ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	₹ 10	-	25,849,722	-	50.00
Birla Sunlife Savings Fund - Direct Plan - Growth	₹ 100	340,347	601,128	10.00	16.00
Birla Sunlife Income Plus - Direct Plan - Growth	₹ 10	-	7,854,645	-	50.00
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth	₹ 10	-	5,469,341	-	10.00
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Direct - Growth	₹ 10	-	11,446,817	-	21.00

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Franklin India Banking and PSU Debt Fund - Direct - Growth	₹ 10	-	9,138,763	-	10.00
Birla Sunlife Dynamic Bond Fund - Retail - Direct Plan -Growth	₹ 10	-	20,490,740	-	50.00
Birla Sunlife Floating Rate Fund - Long Term - Direct Plan - Growth	₹ 100	-	607,332	-	10.00
Birla Sunlife Cash Manager Direct Plan - Growth	₹ 100	-	384	-	0.01
ICICI Prudential Flexible Income Direct Plan - Growth	₹ 100	962,048	1,891	26.22	0.04
ICICI Prudential Savings Fund - Direct Plan -Growth	₹ 100	-	246,917	-	5.08
SBI Magnum Insta Cash Fund - Direct Plan - Growth	₹ 1,000	-	21,036	-	6.50
SBI Ultra Short Term Debt Fund - Direct Plan - Growth	₹ 1,000	33,075	-	6.07	-
Sundaram Flexible Fund - Short Term Plan - Direct Plan - Growth	₹ 10	2,197,935	-	5.04	-
UTI Short Term Income Fund - Institutional Option - Direct Plan - Growth	₹ 10	-	5,934,542	-	10.00
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth	₹ 1,000	14,008	79,975	2.80	15.00
UTI Floating Rate Fund - Short Term Plan - Direct Growth Plan	₹ 1,000	48,163	-	12.00	-
Kotak Treasury Advantage Fund - Direct Plan - Growth	₹ 10	8,669,446	-	21.00	-
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option -Growth	₹ 10	-	2,554,422	-	6.12
HDFC Floating Rate Income Fund Short Term Plan - Direct Plan - Wholesale Option - Growth Option	₹ 10	3,831,388	1,714,291	10.00	4.06
Tata Money Market Fund - Direct Plan - Growth	₹ 1,000	-	2,271	-	0.50



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Units / Nos.		Amount		
	Face value per share / unit	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Tata Income Fund - Direct Plan - Appreciation Option - Growth	₹ 10	-	6,913,542	-	30.00
Tata Treasury Manager Fund - Direct Plan - Growth	₹ 1,000	-	218	-	0.04
Tata Dynamic Bond Fund - Direct Plan - Growth	₹ 10	-	2,279,452	-	5.00
<b>Total current investments</b>				<u>343.63</u>	<u>387.90</u>
Total quoted current investments				-	-
Total unquoted current investments				343.63	387.90
				<u>343.63</u>	<u>387.90</u>
Aggregate market value of quoted current investments				-	-
Aggregate value of current investments				<u>343.63</u>	<u>387.90</u>

The aggregate value of long-term investments (part of current investments) is ₹ Nil (previous year: ₹ Nil)

As at	31 March 2016	31 March 2015
<b>Note 15 - Inventories *</b>		
Raw materials	129.67	105.63
Packing materials	44.29	43.45
Work-in-progress	0.28	0.29
Finished goods	167.35	162.46
Goods-in-transit (Finished goods)	2.69	2.00
Stock-in-trade	20.25	15.83
Stores and spare parts	19.48	16.08
	<u>384.01</u>	<u>345.74</u>

\* Refer note 1 (g) for mode of valuation for inventories.

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 16 - Trade receivables</b>		
<b>Unsecured</b>		
<i>Considered good:</i>		
- Over six months	4.22	4.32
- Others	102.48	66.66
	106.70	70.98
<i>Considered doubtful:</i>		
- Over six months	5.67	4.93
	112.37	75.91
Less: Provision for doubtful receivables	5.67	4.93
	106.70	70.98
 <b>Note 17 - Cash and bank balances</b>		
<i>Cash and cash equivalents:</i>		
- Cash on hand	0.02	0.02
- Cheques on hand	15.90	26.74
- Current accounts	3.03	3.81
	18.95	30.57
<i>Other bank balances:</i>		
- Unpaid dividend accounts #	2.99	2.73
- Unclaimed debenture interest #	0.44	0.46
- Unclaimed debenture redemption balance #	1.12	1.16
- Deposit accounts [Refer note below]	1.30	151.75
	5.85	156.10
	24.80	186.67
 # Refer Note 50		
<b>Notes:</b>		
(a) Deposit accounts include bank deposits held against bank guarantees with more than 12 months maturity amounting to ₹ Nil (previous year: ₹ 0.45).		
(b) Details of Bank deposits:		
<b>Particulars</b>		
(i) Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	1.30	151.75
(ii) Bank deposits due to mature after 12 months of the reporting date included under 'Other non - current assets' [Refer note 13]	25.45	25.00
	26.75	176.75
 <b>As at</b>		
<b>Note 18 - Short-term loans and advances</b>		
<b>Unsecured</b>		
<i>Considered good:</i>		
- Deposits	3.60	3.61
- Loans and advances to related parties *	15.18	17.33
<i>- Other loans and advances:</i>		
Recoverable in cash or in kind or for value to be received	91.85	102.53
Inter-corporate deposits [Refer note 30 (b)]	414.00	300.00
Employee benefits - gratuity, net [Refer note 45 (b)]	0.88	0.60
Balances with customs, port trust, excise, etc.	14.96	3.29
Interest accrued but not due	17.78	10.66
	558.25	438.02

\* Forms a part of outstanding balances as disclosed under note 44.

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2016	31 March 2015
<b>Note 19 - Other operating revenues</b>		
Royalty income	16.45	12.76
Scrap sales	26.31	23.76
Other receipts [Refer note below]	33.56	34.02
Provisions and liabilities no longer required written back, net	2.69	4.99
	<b>79.01</b>	<b>75.53</b>

**Note:**

Includes an amount of ₹ 28.99 (previous year: ₹ 26.43) towards VAT incentive for the Hajipur Factory, Bihar and Khurda Factory, Orissa in accordance with the State Industrial Policy of Bihar and Orissa.

For the year ended		31 March 2016	31 March 2015
<b>Note 20 - Other income</b>			
Interest income	Long-term	24.16	16.53
	Current	51.14	29.31
Dividend income	Long-term	0.02	0.22
Net gain / (loss) on sale of investments	Long-term	-	11.83
	Current	21.16	26.70
Other non-operating income:			
- Foreign exchange gain, net		0.05	1.15
- Other receipts		1.68	1.79
		<b>98.21</b>	<b>87.53</b>

**Note 21 - Purchase of stock-in-trade**

Biscuits and high protein food	488.46	439.49
Bread, bread toast and rusk	64.40	52.48
Cake	249.84	226.46
Others	30.31	30.90
	<b>833.01</b>	<b>749.33</b>

**Note 22 - Changes in inventories of finished goods, work-in-progress and stock-in-trade**

Opening stock:		
- Finished goods	164.46	135.63
- Stock-in-trade	15.83	16.24
- Work-in-progress	0.29	0.30
Closing stock:		
- Finished goods	170.04	164.46
- Stock-in-trade	20.25	15.83
- Work-in-progress	0.28	0.29
	(9.99)	(28.41)
Less: Excise duty on opening stock of finished goods	(7.18)	(4.25)
Add: Excise duty on closing stock of finished goods	10.05	7.18
Increase / (decrease)	<b>2.87</b>	<b>2.93</b>
	<b>(7.12)</b>	<b>(25.48)</b>

# Britannia Annual Report 2015-16

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2016	31 March 2015
<b>Note 23 - Employee benefits expense</b>		
Salaries and wages	192.21	158.05
Contribution to provident and other funds [Refer note 45]	7.97	8.64
Staff welfare expenses	9.03	10.10
	<u>209.21</u>	<u>176.79</u>
<b>Note 24 - Finance costs</b>		
Interest expense:		
- Finance lease	0.12	0.07
- Bank and others	1.13	1.14
	<u>1.25</u>	<u>1.21</u>
<b>Note 25 - Other expenses</b>		
Consumption of stores and spares	13.65	14.12
Power and fuel	57.06	67.42
Rent [Refer note 28 (a)]	5.66	6.56
Repairs and maintenance:		
- Plant and equipment (a)	8.32	10.04
- Buildings (a)	2.02	1.82
- Others	22.05	22.74
Insurance	1.92	1.43
Rates and taxes, net	25.22	23.53
Carriage, freight and distribution	410.17	410.11
Auditors' remuneration (b):		
- Audit fees	1.01	0.78
- Other services	0.13	0.05
- Expenses reimbursed	0.08	0.07
Corporate social responsibility [Refer note 49]	10.46	7.35
Advertising and sales promotion	615.43	550.66
Conversion charges	598.80	601.83
Foreign exchange loss, net	-	-
Loss on sale/ write off of fixed assets, net	5.04	6.08
Miscellaneous	206.51	183.32
Provision for doubtful receivables and loans and advances, net	1.01	2.95
	<u>1,984.54</u>	<u>1,910.86</u>
(a) Includes stores and spares consumed	3.91	5.14
(b) Excluding service tax		
<b>Note 26 - Exceptional items (expense) / income, net</b>		
Additional bonus provision as per The Payment of Bonus Act, 1965 [Refer note (a) below]	(10.33)	-
Profit on sale of land & buildings [Refer note (b) below]	-	159.92
Voluntary retirement scheme [Refer note (c) below]	-	(13.86)
Provision for diminution in value of investments in subsidiaries	-	(4.00)
	<u>(10.33)</u>	<u>142.06</u>

**Notes:**

- (a) During the year, the Company has provided additional bonus as per amendments to the Payment of Bonus Act, 1965 of ₹ 10.33.
- (b) During the previous year, the Company sold its land and building in Padi, Chennai resulting in a profit of ₹ 159.92.
- (c) During the previous year, Company offered a Voluntary retirement scheme (VRS) to all workmen at Delhi factory. All the workmen have accepted the scheme. Consequently an amount of ₹ 13.86 was paid towards the scheme.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 27 Contingent liabilities and commitments:**

(i) **Contingent liabilities:**

- (a) Claims / demands against the Company not acknowledged as debts including excise duty, income tax, sales tax and trade and other demands of ₹ 146.82 (previous year: ₹ 44.49).
- (b) Bank guarantees and letters of credit for ₹ 25.12 (previous year: ₹ 22.46).
- (c) Discounted cheques ₹ Nil (previous year: ₹ 0.30).

**Notes:**

- (i) Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.
- (ii) The above does not include non-quantifiable industrial disputes and other legal disputes pending before various judicial authorities [Also refer note 32,33 and 50].
- (ii) **Commitments:**
- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 131.78 (previous year: ₹ 106.82).
- (b) The Company has furnished the following corporate guarantees:

Banking facilities given to	Name of the bank	31 March 2016	31 March 2015
(i) Britannia and Associates (Mauritius) Private Limited, Mauritius *	Bank of America	-	103.12
[Refer note 31]	Mizuho Bank	86.15	-

\* The following are the loan balances outstanding against the corporate guarantees mentioned above: Mizuho Bank: ₹ 86.15 (USD 1.3), previous year; Bank of America: ₹ 96.87 (USD 1.55).

Regarding items (i) and (ii) (b) above, it is not practicable to disclose information in respect of the estimate of the financial effect, an indication of the uncertainties relating to outflow and the possibility of any reimbursement as it is determinable only on occurrence of uncertain future events / receipt of judgments pending at various forums.

(c) The Company has furnished the following letters of comfort / letters of awareness:

Banking facilities given to	Name of the bank	31 March 2016	31 March 2015
(i) Britannia Dairy Private Limited	HSBC Bank	4.50	4.50
(ii) Strategic Food International Co. LLC, Dubai	Royal Bank of Scotland and Standard Chartered Bank	41.49	30.62
(iii) Al Sallan Food Industries Co. SAOC	Royal Bank of Scotland	12.63	11.91
(iv) J B Mangharam Foods Private Limited	ICICI Bank	24.00	-
(v) Manna Foods Private Limited	ICICI Bank	3.50	-

These letters are not to be construed as a guarantee issued by the Company.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 28 (a) Operating leases**

The Company has certain operating leases for office facilities and residential premises (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of ₹ 5.66 (previous year: ₹ 6.56) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

**(b) Finance leases**

The Company has taken motor vehicles on finance lease. The total minimum lease payments and present value of minimum lease payments are as follows:

	31 March 2016		31 March 2015	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.28	0.19	0.37	0.24
Later than 1 year and not later than 5 years	0.52	0.49	0.85	0.73
	<u>0.80</u>	<u>0.68</u>	<u>1.22</u>	<u>0.97</u>

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.12 (previous year: ₹ 0.25) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

**Note 29 (i) Details of Non-current investments purchased and sold during the year:**

	Face value per unit	As at 1 April 2015	Purchase during the year	Sold during the year	As at 31 March 2016
<b>Trade investments - Unquoted</b>					
<b>(a) Investments in equity instruments (fully paid)</b>					
<b>Subsidiaries</b>					
Sunrise Biscuit Company Private Limited	₹ 10	14.03	-	-	14.03
Ganges Vally Foods Private Limited	₹ 10	0.72	-	-	0.72
J B Mangharam Foods Private Limited	₹ 10	0.54	-	-	0.54
International Bakery Products Limited	₹ 10	0.80	0.95	-	1.75
Manna Foods Private Limited	₹ 10	4.67	-	-	4.67
Britannia Dairy Private Limited	₹ 10	70.02	-	-	70.02
Boribunder Finance and Investments Private Limited	₹ 10	2.58	-	-	2.58
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	0.01	-	-	0.01
Daily Bread Gourmet Foods (India) Private Limited	₹ 4	27.67	4.00	-	31.67
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	121.69	-	-	121.69
Less: Provision for diminution in value of investments		(59.00)			(59.00)
		<u>183.73</u>	<u>4.95</u>	<u>-</u>	<u>188.68</u>

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per unit	As at 1 April 2015	Purchase during the year	Sold during the year	As at 31 March 2016
<b>Associates</b>					
Klassik Foods Private Limited	₹ 100	0.32	-	-	0.32
Nalanda Biscuits Company Limited	₹ 10	0.28	-	-	0.28
		0.60	-	-	0.60
<b>(b) Investments in preference shares (fully paid)</b>					
<b>Subsidiaries</b>					
Britannia Dairy Private Limited - 10% Non Cumulative Redeemable Preference Shares	₹ 10	6.00	-	-	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - Preference Shares	USD 1	0.05	-	-	0.05
		6.05	-	-	6.05
<b>(c) Investments in debentures / bonds</b>					
<b>Subsidiaries</b>					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹ 100,000	6.77	-	0.95	5.82
		6.77	-	0.95	5.82
<b>Non-Trade investments - Quoted</b>					
<b>(a) Investments with insurance companies</b>					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment	₹ 10	3.08	-	-	3.08
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment	₹ 10	2.91	-	-	2.91
		5.99	-	-	5.99
<b>(b) Investments in debentures / bonds</b>					
Tata Capital 10.25% Secured Redeemable Non Convertible Debentures	₹ 500,000	25.00	-	-	25.00
Kotak Mahindra Investments Limited - 08 Sep 17 - 8.70% Non Convertible Debentures	₹ 1,000,000	-	10.00	-	10.00
Kotak Mahindra Investments Limited - 11 Sep 17 - 8.90% Non Convertible Debentures	₹ 1,000,000	-	15.00	-	15.00
Kotak Mahindra Investments Limited - 03 May 17 - 8.41% Non Convertible Debentures	₹ 1,000,000	-	25.00	-	25.00
Mahindra & Mahindra Financial Services Limited 03 Nov 17 8.48% Non Convertible Debentures	₹ 1,000,000	-	25.00	-	25.00
		25.00	75.00	-	100.00
<b>(c) Investments in Tax free bonds</b>					
National Highway Authority of India - 7.11% - 18 Sep 2025	₹ 1,000,000	-	10.00	-	10.00
National Highway Authority of India - 7.14% - 11 Jan 2026	₹ 1,000	-	2.86	-	2.86
National Thermal Power Corporation Limited - 7.11% 05 Oct 2025	₹ 1,000	-	1.25	-	1.25
		-	14.11	-	14.11
		228.14	94.06	0.95	321.25

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(ii) Details of Current investments purchased and sold during the previous year:

	Face value per unit	As at 1 April 2014	Purchase during the year	Sold during the year	As at 31 March 2015
<b>Trade investments - Unquoted</b>					
<b>(a) Investments in debentures / bonds</b>					
<b>Subsidiaries</b>					
J B Mangharam Foods Private Limited - 6% Secured Redeemable Non Convertible Debentures	₹ 100	0.50	-	0.50	-
<b>(b) Investments in commercial paper</b>					
J.M Financial Products Ltd - Commercial Paper	₹ 500,000	-	24.43	24.43	-
<b>(iii) Details of Non-current investments purchased and sold during the previous year:</b>					
		<u>0.50</u>	<u>24.43</u>	<u>24.93</u>	<u>-</u>
<b>Trade investments - Unquoted</b>					
<b>(a) Investments in equity instruments (fully paid)</b>					
<b>Subsidiaries</b>					
Sunrise Biscuit Company Private Limited	₹ 10	14.03	-	-	14.03
Ganges Vally Foods Private Limited	₹ 10	0.72	-	-	0.72
J B Mangharam Foods Private Limited	₹ 10	0.54	-	-	0.54
International Bakery Products Limited	₹ 10	0.40	0.40	-	0.80
Manna Foods Private Limited	₹ 10	0.17	4.50	-	4.67
Britannia Dairy Private Limited	₹ 10	70.02	-	-	70.02
Boribunder Finance and Investments Private Limited	₹ 10	2.58	-	-	2.58
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	0.01	-	-	0.01
Daily Bread Gourmet Foods (India) Private Limited	₹ 4	22.67	5.00	-	27.67
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	121.69	-	-	121.69
Less: Provision for diminution in value of investments		(55.00)	-	-	(55.00)
Provision made during the year		-	-	-	(4.00)
		<u>177.83</u>	<u>9.90</u>	<u>-</u>	<u>183.73</u>
<b>Associates</b>					
Klassik Foods Private Limited	₹ 100	0.32	-	-	0.32
Nalanda Biscuits Company Limited	₹ 10	0.28	-	-	0.28
		<u>0.60</u>	<u>-</u>	<u>-</u>	<u>0.60</u>



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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per unit	As at 1 April 2014	Purchase during the year	Sold during the year	As at 31 March 2015
<b>(b) Investments in preference shares (fully paid)</b>					
<b>Subsidiaries</b>					
Britannia Dairy Private Limited - 10% Non Cumulative Redeemable Preference Shares	₹ 10	6.00	-	-	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - Preference Shares	USD 1	0.05	-	-	0.05
		<u>6.05</u>	<u>-</u>	<u>-</u>	<u>6.05</u>
<b>(c) Investments in debentures / bonds</b>					
<b>Subsidiaries</b>					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹ 100,000	6.77	-	-	6.77
J B Mangharam Foods Private Limited - 6% Secured Redeemable Non Convertible Debentures	₹ 100	0.25	-	0.25	-
		<u>7.02</u>	<u>-</u>	<u>0.25</u>	<u>6.77</u>
<b><u>Non - Trade investments - Quoted</u></b>					
<b>(a) Investments in equity instruments (fully paid)</b>					
HDFC Bank Limited	₹ 2	0.90	-	0.90	-
Standard Chartered Bank - IDR	₹ 2.3	3.48	-	3.48	-
Glaxosmithkline Pharmaceuticals Limited	₹ 10	0.02	-	0.02	-
Great Offshore Limited	₹ 10	0.03	-	0.03	-
Hindustan Unilever Limited	₹ 1	0.11	-	0.11	-
Mahindra Lifespace Developers Limited	₹ 10	0.02	-	0.02	-
State Bank of India	₹ 10	0.20	-	0.20	-
Tata Coffee Limited	₹ 10	0.04	-	0.04	-
Tata Steel Limited	₹ 10	0.40	-	0.40	-
Great Eastern Shipping Company Limited	₹ 10	0.13	-	0.13	-
Tata Motors Limited	₹ 2	0.34	-	0.34	-
Ultratech Cement Limited	₹ 10	0.01	-	0.01	-
Grasim Industries Limited	₹ 10	0.05	-	0.05	-
ICICI Bank Limited	₹ 10	0.03	-	0.03	-
Larsen & Toubro Limited	₹ 2	0.11	-	0.11	-
Reliance Communications Limited	₹ 5	0.01	-	0.01	-
Reliance Industries Limited	₹ 10	0.13	-	0.13	-

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per unit	As at 1 April 2014	Purchase during the year	Sold during the year	As at 31 March 2015
Tata Chemicals Limited	₹ 10	0.02	-	0.02	-
Bajaj Auto Limited	₹ 10	0.16	-	0.16	-
Bajaj Finserv Limited	₹ 5	0.06	-	0.06	-
Bajaj Holdings & Investments Limited	₹ 10	0.09	-	0.09	-
Essel Propack Limited	₹ 2	0.01	-	0.01	-
Titan Industries Limited	₹ 1	0.11	-	0.11	-
		<u>6.46</u>	<u>-</u>	<u>6.46</u>	<u>-</u>
<b>(b) Investments with insurance companies</b>					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment	₹ 10	3.08	-	-	3.08
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment	₹ 10	2.91	-	-	2.91
		<u>5.99</u>	<u>-</u>	<u>-</u>	<u>5.99</u>
<b>(c) Investments in debentures / bonds</b>					
Tata Capital 10.25% Secured Redeemable Non Convertible Debentures	₹ 500,000	25.00	-	-	25.00
		<u>25.00</u>	<u>-</u>	<u>-</u>	<u>25.00</u>
		<u>228.95</u>	<u>9.90</u>	<u>6.71</u>	<u>228.14</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 30 (a) Details of loans during the year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2015	Given during the year	Repayment during the year	As at 31 March 2016
Manna Foods Private Limited	Subsidiary	Unsecured	10%	10 years	53.41	10.15	4.58	58.98
International Bakery Products Limited	Subsidiary	Unsecured	10%	8 - 10 years	20.73	5.70	1.94	24.49
Purbasha Properties Private Limited	Others	Unsecured	10%	10 years	2.93	-	0.45	2.48
Real Agro Industries Private Limited	Others	Unsecured	10%	5 years	1.22	-	0.41	0.81
Super Dairy Farm	Others	Unsecured	10%	5 years	2.20	-	-	2.20
					<u>80.49</u>	<u>15.85</u>	<u>7.38</u>	<u>88.96</u>

Details of loans during the previous year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2014	Given during the year	Repayment/ conversion during the year	As at 31 March 2015
Sunrise Biscuit Company Private Limited	Subsidiary	Unsecured	10%	3 years	4.86	-	4.86	-
Manna Foods Private Limited	Subsidiary	Unsecured	10%	10 years	58.57	3.90	9.06	53.41
J B Mangharam Foods Private Limited	Subsidiary	Unsecured	10%	7 - 8 years	15.12	3.52	18.64	-
Daily Bread Gourment Foods (India) Private Limited	Subsidiary	Unsecured	10%	2 years	4.05	-	4.05	-
International Bakery Products Limited	Subsidiary	Unsecured	10%	8 - 10 years	-	21.06	0.34	20.73
Purbasha Properties Private Limited	Others	Unsecured	10%	10 years	3.30	-	0.37	2.93
Real Agro Industries Private Limited	Others	Unsecured	10%	5 years	1.59	-	0.37	1.22
Super Dairy Farm	Others	Unsecured	10%	5 years	2.20	-	-	2.20
					<u>89.69</u>	<u>28.48</u>	<u>37.69</u>	<u>80.49</u>

The loans have been given for capital expansion

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Details of inter corporate deposits during the year		Nature of relationship	Secured/ unsecured	Rate of Interest	Term	Placed	Redeemed	As at	
Name of borrower	As at 1 April 2015							As at 31 March 2016	
(b) Bajaj Finance Limited	Others	Unsecured	8.70 - 9.90%	1 to 3 years	80.00	25.00	80.00		
Kotak Mahindra Prime Limited	Others	Unsecured	8.46%	1 year 6 months	10.00	-	10.00		
Kotak Mahindra Investments Limited	Others	Unsecured	8.35 - 9.50%	0.5 to 18 months	75.00	-	75.00		
Shriram Transport Finance Limited	Others	Unsecured	9.00%	1 year	25.00	-	25.00		
Infrastructure Leasing & Finance Company Limited	Others	Unsecured	8.90 - 9.15%	14.5 to 24 months	60.00	-	60.00		
Tata Housing Development Co. Ltd	Others	Unsecured	9.5%	6 months	10.00	-	10.00		
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	12.0%	1 year	100.00	-	100.00		
Scal Services Limited	Others	Unsecured	12.25%	1 year	-	50.00	-		
(Based on comfort letter from Bombay Dyeing & Manufacturing Co. Ltd.)	Ultimate holding Company	Unsecured	12.00%	1 year	40.00	-	40.00		
The Bombay Burmah Trading Corporation Limited	Others	Unsecured	12.25%	1 year	-	-	-		
Macrofil Investments Limited	Others	Unsecured	12.25%	1 year	60.00	-	60.00		
					300.00	75.00	360.00		585.00
Details of inter corporate deposits during the previous year									
Name of borrower		Nature of relationship	Secured/ unsecured	Rate of Interest	Term	Placed	Redeemed	As at	
								As at 1 April 2014	As at 31 March 2015
Bajaj Finance Limited	Others	Unsecured	10%	1 year	-	25.00	-	25.00	
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	12%	Repayable on demand	-	40.00	40.00	-	
Scal Services Limited	Others	Unsecured	12%	Repayable on demand	50.00	165.00	40.00	175.00	
(Based on comfort letter from Bombay Dyeing & Manufacturing Co. Ltd.)	Ultimate holding Company	Unsecured	12%	Repayable on demand	-	40.00	-	40.00	
The Bombay Burmah Trading Corporation Limited	Others	Unsecured	9%	91 days	-	25.00	25.00	-	
HDFC Ltd.	Others	Unsecured	12%	Repayable on demand	-	60.00	-	60.00	
Macrofil Investments Limited					50.00	355.00	105.00	300.00	

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 31	Details of corporate guarantee:	As at 1 April 2015	Given during the year	Withdrawn during the year	Adjustments *	As at 31 March 2016
	Britannia and Associates (Mauritius) Private Limited - Bank of America	103.12	-	(107.29)	4.17	-
	Britannia and Associates (Mauritius) Private Limited - Mizuho Bank	-	84.85	-	1.30	86.15
		As at 1 April 2014	Given during the year	Reduced during the year	Adjustments *	As at 31 March 2015
	Britannia and Associates (Mauritius) Private Limited - Bank of America	149.70	101.81	(153.97)	5.58	103.12

\* The movement in corporate guarantee is on account of change in exchange rates.

Purpose: The loan availed by Britannia and Associates (Mauritius) Private Limited from Bank of America Singapore -USD 1.3 was repaid on 13 October 2015 and fresh loan was availed from Mizuho Bank Limited - outstanding USD 1.3 for which Britannia Industries Limited has given Corporate Guarantee of USD 1.3 towards working capital facilities for ASFI/SFIC.

**Note 32** In accordance with Accounting Standard 29 - "Provisions, Contingent Liabilities and Contingent Assets", prescribed by Rule 7 of the Companies (Accounts) Rules, 2014, certain classes of liabilities have been identified as provisions which have been disclosed as under:

	1 April 2015	Additions *	Utilisation *	Reversals / adjustments *	31 March 2016
(a) Excise and service tax related issues	51.68	5.65	(0.41)	(3.80)	53.12
(b) Sales tax and other issues	61.67	40.48	(14.94)	(3.79)	83.42
(c) Trade and other issues	20.79	0.58	-	(0.17)	21.20
	1 April 2014	Additions *	Utilisation *	Reversals / adjustments *	31 March 2015
(a) Excise and service tax related issues	39.36	12.32	-	-	51.68
(b) Sales tax and other issues	48.51	13.38	(0.22)	-	61.67
(c) Trade and other issues	19.00	1.28	(0.09)	0.60	20.79

(a) and (b) represents estimates made for probable cash outflow arising out of pending disputes / litigations with various regulatory authorities.

(c) represents provisions made for probable liabilities / claims arising out of commercial transactions with vendors / others. Further disclosures as required in Accounting Standard 29 are not made since it can be prejudicial to the interests of the Company.

\* Included under various heads in the statement of profit and loss.

**Note 33** With respect to the matter related to the refund of excess contribution by Company's Covenanted Staff Pension Fund ("Fund") to the Company, the Honourable Supreme Court at its hearing on 12 May 2008 set aside the order of the Division Bench of the Honourable High Court, Kolkata and remanded the writ pending for disposal. Based on the directions of the courts, the Company was required to deposit ₹ 12.12 with a Nationalised Bank, which the Company has done under protest.

In other Writ Petitions filed by some of the pensioners in the Honourable Madras High Court, challenging the Deeds of Variation submitted in May 2005, the Honourable High Court has passed an interim order restraining the CIT, Kolkata from approving the Deeds of Variation pending disposal of the Writ Petitions.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

In the suit filed by the Britannia Industries Limited Pensioners Welfare Association, the Company received a judgement on 21 September 2015 from Honourable City Civil Court, Bangalore, in the matter of pension payable to its eligible beneficiaries. The Board of Directors reviewed the judgement and after obtaining legal opinion from eminent lawyers resolved to file an appeal in the higher court against the said judgement. Accordingly, the Company has appealed against the Honourable City Civil Court's judgement in the Honourable High Court of Karnataka. In response to the appeal filed, the Honourable High Court of Karnataka, in its order dated 18 December 2015, referred the matter to Bangalore Mediation Centre for exploring the possibilities of a settlement. The Britannia Industries Limited Pensioners Welfare Association through their legal counsel had submitted that they will not precipitate execution before the trial court during mediation. The mediation meetings are currently in progress.

In the meanwhile, based on the interim order of the Honourable City Civil Court, Bangalore and the direction of the Honourable Supreme Court, the Company continues to pay pension as per the interim order passed by the Bangalore City Civil Court on 1 January 2009 (i.e. on Defined Contribution basis).

The Company believes, based on current knowledge and after consultation with eminent legal counsel that the resolution of the matter will not have any material adverse effect on the financial statements of the Company. Accordingly, no adjustment in this respect has been made in the financial results of the Company.

**Note 34 (a) Sale of products (Manufactured goods)**

Product group	31 March 2016	31 March 2015
Biscuits and high protein food	6,047.15	5,503.03
Bread, bread toast and rusk	771.16	698.75
Cake	138.96	128.20
Others	1.85	2.84
	<u>6,959.12</u>	<u>6,332.82</u>

The above values does not include sale of raw materials for processing purposes (including wheat) and by-products on conversion of inputs aggregating to ₹ 56.80 (previous year: ₹ 23.07), which has been netted off with cost of material.

**Sale of products (Traded goods)**

Product group	31 March 2016	31 March 2015
Biscuits and high protein food	665.01	548.93
Bread, bread toast and rusk	85.58	64.94
Cake	336.69	273.96
Others	51.41	48.61
	<u>1,138.69</u>	<u>936.44</u>

**(b) Raw materials including packaging materials consumed**

Description	31 March 2016	31 March 2015
Flour	1,017.95	978.49
Fats and oils	515.80	539.52
Sugar	445.96	466.18
Lamination roll	344.15	338.29
Others	1,472.58	1,270.51
	<u>3,796.44</u>	<u>3,592.99</u>

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	31 March 2016		31 March 2015	
	Value	%	Value	%
Imported	4.55	0.12	7.28	0.20
Indigenous	3,791.89	99.88	3,585.71	99.80
	<u>3,796.44</u>	<u>100.00</u>	<u>3,592.99</u>	<u>100.00</u>

(c) Stores and spare parts consumed

	31 March 2016		31 March 2015	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	17.56	100.00	19.26	100.00
	<u>17.56</u>	<u>100.00</u>	<u>19.26</u>	<u>100.00</u>

		31 March 2016	31 March 2015
<b>Note 35</b>	<b>Opening and closing stock of finished goods (Manufactured goods)</b>		
	(a) Opening stock		
	Biscuits and high protein food	148.34	125.53
	Bread, bread toast and rusk	11.66	6.39
	Cake	4.01	3.03
	Others	0.45	0.68
		<u>164.46</u>	<u>135.63</u>
	(b) Closing stock		
	Biscuits and high protein food	155.43	148.34
	Bread, bread toast and rusk	9.47	11.66
	Cake	4.44	4.01
	Others	0.70	0.45
		<u>170.04</u>	<u>164.46</u>
<b>Note 36</b>	<b>Opening and closing stock of finished goods (Traded goods)</b>		
	(a) Opening stock		
	Biscuits and high protein food	7.42	8.48
	Bread, bread toast and rusk	1.82	1.67
	Cake	6.39	5.51
	Others	0.20	0.58
		<u>15.83</u>	<u>16.24</u>
	(b) Closing stock		
	Biscuits and high protein food	12.26	7.42
	Bread, bread toast and rusk	1.20	1.82
	Cake	6.68	6.39
	Others	0.11	0.20
		<u>20.25</u>	<u>15.83</u>

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

		31 March 2016	31 March 2015
<b>Note 37</b>	<b>Opening and closing stock of work-in-progress</b>		
	(a) Opening stock		
	Biscuits and high protein food	0.29	0.30
		<u>0.29</u>	<u>0.30</u>
	(b) Closing stock		
	Biscuits and high protein food	0.28	0.29
		<u>0.28</u>	<u>0.29</u>
<b>Note 38</b>	<b>Expenditure in foreign currency</b>		
	(a) Trade promotion and media related	4.98	2.85
	(b) Professional fees	0.47	0.25
	(c) Others	0.34	0.16
		<u>5.79</u>	<u>3.26</u>
<b>Note 39</b>	<b>Value of imports on C.I.F basis</b>		
	(a) Capital goods	15.86	6.19
	(b) Raw materials	9.41	6.31
		<u>25.27</u>	<u>12.50</u>
<b>Note 40</b>	<b>Earnings in foreign currency</b>		
	(a) Exports at free on board value	154.93	111.49
	(b) Royalty	13.69	10.40
	(c) Others	5.09	5.41
		<u>173.71</u>	<u>127.30</u>
<b>Note 41</b>	<b>Dividend remitted in foreign currency (net of tax)</b>		
	Relating to the year ended	<b>31 March 2015</b>	<b>31 March 2014</b>
	Number of non-resident shareholders	6	6
	Number of equity shares held (nominal value ₹ 2/- per share)	60,866,095	60,866,095
	Amount remitted	97.39	73.04
<b>Note 42</b>	<b>Earnings per equity share</b>	<b>31 March 2016</b>	<b>31 March 2015</b>
	(a) Net profit attributable to the equity shareholders	749.09	622.41
	(b) Weighted average number of equity shares outstanding during the year	119,966,116	119,925,815
	(c) Effect of potential equity shares on employee stock option outstanding	31,973	16,609
	(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	119,998,089	119,942,424
	Nominal value of equity shares (₹)	2	2
	Basic earnings per share (₹)	62.44	51.90
	Diluted earnings per share (₹)	62.43	51.89



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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

**Note 43** Based on guiding principles in the Accounting Standard 17 - “Segment Reporting”, the primary business segment of the Company is foods, comprising bakery and dairy products. As the Company operates in a single primary business segment, disclosure requirements are not applicable. The Company primarily caters to the domestic market and export sales are not significant and accordingly there is no reportable secondary segment.

**Note 44 Related party disclosures under Accounting Standard 18**

**Relationships**

1. Ultimate holding Company	The Bombay Burmah Trading Corporation Limited
Holding Company	Associated Biscuits International Limited (ABIL), UK
2. Subsidiary companies	Al Sallan Food Industries Co. SAOC
	Boribunder Finance and Investments Private Limited
	Britannia and Associates (Dubai) Private Company Limited, Dubai
	Britannia and Associates (Mauritius) Private Limited, Mauritius
	Britannia Dairy Holdings Private Limited, Mauritius
	Britannia Dairy Private Limited
	Daily Bread Gourmet Foods (India) Private Limited
	Flora Investments Company Private Limited
	Ganges Vally Foods Private Limited
	Gilt Edge Finance and Investments Private Limited
	International Bakery Products Limited
	J B Mangharam Foods Private Limited
	Manna Foods Private Limited
	Strategic Brands Holding Company Limited, Dubai
	Strategic Food International Co. LLC, Dubai
	Sunrise Biscuit Company Private Limited
3. Fellow subsidiary companies	Bannatyne Enterprises Pte Limited, Singapore
	Dowbiggin Enterprises Pte Limited, Singapore
	Nacupa Enterprises Pte Limited, Singapore
	Spargo Enterprises Pte Limited, Singapore
	Valletort Enterprises Pte Limited, Singapore
4. Associates	Klassik Foods Private Limited
	Nalanda Biscuits Company Limited
5. Key Management Personnel (KMP)	
Managing Director	Mr. Varun Berry

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2016	31 March 2015
<b><u>Related party transactions during the year:</u></b>			
<b>Investments made</b>			
<b><u>Equity shares:</u></b>			
International Bakery Products Limited [Purchase of 115,000 shares from J B Mangharam Foods Private Limited and 3 shares each from Boribunder Finance and Investments Private Limited, Flora Investments Company Private Limited and Gilt Edge Finance and Investments Private Limited]	Subsidiary	-	0.40
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	4.00	-
<b>Total</b>		<b>4.00</b>	<b>0.40</b>
<b>Conversion of loan to equity shares</b>			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	-	5.00
Manna Foods Private Limited	Subsidiary	-	4.50
<b>Total</b>		<b>-</b>	<b>9.50</b>
<b>Conversion of Debentures to equity shares</b>			
International Bakery Products Limited	Subsidiary	0.95	-
<b>Redemption of debentures</b>			
J B Mangharam Foods Private Limited	Subsidiary	-	0.75
<b>Purchase of shares of International Bakery Products Limited</b>			
J B Mangharam Foods Private Limited	Subsidiary	-	0.40
<b>Inter-corporate deposits placed</b>			
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	-	40.00
<b>Shared service income</b>			
Britannia Dairy Private Limited	Subsidiary	1.60	1.60
<b>Sales promotion expenses</b>			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.71	-
<b>Rental income</b>			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.03	0.05
<b>Remittance of dividend</b>			
Associated Biscuits International Limited (ABIL), UK	Holding Company	86.25	64.69
Others	Fellow subsidiary companies	11.14	8.35
<b>Total</b>		<b>97.39</b>	<b>73.04</b>

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2016	31 March 2015
<b><u>Related party transactions during the year:</u></b>			
<b>SAP license fee recovered from</b>			
J B Mangharam Foods Private Limited	Subsidiary	0.01	0.01
International Bakery Products Limited	Subsidiary	0.03	0.02
Ganges Vally Foods Private Limited	Subsidiary	0.02	0.02
Manna Foods Private Limited	Subsidiary	0.02	0.02
Sunrise Biscuit Company Private Limited	Subsidiary	0.03	0.03
Strategic Food International Co. LLC, Dubai	Subsidiary	0.06	0.05
Al Sallan Food Industries Co. SAOC	Subsidiary	0.04	0.03
<b>Total</b>		<b><u>0.21</u></b>	<b><u>0.18</u></b>
<b>Purchase of finished goods / consumables and ingredients</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary	-	0.04
Al Sallan Food Industries Co. SAOC	Subsidiary	-	0.01
Sunrise Biscuit Company Private Limited	Subsidiary	178.75	176.03
Britannia Dairy Private Limited	Subsidiary	-	0.13
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.05	0.02
Nalanda Biscuits Company Limited	Associate	69.09	77.76
<b>Total</b>		<b><u>247.89</u></b>	<b><u>253.99</u></b>
<b>Conversion charges</b>			
International Bakery Products Limited	Subsidiary	36.45	26.97
J B Mangharam Foods Private Limited	Subsidiary	35.97	25.67
Ganges Vally Foods Private Limited	Subsidiary	19.82	20.55
Manna Foods Private Limited	Subsidiary	37.11	42.09
Klassik Foods Private Limited	Associate	4.46	4.09
<b>Total</b>		<b><u>133.81</u></b>	<b><u>119.37</u></b>
<b>Sale of goods / consumables and ingredients</b>			
Sunrise Biscuit Company Private Limited	Subsidiary	1.28	0.74
Strategic Food International Co. LLC, Dubai	Subsidiary	25.57	14.74
Britannia Dairy Private Limited	Subsidiary	0.50	0.57
Nalanda Biscuits Company Limited	Associate	0.74	0.50
<b>Total</b>		<b><u>28.09</u></b>	<b><u>16.55</u></b>
<b>Sale of assets</b>			
Al Sallan Food Industries Company SAOC, Oman	Subsidiary	-	0.34
<b>Interest and dividend income</b>			
Manna Foods Private Limited	Subsidiary	5.55	5.59
J B Mangharam Foods Private Limited	Subsidiary	-	1.56
Sunrise Biscuit Company Private Limited	Subsidiary	-	0.24
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.24	0.32
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	-	0.41
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	4.81	2.12
International Bakery Products Limited	Subsidiary	2.21	1.03
Klassik Foods Private Limited	Associate	0.02	0.02
<b>Total</b>		<b><u>12.83</u></b>	<b><u>11.29</u></b>

# Britannia Annual Report 2015-16

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2016	31 March 2015
<b><u>Related party transactions during the year:</u></b>			
<b>Reimbursement of Expenses</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary	0.04	-
<b>Royalty income</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary	13.69	10.40
<b>Remuneration #</b>			
Mr. Varun Berry	KMP	6.69	4.71
# Excludes Contributions to employee retirement / Post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.			
<b>Shares allotted under employee stock option scheme for consideration received during the year</b>			
<u>Mr. Varun Berry</u>	KMP		
Equity shares		0.01	-
Securities premium		4.34	-
<b>Total</b>		<u>4.35</u>	<u>-</u>
<b>Loan given to</b>			
J B Mangharam Foods Private Limited	Subsidiary	-	3.52
Manna Foods Private Limited	Subsidiary	10.15	3.90
International Bakery Products Limited	Subsidiary	5.70	21.06
<b>Total</b>		<u>15.85</u>	<u>28.48</u>
<b>Loan repaid by</b>			
Sunrise Biscuit Company Private Limited	Subsidiary	-	4.86
Manna Foods Private Limited	Subsidiary	4.58	9.06
J B Mangharam Foods Private Limited	Subsidiary	-	18.64
International Bakery Products Limited	Subsidiary	1.94	0.34
<b>Total</b>		<u>6.52</u>	<u>32.90</u>
<b><u>Related party closing balances as on balance sheet date:</u></b>			
<b>Outstanding - net receivables / (payables)</b>			
Ganges Vally Foods Private Limited	Subsidiary	(1.81)	(0.45)
J B Mangharam Foods Private Limited	Subsidiary	(3.48)	(0.41)
International Bakery Products Limited	Subsidiary	25.74	22.63
Sunrise Biscuit Company Private Limited	Subsidiary	3.56	8.30
Manna Foods Private Limited	Subsidiary	61.53	56.24
Al Sallan Food Industries Co. SAOC	Subsidiary	0.04	0.30
Strategic Food International Co. LLC, Dubai	Subsidiary	4.71	4.00
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.12	0.06
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.44	0.43
Britannia Dairy Private Limited	Subsidiary	0.42	0.42
Nalanda Biscuits Company Limited	Associate	1.41	(0.56)
Klassik Foods Private Limited	Associate	0.04	(0.12)
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	40.00	40.00
<b>Total</b>		<u>132.72</u>	<u>130.84</u>

# Britannia Annual Report 2015-16

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2016	31 March 2015
<b><u>Related party closing balances as on balance sheet date:</u></b>			
<b>Provision for doubtful loans / advances</b>			
Manna Foods Private Limited	Subsidiary	1.04	1.04
<b>Investment in debentures held</b>			
International Bakery Products Limited	Subsidiary	5.82	6.77
<b>Investment in shares held</b>			
Britannia Dairy Private Limited	Subsidiary	76.02	76.02
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	121.69	121.69
Sunrise Biscuit Company Private Limited	Subsidiary	14.03	14.03
Ganges Vally Foods Private Limited	Subsidiary	0.72	0.72
J B Mangharam Foods Private Limited	Subsidiary	0.54	0.54
International Bakery Products Limited	Subsidiary	1.75	0.80
Boribunder Finance and Investments Private Limited	Subsidiary	2.58	2.58
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	31.67	27.67
Klassik Foods Private Limited	Associate	0.32	0.32
Nalanda Biscuits Company Limited	Associate	0.28	0.28
Manna Foods Private Limited	Subsidiary	4.67	4.67
Britannia Dairy Holdings Private Limited, Mauritius	Subsidiary	0.06	0.06
<b>Total</b>		<b><u>254.33</u></b>	<b><u>249.38</u></b>
<b>Provision for diminution in value of investment</b>			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	35.00	35.00
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	24.00	24.00
<b>Total</b>		<b><u>59.00</u></b>	<b><u>59.00</u></b>
<b>Corporate Guarantee</b>			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	86.15	103.12
<b>Letter of awareness / comfort</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary	41.49	30.62
Al Sallan Food Industries Co. SAOC	Subsidiary	12.63	11.91
Britannia Dairy Private Limited	Subsidiary	4.50	4.50
J B Mangharam Foods Private Limited	Subsidiary	24.00	-
Manna Foods Private Limited	Subsidiary	3.50	-
<b>Total</b>		<b><u>86.12</u></b>	<b><u>47.03</u></b>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2016	31 March 2015
<b>Letter of financial and operational support given to the following subsidiaries:</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary		
Al Sallan Food Industries Co. SAOC	Subsidiary		
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary		
Britannia and Associates (Dubai) Private Company Limited, Dubai	Subsidiary		
Strategic Brands Holding Company Limited, Dubai	Subsidiary		
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary		
Vasana Agrex and Herbs Private Limited	Subsidiary		
Snacko Bisc Private Limited	Subsidiary		

**Notes:**

- (i) The above does not include related party transactions with retiral funds, as key management personnel who are trustees of the funds cannot individually exercise significant influence on the retiral funds transactions.
- (ii) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

**Note 45 Employee benefits**

**(a) Post retirement benefit - Defined contribution plans**

The Company has recognised an amount of ₹ 6.54 (previous year: ₹ 5.75) as expenses under the defined contribution plans in the statement of profit and loss for the year:

	31 March 2016	31 March 2015
<b>Benefit (Contribution to)</b>		
Provident Fund *	4.42	3.70
Family Pension Scheme	1.52	1.31
Pension Fund	0.60	0.74
<b>Total</b>	<b>6.54</b>	<b>5.75</b>

\* With regard to the assets of the fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

**(b) Post retirement benefit - Defined benefit plans**

The Company has two funds: Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.

- (i) The Scheme in relation to Britannia Industries Limited Non Covenanted Staff Gratuity Fund provides for lumpsum 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 six months subject to the higher of maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

- (ii) The Scheme in relation to Britannia Industries Limited Covenanted Staff Gratuity Fund provides for lumpsum 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 six months subject to the higher of maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary.

Vesting (for both the funds mentioned above) occurs only upon completion of five years of service, except in case of death or permanent disability. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at balance sheet date.

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
1. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:					
Obligations as at 1 April	11.86	14.22	14.53	13.93	15.46
Service cost	1.10	0.95	0.96	0.88	0.94
Interest cost	0.94	1.28	1.16	1.18	1.28
Benefits settled	(1.18)	(6.51)	(2.26)	(2.19)	(3.46)
Actuarial (gain) / loss	0.53	1.92	(0.17)	0.73	(0.28)
Obligations as at year end 31 March	13.25	11.86	14.22	14.53	13.93
2. Change in plan asset:					
Plan assets as at 1 April at fair value	12.46	17.43	16.73	16.30	17.51
Expected return on plan assets	0.99	1.57	1.45	1.39	1.44
Actuarial gain / (loss)	0.15	(0.31)	(0.08)	(0.08)	(0.19)
Contributions	1.71	0.28	1.59	1.31	1.01
Benefits settled	(1.18)	(6.51)	(2.26)	(2.19)	(3.46)
Plan assets as at 31 March at fair value	14.12	12.46	17.43	16.73	16.30
3. Reconciliation of present value of the obligation and the fair value of the plan assets:					
Present value of obligation as at 31 March	13.25	11.86	14.22	14.53	13.93
Plan assets as at 31 March at fair value	14.12	12.46	17.43	16.73	16.30
Amount recognised in balance sheet asset / (liability)	0.88	0.60	3.21	2.20	2.37
4. Expenses recognised in the statement of profit and loss:					
Current service cost	1.10	0.95	0.96	0.88	0.94
Interest cost	0.94	1.28	1.16	1.18	1.28
Expected return on plan assets	(0.99)	(1.57)	(1.45)	(1.39)	(1.44)
Actuarial (gain) / loss	0.38	2.23	(0.09)	0.81	(0.09)
Net cost	1.43	2.89	0.58	1.48	0.68
5. Amount recognised in the balance sheet:					
Opening (asset) / liability	(0.60)	(3.21)	(2.20)	(2.37)	(2.04)
Expense as above	1.43	2.89	0.58	1.48	0.68
Employers' contribution paid	(1.71)	(0.28)	(1.59)	(1.31)	(1.01)
Closing (asset) / liability	(0.88)	(0.60)	(3.21)	(2.20)	(2.37)

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## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
6. Experience adjustment:					
On plan liabilities (gain) / loss	0.24	1.20	1.25	0.21	(0.14)
On plan assets gain / (loss)	0.15	(0.31)	(0.08)	(0.08)	(0.19)
	% Invested	% Invested	% Invested	% Invested	% Invested
7. Investment details:					
Government of India securities	5.11	5.55	23.02	26.79	27.08
State Government securities	33.08	30.02	26.80	22.74	20.00
Public sector securities	53.76	56.33	45.27	45.66	43.82
Mutual funds	3.80	3.49	1.51	1.03	0.78
Special deposit scheme	4.25	4.61	3.40	3.78	8.32
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
8. Principal actuarial assumptions:					
Discount factor [Refer note (i) below]	7.56%	7.92%	9.02%	8.00%	8.50%
Estimated rate of return on plan assets [Refer note (ii) below]	7.56%	7.92%	9.02%	8.00%	8.50%
Attrition rate:					
Age related (Service related):					
5 years and above	4.00%	4.00%	4.00%	2.00%	2.00%
Below 5 years	16.00%	16.00%	14.00%	14.00%	14.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%
Retirement age (in years)	58	58	58	58	58

**Notes:**

- (i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
- (ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- (iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- (iv) The disclosure above includes amounts for both Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund.

**Note 46** Disclosure as per Regulation 34 (3) and 53 (f) read with Part A of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of loans and advances, the amount in the nature of loans outstanding at year end:

	Outstanding as at		Maximum outstanding during the year ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
<b>Subsidiaries</b>				
Sunrise Biscuits Company Private Limited, net	-	-	-	4.86
Daily Bread Gourmet Foods (India) Private Limited, net	-	-	-	4.05
J B Mangharam Foods Private Limited	-	-	-	15.94
Manna Foods Private Limited	58.98	53.41	60.17	58.67
International Bakery Products Limited	24.49	20.73	25.14	21.06



NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 47 Derivative contracts**

**Foreign currency forward contracts**

The Company has entered into foreign exchange forward contracts for hedging the foreign exchange fluctuation risks on foreign currency payables, which has been accounted for in line with Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the amount receivable of ₹ Nil (previous year: ₹ Nil), relating to foreign exchange forward contracts for hedging has been netted off and disclosed under 'Short-term loans and advances'.

The Company has designated certain foreign exchange forward contracts (relating to foreign currency receivables and payables) outstanding as on 31 March 2016 as hedge of committed transaction. On that date, the Company had forward contracts amounting to USD 4,228,848 and EUR 553,347 (previous year: USD 2,908,783 and EUR 2,060,830). As at the year end the unrealized exchange loss of ₹ 0.35 has been accounted for (previous year: unrealized exchange loss of ₹ 0.49) (arrived on a mark to market basis) in line with the ICAI notification issued in March 2008.

**Note 48 Capital subsidy**

During the year ended 31 March 2013, an amount of ₹ 5 was received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 0.71 (previous year: ₹ 0.71) has been credited to the statement of profit and loss (by reducing the depreciation charge for the year) and the outstanding amount of ₹ 2.86 (previous year: ₹ 3.57) has been classified as capital subsidy in the balance sheet [Refer note 1 (t)].

**Note 49 Corporate Social Responsibility**

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 10.46 (previous year: ₹ 7.35) in accordance with Section 135 of the Companies Act, 2013. The following amounts were spent during the current & previous years:

Particulars	31 March 2016	31 March 2015
(i) Amount spent other than for construction/ acquisition of any asset	10.46	7.35
(ii) Amount accrued and not spent	-	-
<b>Total</b>	<b>10.46</b>	<b>7.35</b>

**Note 50** During the year, based on queries received from Securities Exchange Board of India ('SEBI'), the Company conducted a preliminary internal investigation and discovered certain irregularities by M/s Sharepro Services (India) Private Limited ('Sharepro'), the Company's erstwhile Registrar and Share Transfer Agent. Subsequently, the Company has filed a criminal complaint against Sharepro and its employees. Pursuant to the directions issued by SEBI in its interim order dated 22 March 2016, the Company has appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to past transactions. The Company will evaluate additional steps, if any, based on the findings of the audit by the independent external agency and in accordance with the directions of SEBI or any other regulatory authorities. Based on consultations with its legal counsel, the Company has been advised that the liability will not evolve on the Company and thus no provision is considered necessary. Further, the Company has a right to claim losses, if any, from Sharepro and accordingly the Company does not plan to make good the losses on its own account.

**Note 51** During the year, the Board of Directors in its meeting dated 9 February 2016 have approved the scheme of arrangement between the Company and a wholly owned subsidiary of the Company i.e. Daily Bread Gourmet Foods (India) Private Limited ("Daily Bread"), its shareholders, creditors and other stakeholders of both the Companies under section 391 to 394 of the Companies Act, 1956 by way of merger of the manufacturing and Retail sales businesses consisting of the manufacturing facility, retail outlets/ stores and the brand/ trademark of Daily Bread into the Company as a going concern with appointed date as 1 April 2015. The

# Britannia Annual Report 2015-16

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

relevant petition has been filed before the respective jurisdictional High courts and its approvals are awaited. Pending approval of the scheme, no effect has been given in the financial statements of the current year. The impact of the aforesaid scheme of arrangement will not be material to the Company.

**Note 52** The financial statements are presented in ₹ Crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ crore are given below:

Note No.	Description	31 March 2016	31 March 2015
₹ in '000			
<b>10.</b>	<b>Non-current investments:</b>		
(a)	Trade investments - Unquoted - Investments in debentures / bonds		
	The Bengal Chamber of Commerce and Industry 6 1/2 % Non-redeemable registered debentures 1962	4	4
<b>44.</b>	<b>Related party disclosures under Accounting Standard 18:</b>		
	<b><u>Relationship</u></b>		
(a)	Purchase of shares [Purchase of shares of International Bakery Products Limited]		
-	Boribunder Finance and Investments Private Limited	-	0.1
-	Flora Investments Company Private Limited	-	0.1
-	Gilt Edge Finance and Investments Private Limited	-	0.1
(b)	Outstanding as at year end - net receivables / (payables)		
-	Britannia Dairy Holdings Private Limited, Mauritius	46	46
-	Al Sallan Food Industries Co. SAOC	-	43

**Note 53** Figures in rupees have been rounded off to two decimal places to the nearest crore, unless otherwise stated.

**Note 54** During the year ended 31 March 2016 no material foreseeable loss (previous year: nil) was incurred for any long-term contract including derivative contracts.

As per our report of even date attached

for B S R & Co. LLP  
Chartered Accountants

Firm registration number: 101248W/W-100022

Supreet Sachdev  
Partner

Membership number: 205385

Place : Bangalore

Date : 20 May 2016

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee  
S S Kelkar

Nasser Munjee

Nimesh N Kampani

Avijit Deb

Jeh N Wadia

Ajai Puri

Ness N Wadia

Ranjana Kumar

Chief Financial Officer : Amlan Datta Majumdar

Company Secretary : Rajesh Arora

Place : Mumbai

Date : 20 May 2016

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Britannia Industries Limited Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Britannia Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries and associates (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 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 financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 in sub-paragraph (a) of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### 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 of the subsidiaries, the aforesaid consolidated 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:

- i) in the case of consolidated balance sheet, of the consolidated state of affairs of the Group as at 31 March 2016
- ii) in the case of consolidated statement of profit and loss, of the consolidated profits for the year ended on that date; and
- iii) in the case of consolidated cash flow statement, of the consolidated cash flows for the year ended on that date.

### Other matter

- a. We did not audit the financial statements and financial information of four subsidiaries incorporated outside India, whose financial statements reflect total assets of ₹ 209.60 Crores as at 31 March 2016, total revenues of ₹ 432.32 Crores and net cash flows amounting to ₹ 16.62 Crores for the year ended on that date, as considered in the consolidated financial statements. The financial statements and other financial information of these subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries. For the purposes of preparation of consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the Management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to consolidated financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been reviewed by the other auditors and the limited review reports of those other auditors have been furnished to us. Our opinion on the consolidated financial statements, in so far as it relates to these entities, is based on the aforesaid limited review reports of these other auditors.
- b. We did not audit the financial statements and financial information of two subsidiaries, whose financial statements and financial information reflect total assets of ₹ 1.17 Crores as at 31 March 2016, total revenues of ₹ Nil Crores and net cash flows amounting to ₹ 0.01 Crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 0.22 Crores for the year ended 31 March 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements and financial information have not been audited by us. These financial statements and financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included

in respect of these subsidiaries and associates, and our report in terms of section 143(3) of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements and financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and financial information are not material to the Group.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

1. 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 of subsidiaries as noted in the 'Other Matter' 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 financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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, and the 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 financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the

Holding Company and the reports of the other statutory auditors of its subsidiary companies incorporated in India, none of the directors of any such companies are disqualified as on 31 March 2016 from being appointed as a Director of that Company in terms of sub-section 2 of Section 164 of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and subsidiaries, incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (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 other financial information of subsidiaries, as noted in the 'Other Matter' Paragraph.

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 29 (i) (a), 33 and 34 to the consolidated financial statements.
- ii. The Group did not have any on long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, wherever applicable.

*for B S R & Co. LLP*  
*Chartered Accountants*

Firm Registration No: 101248W/W-100022

**Supreet Sachdev**

*Partner*

Place: Bangalore

Date : 20 May 2016

Membership Number: 205385

**Annexure A to the Independent Auditor's Report of even date on the consolidated financial statements of Britannia Industries Limited ("the Holding Company")**

**Report on the 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 financial statements of the Holding Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate companies (together referred to as "the Group"), 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 its associates companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 the respective 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 Group's internal financial controls system over financial reporting.

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

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) 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
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation

## Britannia Annual Report 2015-16

of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, its subsidiary companies and associates companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31

March 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

*for B S R & Co. LLP*  
*Chartered Accountants*

Firm Registration No: 101248W/W-100022

**Supreet Sachdev**  
*Partner*

Place: Bangalore

Date : 20 May 2016

Membership Number: 205385



Britannia Annual Report 2015-16  
**CONSOLIDATED BALANCE SHEET**

₹ in Crores

As at	Note No.	31 March 2016	31 March 2015
<b>I. EQUITY AND LIABILITIES</b>			
(1) Shareholders' funds			
(a) Share capital	2	24.00	23.99
(b) Reserves and surplus	3	1,742.48	1,217.55
		<u>1,766.48</u>	<u>1,241.54</u>
(2) Capital subsidy	42	2.86	3.57
(3) Minority interest		2.46	2.43
(4) Non-current liabilities			
(a) Long-term borrowings	4	40.83	43.33
(b) Other long-term liabilities	5	21.34	19.96
(c) Long-term provisions	6	6.83	5.65
		<u>69.00</u>	<u>68.94</u>
(5) Current liabilities			
(a) Short-term borrowings	7	86.13	96.88
(b) Trade payables	8	741.98	703.42
(c) Other current liabilities	9	285.81	259.45
(d) Short-term provisions	10	502.38	417.12
		<u>1,616.30</u>	<u>1,476.87</u>
		<u>3,457.10</u>	<u>2,793.35</u>
<b>II. ASSETS</b>			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		821.00	720.63
(ii) Intangible assets		13.33	12.76
(iii) Capital work-in-progress		90.07	48.37
		<u>924.40</u>	<u>781.76</u>
(b) Goodwill on consolidation, net	11	115.91	110.68
(c) Non-current investments	12	356.39	77.06
(d) Deferred tax asset, net	13	27.71	23.35
(e) Long-term loans and advances	14	290.05	90.35
(f) Other non-current assets	15	37.80	37.17
(2) Current assets			
(a) Current investments	16	396.46	440.88
(b) Inventories	17	440.65	404.04
(c) Trade receivables	18	170.61	135.81
(d) Cash and bank balances	19	87.65	226.33
(e) Short-term loans and advances	20	609.47	465.92
		<u>1,704.84</u>	<u>1,672.98</u>
		<u>3,457.10</u>	<u>2,793.35</u>
Significant accounting policies	1		

See accompanying notes to financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Supreet Sachdev

Partner

Membership number: 205385

Place : Bangalore

Date : 20 May 2016

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee

S S Kelkar

Nasser Munjee

Nimesh N Kampani

Avijit Deb

Jeh N Wadia

Ajai Puri

Ness N Wadia

Ranjana Kumar

Chief Financial Officer : Amlan Datta Majumdar

Company Secretary : Rajesh Arora

Place : Mumbai

Date : 20 May 2016



# Britannia Annual Report 2015-16

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Crores

For the year ended	Note No.	31 March 2016	31 March 2015
<b>I. Revenue from operations</b>			
Sale of products		8,835.98	7,944.18
Less: Excise duty		(228.92)	(169.09)
Net sale of products		<u>8,607.06</u>	<u>7,775.09</u>
Other operating revenues	21	71.79	83.33
		<u>8,678.85</u>	<u>7,858.42</u>
<b>II. Other income</b>	22	99.98	87.96
<b>III. Total revenue (I + II)</b>		<u><u>8,778.83</u></u>	<u><u>7,946.38</u></u>
<b>IV. Expenses:</b>			
Raw materials including packaging materials consumed		4,317.70	4,119.97
Purchase of stock-in-trade	23	685.50	602.24
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(4.27)	(30.40)
Employee benefits expense	25	336.49	280.58
Finance costs	26	4.87	3.86
Depreciation and amortisation	11	113.41	144.48
Other expenses	27	2,116.90	2,022.12
<b>Total expenses</b>		<u><u>7,570.60</u></u>	<u><u>7,142.85</u></u>
<b>V. Profit before exceptional and extraordinary items and tax (III - IV)</b>		<u>1,208.23</u>	<u>803.53</u>
<b>VI. Exceptional items (expense) / income, net</b>	28	(10.33)	146.06
<b>VII. Profit before tax (V + VI)</b>		<u>1,197.90</u>	<u>949.59</u>
<b>VIII. Tax expense:</b>			
(1) Current tax			
Income tax	40	396.33	293.28
Minimum alternative tax credit entitlement		-	(6.13)
(2) Deferred tax credit		(4.36)	(26.04)
<b>IX. Profit for the year before share of profits / (losses) of associates (net) and minority interest (VII - VIII)</b>		<u>805.93</u>	<u>688.48</u>
Share of net profit / (loss) of associates		0.22	0.21
Share of profit of minority		(0.04)	(0.05)
<b>X. Profit for the year</b>		<u>806.11</u>	<u>688.64</u>
<b>XI. Earnings per equity share</b>	35		
(1) Basic [nominal value of ₹ 2/- each]		67.19	57.42
(2) Diluted [nominal value of ₹ 2/- each]		67.18	57.41
Weighted average number of equity shares used in computing earnings per share:			
- Basic		119,966,116	119,925,815
- Diluted		119,998,089	119,942,424
Significant accounting policies	1		

See accompanying notes to financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Supreet Sachdev

Partner

Membership number: 205385

Place : Bangalore

Date : 20 May 2016

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee  
S S Kelkar  
Nasser Munjee  
Nimesh N Kampani  
Avijit Deb  
Jeh N Wadia  
Ajai Puri  
Ness N Wadia  
Ranjana Kumar

Chief Financial Officer : Amlan Datta Majumdar

Company Secretary : Rajesh Arora

Place : Mumbai

Date : 20 May 2016

# Britannia Annual Report 2015-16

## CONSOLIDATED CASH FLOW STATEMENT

₹ in Crores

For the year ended	Note No.	31 March 2016	31 March 2015
<b>Cash flows from operating activities</b>			
Profit before tax		1,197.90	949.59
<b>Adjustments for:</b>			
Depreciation and amortisation		113.41	144.48
Profit on sale of investments, net		(23.98)	(43.30)
(Profit) / loss on sale of fixed assets, net		9.18	(153.51)
Dividend income		(0.02)	(0.23)
Interest income		(72.38)	(40.30)
Interest expense		4.87	3.86
<b>Operating profit before working capital changes</b>		<b>1,228.98</b>	<b>860.59</b>
(Increase) / decrease in inventories		(35.04)	17.49
Increase in trade receivables		(31.70)	(24.81)
(Increase) / decrease in loans and advances and other assets		(22.28)	14.17
(Increase) / decrease in bank balances (other than cash and cash equivalents)		146.32	(158.77)
Increase in liabilities and provisions		78.31	177.26
<b>Cash generated from operations</b>		<b>1,364.59</b>	<b>885.93</b>
Income taxes paid, net of refund		(403.22)	(301.47)
<b>Net cash provided by operating activities</b>		<b>961.37</b>	<b>584.46</b>
<b>Cash flows from investing activities</b>			
Purchase of fixed assets (including finance leased assets)		(250.77)	(117.67)
Proceeds from sale of fixed assets		1.39	164.01
Purchase of investments, net		(210.93)	(276.77)
Inter-corporate deposits placed		(385.75)	(355.00)
Inter-corporate deposits redeemed		75.00	105.00
Interest received		65.85	29.90
Dividend received		0.02	0.23
<b>Net cash used in investing activities</b>		<b>(705.19)</b>	<b>(450.30)</b>
<b>Cash flows from financing activities</b>			
Proceeds from / (repayment) of secured loans, net		(1.20)	16.95
Interest paid		(5.08)	(3.25)
Repayment of unsecured loans		(15.62)	(26.95)
Proceeds from share allotment		4.35	-
Dividend paid including tax thereon		(230.78)	(168.12)
<b>Net cash used in financing activities</b>		<b>(248.33)</b>	<b>(181.37)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>7.85</b>	<b>(47.21)</b>
Cash and cash equivalents at the beginning of the year		43.14	90.35
<b>Cash and cash equivalents at the end of the year (Refer note below)</b>		<b>50.99</b>	<b>43.14</b>

## Britannia Annual Report 2015-16

### CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

₹ in Crores

For the year ended	Note No.	31 March 2016	31 March 2015
<b>Note:</b>			
Cash and cash equivalents at the end of the year	19	64.71	57.07
Book overdraft	9	(11.30)	(12.95)
Effect of exchange rate changes		(2.42)	(0.98)
		<u>50.99</u>	<u>43.14</u>
Significant accounting policies	1		

See accompanying notes to financial statements

As per our report of even date attached

*for B S R & Co. LLP*

*Chartered Accountants*

Firm registration number: 101248W/W-100022

*for and on behalf of the Board of Directors*

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee  
S S Kelkar  
Nasser Munjee  
Nimesh N Kampani

Avijit Deb

Jeh N Wadia

Ajai Puri

Ness N Wadia

Ranjana Kumar

Chief Financial Officer : Amlan Datta Majumdar

Company Secretary : Rajesh Arora

**Supreet Sachdev**

*Partner*

Membership number: 205385

Place : Bangalore

Date : 20 May 2016

Place : Mumbai

Date : 20 May 2016

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 Significant accounting policies

(a) Basis of preparation of consolidated financial statements

The consolidated financial statements relate to Britannia Industries Limited ('the Company') and its subsidiaries and associates ('the Group'). The consolidated financial statements are prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statements" and Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statement" prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies Act, 1956 to the extent relevant. The consolidated financial statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Appropriate disclosure, as applicable, is made of significant deviations from the Company's accounting policies, which have not been adjusted.

(b) Subsidiaries and associate companies considered in the consolidated financial statements:

Name of the Company	Country of incorporation	Proportion of ownership interest (in %)	Proportion of voting power held directly or indirectly (in %)
<b>Subsidiary companies:</b>			
Boribunder Finance and Investments Private Limited	India	100.00	100.00
Flora Investments Company Private Limited	India	40.53	100.00
Gilt Edge Finance and Investments Private Limited	India	46.13	100.00
Ganges Vally Foods Private Limited	India	51.00	51.00
International Bakery Products Limited	India	100.00	100.00
J B Mangharam Foods Private Limited	India	100.00	100.00
Manna Foods Private Limited	India	100.00	100.00
Sunrise Biscuit Company Private Limited	India	99.16	99.16
Britannia and Associates (Mauritius) Private Limited	Mauritius	100.00	100.00
Britannia and Associates (Dubai) Private Co. Limited	Dubai, UAE	100.00	100.00
Al Sallan Food Industries Co. SAOC	Oman	65.46	65.46
Strategic Food International Co. LLC, Dubai	Dubai, UAE	100.00	100.00
Strategic Brands Holding Company Limited	Dubai, UAE	100.00	100.00
Daily Bread Gourmet Foods (India) Private Limited	India	100.00	100.00
Britannia Dairy Private Limited	India	100.00	100.00
Britannia Dairy Holdings Private Limited	Mauritius	100.00	100.00
<b>Associates:</b>			
Klassik Foods Private Limited	India	26.02	26.02
Nalanda Biscuits Company Limited	India	35.00	35.00
<b>The following companies limited by guarantee, are also considered for consolidation:</b>			
Britannia Employees General Welfare Association Private Limited	India		
Britannia Employees Medical Welfare Association Private Limited	India		
Britannia Employees Educational Welfare Association Private Limited	India		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(c) Principles of consolidation

- (i) These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-company transactions.

The following subsidiary companies are excluded from consolidation as they are not significant:

Name of the entity	Relationship	Country of incorporation
Vasana Agrex and Herbs Private Limited	Subsidiary	India
Snacko Bisc Private Limited	Subsidiary	India

- (ii) Accounting for investments in associate companies has been carried out under the equity method of accounting prescribed under Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" wherein goodwill / capital reserve arising at the time of acquisition, and the Group's share of profit or loss after the date of acquisition have been adjusted in the investment value.

(d) Basis of accounting and preparation of financial statements

The consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting to comply in all material aspects with the applicable accounting principles in India, the mandatory Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with rule 7 of the Companies (Accounts) Rules, 2014 and the Companies Act, 1956 to the extent relevant and the guidelines issued by the Securities and Exchange Board of India ('SEBI').

The financial statements of Britannia and Associates (Dubai) Private Co. Limited, Dubai; Britannia Dairy Holdings Private Limited, Mauritius; Klassik Foods Private Limited and Nalanda Biscuits Company Limited have been incorporated in the consolidated financial statements of Britannia Industries Limited based on unaudited financial statements.

(e) Use of estimates

The preparation of consolidated financial statements, in conformity with generally accepted accounting principles in India requires, that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statement and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

(f) Fixed assets

**Tangible assets**

Tangible assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost includes inward freight, duties, taxes and expenses incidental to acquisition and installation or construction, net of refundable duties, levies and taxes where applicable. The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

**Intangible assets**

- (i) Intangible assets are stated at cost of acquisition less accumulated amortisation.
- (ii) Goodwill arising on consolidation represents the excess of cost to the Group of its investment in a subsidiary Company over the Group's portion of net worth of the subsidiary, and is net of capital reserve.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(g) Depreciation and amortisation

Depreciation in respect of all the assets is provided on straight line method over the useful lives of assets estimated by the Company. Depreciation for assets purchased / sold during the period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its use. The Company estimates the useful life of fixed assets as follows:

Assets classification	Useful life
Plant and equipment *	7.5 - 15 years
Furniture and fixtures	10 years
Motor vehicles	8 years
Office equipment	3 - 5 years
Buildings	60 years
Leasehold land	Lease period
Moulders, cutters and spare parts *	1 year

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

The Al Sallan Food Industries Co. SAOC and Strategic Food International Co. LLC estimated useful lives are as follows:

Assets classification	Useful life
Plant and equipment	30 years
Furniture and fixtures	4 years
Motor vehicles	4 years
Buildings	20 - 30 years
Office equipment	5 years

In respect of assets held by J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited, depreciation is provided on a written-down-value basis over its expected useful life. The written down value of assets as on 31 March 2016 amounts to ₹ 19.38 and ₹ 1.16 (previous year: ₹ 17.92 and ₹ 1.79) for J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited respectively. The impact of the depreciation computed under the straight line method is not material.

**Intangible assets**

Expected useful life of assets of Group is as mentioned below:

Know-how : 3 years,

Marketing infrastructure : 3 years,

Non-compete rights : 2 years, and

Computer software : 6 years

Goodwill arising on consolidation is evaluated for impairment periodically. (Also refer point (h) below)

(h) Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset, including intangible, may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined, if no impairment loss had been recognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(i) **Leases**

Assets acquired under lease where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of lease at lower of the fair value and present value of minimum lease payments. Assets taken on finance lease are depreciated over its estimated useful life or the lease term whichever is lower.

Assets acquired under lease where the significant portion of risks and rewards of ownership are retained by the lessor are classified as operating lease. Lease rentals are charged to the statement of profit and loss on accrual basis.

(j) **Inventories**

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

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

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

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Stock-in-trade is valued at the lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

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

In respect of following subsidiaries, inventories are valued at cost, computed under first-in-first-out basis. The value of these inventories are as given below:

	31 March 2016	31 March 2015
Britannia Dairy Private Limited	17.74	16.93

(k) **Trade receivables and loans and advances**

Trade receivables and loans and advances are stated after making adequate provision for doubtful receivables and loans and advances.

(l) **Investments**

Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments.

Current investments are stated at lower of cost and fair value for each investment individually.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**(m) Revenue recognition**

Revenue from sale of goods (including sale of scrap) is recognised on transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of sales tax and net of trade discounts and sales returns. Sales are presented both gross and net of excise duty.

Income from royalty and services is accounted for based on contractual agreements.

Dividend income is accounted for in the year in which the right to receive the same is established.

Interest on investments and deposits is booked on a time-proportion basis taking into account the amounts invested and the rate of interest.

**(n) Foreign currency transactions**

Transactions in foreign currency are recorded at exchange rates prevailing on the respective dates of the relevant transactions. Monetary assets and liabilities denominated in foreign currency are restated at exchange rates prevailing at the balance sheet date. The gains or losses resulting from such transactions are adjusted to the statement of profit and loss. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value / net realisable value are translated at the exchange rate prevalent at the date when the fair value / net realisable value was determined. Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

The Group uses foreign exchange forward contracts to cover its exposure towards movements in foreign exchange rates. The Group does not use the foreign exchange forward contract for trading or speculative purposes.

Premium or discount arising at the inception of forward contracts against the underlying assets is amortised as expense or income over the life of contract. Exchange differences on forward contracts are recognised in the statement of profit and loss in the reporting period in which the exchange rates change.

**(o) Derivative contracts**

Based on the principle of prudence as provided in Accounting Standard 1 - "Disclosure of Accounting Policies", the Company assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 - "Effects of Changes in Foreign Exchange Rates" (Refer point (n) above)] at the balance sheet date and provides for such losses. The net gain, if any, based on the said evaluation is not accounted for in line with the applicable ICAI notification issued in relation to such transactions.

**(p) Taxes on income**

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing differences originate. For this purpose the timing differences, which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

Deferred tax assets / liabilities are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

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



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

**(q) Employee benefits**

**(i) Short-term employee benefits**

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

**(ii) Post-employment benefits**

Contributions to defined contribution schemes such as Provident Fund, Pension Fund etc., are recognised as expenses in the period in which the employee renders the related service. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Company. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, shall be made good by the Company. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date.

The Britannia Industries Limited Covenanted Staff Pension Fund Trust ('BILCSPF') and Britannia Industries Limited Officers' Pension Fund Trust ('BILOPF') were established by the Company to administer pension schemes for its employees. These trusts are managed by the Trustees. The Pension Scheme is applicable to all the managers and officers of the Company who have been employed up to the date of 15 September 2005 and any manager or officer employed after that date, if he has opted for the membership of the scheme. The Company makes a contribution of 15% of basic salary in respect of the members each month to the trusts. On retirement, subject to the vesting conditions as per the rules of the trust, the member becomes eligible for pension, which is paid from annuity purchased in the name of the member by the trusts.

In case of Al Sallan Food Industries Co. SAOC, the provision for employees' terminal benefits is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the statement of financial position date, having regard to the requirements of the Oman Labour Law, 2003 and the Social Security Law, 1991.

In case of Strategic Food International Co. LLC, Dubai, provision for staff terminal benefits is calculated in accordance with the UAE Federal Labour Law and is based on the liability that would arise if the employment of all the Company's staff were terminated on the balance sheet date. This difference in accounting policy from the Group's accounting policy as mentioned above does not have a material impact on the financial statements.

**(iii) Other long-term employee benefits**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(iv) **Voluntary retirement scheme benefits**

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

(r) **Borrowing costs**

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are accounted as an expense in the statement of profit and loss.

(s) **Employee share based payments**

The Group measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense, if any, is amortised over the vesting period of the option on a straight line basis.

(t) **Provisions and contingent liabilities**

A provision is recognised when the Group has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation. When the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset only when reimbursement is virtually certain.

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

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

(u) **Earnings per share**

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

(v) **Cash flow statement**

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

(w) **Capital subsidy**

Capital subsidy related to depreciable fixed assets is treated as deferred income and recognised in the statement of profit and loss on a systematic basis over the useful life of the asset.

(x) **Government grants related to revenue**

Government grants related to revenue are recognised in the statement of profit and loss on a systematic basis over the periods to which they relate.

(y) **Cash and cash equivalents**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 2 - Share capital</b>		
<b>Authorised</b>		
Equity shares	50.00	50.00
[250,000,000 equity shares of ₹ 2/- each (previous year: 250,000,000 equity shares of ₹ 2/- each)]		
<b>Issued, subscribed and paid up</b>		
Equity shares fully paid	24.00	23.99
[119,975,815 equity shares of ₹ 2/- each (previous year: 119,925,815 equity shares of ₹ 2/- each)]*		
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (previous year: 60,866,095 equity shares of ₹ 2/- each) are held by the subsidiaries of The Bombay Burmah Trading Corporation Limited, the ultimate holding Company [Refer note (a) below]		
Rights, preferences and restrictions attached to the equity shares:		
- The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.		
- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
- During the year ended 31 March 2016, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 20/- (previous year: ₹ 16/-). The total dividend appropriation for the year ended 31 March 2016 amounted to ₹ 288.80 (previous year: ₹ 230.94) including corporate dividend tax of ₹ 48.85 (previous year: ₹ 39.06).		
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Details of shareholders holding more than 5% of total number of shares, including amount [Refer note (b) below]		
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year [Refer note (c) below]		
Under the Britannia Employee Stock Option Scheme the total number of options that can be granted is 875,000. Out of this, 600,000 options have been granted and 525,000 options exercised. Allotment details: 75,000 shares were allotted on 21 September 2012 at an exercise price of ₹ 191.06/-; 75,000 shares were allotted on 2 April 2013 at an exercise price of ₹ 305.63/-; 100,000 shares were allotted on 11 June 2013 at an exercise price of ₹ 333.71/-; 125,000 shares were allotted on 24 July 2013 at an exercise price of ₹ 391.75/- ; 100,000 shares were allotted on 5 December 2013 at an exercise price of ₹ 528.75/- and 50,000 shares were allotted on 10 June 2015 at an exercise price of ₹ 870.35/- [Refer note (d) below].		
Refer note 43		
	24.00	23.99

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Notes:

- (a) Shares in respect of equity in the Company held by its holding or ultimate holding Company, including shares held by subsidiaries or associates of the holding Company or the ultimate holding Company in aggregate:

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
<b>Holding Company</b>				
Associated Biscuits International Limited (ABIL), UK	53,904,500	10.78	53,904,500	10.78
<b>Subsidiaries of holding Company</b>				
Bannatyne Enterprises Pte Limited, Singapore	1,391,555	0.28	1,391,555	0.28
Dowbiggin Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Nacupa Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Spargo Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Valletort Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
	<u>60,866,095</u>	<u>12.18</u>	<u>60,866,095</u>	<u>12.18</u>

- (b) Details of shareholders' holding more than 5% of total number of shares:

	31 March 2016		31 March 2015	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	44.93	53,904,500	44.95
Arisaig Partners (Asia) Pte Ltd.	3,640,631	3.03	6,452,404	5.38

- (c) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

	31 March 2016		31 March 2015	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	119,925,815	23.99	119,925,815	23.99
Shares issued during the reporting year	50,000	0.01	-	-
Closing balance at the end of the reporting year	<u>119,975,815</u>	<u>24.00</u>	<u>119,925,815</u>	<u>23.99</u>

- (d) During the financial year 2008-09, the Company introduced Britannia Industries Limited Employee Stock Option Scheme ('the Scheme'). As per the Scheme, the Remuneration / Compensation Committee grants options to the employees and Executive Directors of the Company. The vesting period of the option is one to three years from the date of grant. Options granted under the Scheme can be exercised within a period of three years from the date of vesting. Exercise of an option is subject to continued employment.

Under the Scheme, the Company granted 15,000 options on 29 October 2008 at an exercise price of ₹ 1,125.30/-; 15,000 options on 27 May 2009 at an exercise price of ₹ 1,698.15/-; 20,000 options on 27 May 2010 at an exercise price of ₹ 1,668.55/-; 125,000 options on 27 May 2011 at an exercise price of ₹ 391.75/-; 100,000 options on 28 May 2012 at an exercise price of ₹ 528.75/-; 50,000 options on 26 May 2014 at an exercise price of ₹ 870.35 and 75,000 options on 21 May 2015 at an exercise price of ₹ 2,332.05/- to the Managing Director of the Company. Each option represents one equity share of ₹ 10/- each (for options granted between the years 2008 to 2010) and one equity share of ₹ 2/- each (for options granted after the year 2010). The said price was determined in accordance with the pricing formula approved by the shareholders i.e. the latest available closing price, prior to the date of the meeting of the Board of Directors or Remuneration / Compensation Committee in which options were granted, on the stock exchange having higher trading volume.

Exercise prices as stated above are adjusted downwards by ₹ 170/- per share for options granted on 29 October 2008 and 27 May 2009, being the face value of bonus debentures issued pursuant to the Scheme of Arrangement approved by the Honourable Calcutta High Court on 11 February 2010.

The number of options have been appropriately adjusted, consequent upon the sub-division of the equity shares [Refer note (e) below].

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Method used for accounting of share based payment plan:**

The Company has used intrinsic value method to account for the compensation cost of stock options to employees and Executive Directors of the Company. Intrinsic value is the amount by which the quoted market price of the underlying share exceeds the exercise price (without considering the impact of ₹ 170/- on account of issue of bonus debentures) of the option. Since the options under the Scheme were granted at the market price, the intrinsic value of the option is ₹ Nil. Consequently the accounting value of the option (compensation cost) is also ₹ Nil.

Movement in the options under the scheme:	31 March 2016	31 March 2015
Options outstanding at the beginning of the year	50,000	-
Options granted during the year	75,000	50,000
Options vested during the year	50,000	-
Options exercised during the year	50,000	-
Shares allotted against options exercised during the year	50,000	-
Options lapsed during the year	-	-
Shares under option at the end of the year	75,000	50,000
Options exercisable at the end of the year	-	-
Weighted average price per option (₹)	1,747.37	870.35

**Fair Value Methodology:**

Options have been valued based on Fair Value method of accounting as described under guidance note on Accounting for Employee Share-based Payments using Black Scholes valuation option- pricing model, using the market values of the Company's shares as quoted on the National Stock Exchange.

The key assumptions used in Black-Scholes model for calculating fair value of options under the scheme as on the date of grant are as follows:

Particulars	31 March 2016	31 March 2015
No. of options granted	75,000	50,000
Date of grant	21-May-15	26-May-14
Vesting period (years)	1 to 3	1
Expected life of option (years)	3	3
Expected volatility	19.91%	22.56%
Risk free rate	7.76%	8.57%
Expected dividends expressed as a dividend yield	0.69%	1.84%
Weighted-average fair values of options per share (₹)	524.96	206.18

Had the compensation cost for the Scheme been determined based on fair value approach, the Company's net profit and earnings per share would have been as per the pro-forma amounts indicated below:

Particulars	31 March 2016	31 March 2015
Net profit (as reported)	806.11	688.64
Less: Stock-based compensation expense determined under fair value based method net of Intrinsic Value (without considering tax impact)	2.25	0.88
Net profit (pro-forma) considered for computing EPS (pro-forma)	803.86	687.77
Basic earnings per share (as reported) (₹)	67.19	57.42
Basic earnings per share (pro-forma) (₹)	67.01	57.35
Diluted earnings per share (as reported) (₹)	67.18	57.41
Diluted earnings per share (pro-forma) (₹)	66.99	57.33

- (e) In the Annual General Meeting held on 9 August 2010, the shareholders of the Company approved the sub-division of equity shares, where in each equity share with a face value of ₹ 10/- has been subdivided into 5 equity shares with a face value of ₹ 2/- each. The effective date for the sub-division was 10 September 2010.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 3 - Reserves and surplus

	General reserve	Capital redemption reserve	Capital reserve	Surplus	Securities premium	Foreign currency translation reserve	Total
Balance as at 1 April 2015	356.16	3.96	0.63	840.60	17.15	(0.95)	1,217.55
Additions:							
Net profit after tax transferred from the statement of profit and loss	-	-	-	806.11	-	-	806.11
Foreign currency translation adjustment	-	-	-	-	-	3.38	3.38
On issue of equity shares	-	-	-	-	4.34	-	4.34
Transfer from surplus	74.91	-	-	-	-	-	74.91
	<u>431.07</u>	<u>3.96</u>	<u>0.63</u>	<u>1,646.71</u>	<u>21.49</u>	<u>2.43</u>	<u>2,106.29</u>
Deductions:							
Transfer to general reserve	-	-	-	74.91	-	-	74.91
Proposed dividend *	-	-	-	239.95	-	-	239.95
Tax on proposed dividend	-	-	-	48.85	-	-	48.85
Dividend for previous year on equity shares issued under ESOS after the year end	-	-	-	0.08	-	-	0.08
Tax on dividend for previous year on equity shares issued under ESOS after the year end	-	-	-	0.02	-	-	0.02
Balance as at 31 March 2016	<u>431.07</u>	<u>3.96</u>	<u>0.63</u>	<u>1,282.90</u>	<u>21.49</u>	<u>2.43</u>	<u>1,742.48</u>

\* The Board of Directors of the Company has recommended a dividend of ₹ 20/- per share of face value of ₹ 2/- amounting to ₹ 239.95 for the financial year ended 31 March 2016.

	General reserve	Capital redemption reserve	Capital reserve	Surplus	Securities premium	Foreign currency translation reserve	Total
Balance as at 1 April 2014	293.92	3.96	0.63	456.63	17.15	(2.45)	769.84
Additions:							
Net profit after tax transferred from the statement of profit and loss	-	-	-	688.64	-	-	688.64
Foreign currency translation adjustment	-	-	-	-	-	1.50	1.50
Transfer from surplus	62.24	-	-	-	-	-	62.24
	<u>356.16</u>	<u>3.96</u>	<u>0.63</u>	<u>1,145.27</u>	<u>17.15</u>	<u>(0.95)</u>	<u>1,522.22</u>
Deductions:							
Transfer to general reserve	-	-	-	62.24	-	-	62.24
Proposed dividend*	-	-	-	191.88	-	-	191.88
Tax on proposed dividend	-	-	-	39.06	-	-	39.06
Fixed assets charged off due to change in useful life as per Companies Act, 2013 #	-	-	-	11.49	-	-	11.49
Balance as at 31 March 2015	<u>356.16</u>	<u>3.96</u>	<u>0.63</u>	<u>840.60</u>	<u>17.15</u>	<u>(0.95)</u>	<u>1,217.55</u>

\* The Board of Directors of the Company had recommended a dividend of ₹ 16/- per share of face value of ₹ 2/- amounting to ₹ 191.88 for the financial year ended 31 March 2015.

# Net of deferred taxes of ₹ 5.81 [also refer note 13]

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 4 - Long-term borrowings</b>		
<b>Secured</b>		
(a) Term loans		
From banks [Refer note below]	40.34	42.60
(b) Long-term maturities of finance lease obligations [Refer note 9 (b) for details of security, maturity period, repayment terms and rate of interest] [Secured by hypothecation of assets (vehicles) taken on lease]	0.49	0.73
	<u>40.83</u>	<u>43.33</u>

Notes:

Term loan includes:

- (i) The interest free soft loan of ₹ 23.21 (previous year: 27.60) from Government of Oman through Oman Development Bank is repayable in 13 annual installments from 1 August 2006. Loan is secured by first ranking mortgage on all the tangible assets of the Al Sallan Food Industries Co. SAOC, Oman.
- (ii) Term loan of ₹ 20.13 (previous year: ₹ 18.00) taken from ICICI Bank, repayable in 32 quarterly installments of ₹ 0.75 each, starting from the 90<sup>th</sup> day from the date of first disbursement. The rate of interest is the sum of base rate and spread as communicated by the Bank periodically. As on date the base rate is 9.35% p.a. and spread is 2% p.a.. The above term loan is secured by an exclusive charge over movable fixed assets and current assets, present and future and an exclusive charge by way of equitable mortgage on movable and immovable fixed assets except leasehold land of J B Mangharam Foods Private Limited.

Out of above loan, ₹ 3.00 is repayable within 1 year and classified under “Other current liability” and balance of ₹ 17.13 has been classified under “Long-term borrowings”.

As at	31 March 2016	31 March 2015
<b>Note 5 - Other long-term liabilities</b>		
Deposits from customers	21.34	19.96
	<u>21.34</u>	<u>19.96</u>
<b>Note 6 - Long-term provisions</b>		
Employee benefits	6.83	5.65
	<u>6.83</u>	<u>5.65</u>
<b>Note 7 - Short-term borrowings</b>		
<b>Unsecured</b>		
From banks *	86.13	96.88
	<u>86.13</u>	<u>96.88</u>

\* Includes:

Loan of ₹ 86.13 (previous year: ₹ 96.88) availed by Britannia and Associates (Mauritius) Private Limited, Mauritius to support working capital requirement of its Middle East subsidiaries. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an Interest rate of applicable USD 6 month LIBOR + markup (0.25%) as agreed with the bank. The date of maturity of the loan is 13 October 2016.



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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 8 - Trade payables</b>		
Total Outstanding dues of micro and small enterprises	4.00	5.19
Total Outstanding dues of other than micro and small enterprises	737.98	698.23
	<u>741.98</u>	<u>703.42</u>
<b>Note 9 - Other current liabilities</b>		
Current maturities of long-term debt		
Term loans [Refer note (a) below]	7.30	4.62
Current maturities of finance lease obligations [Refer note (b) below]	0.19	0.24
Interest accrued but not due on borrowings	1.08	1.27
Unclaimed debenture interest *	0.44	0.46
Unpaid dividends *	2.99	2.73
Unclaimed debenture redemption balance *	1.12	1.16
Other payables:		
- Book overdraft	11.30	12.95
- Advance from customers	16.46	17.66
- Creditors for capital goods	24.18	14.37
- Statutory related liabilities (VAT, TDS, PF etc.)	57.65	59.62
- Other liabilities	163.10	144.37
	<u>285.81</u>	<u>259.45</u>

\* Investor Education and Protection Fund shall be credited when due. Also refer note 43

**Notes:**

- (a) Term loan includes:
- (i) The current maturities of interest free soft loan from Government of Oman through Oman Development Bank of ₹ 4.30 (previous year: ₹ 1.62) is repayable in 13 annual installments from 1 August 2006. Loan is secured by first ranking mortgage on all the tangible assets of the Al Sallan Food Industries Co. SAOC.
  - (ii) Term loan of ₹ 20.13 (previous year: ₹ 18.00) taken from ICICI Bank, repayable in 32 quarterly installments of ₹ 0.75 each, starting from the 90<sup>th</sup> day from the date of first disbursement. The rate of interest is the sum of base rate and spread as communicated by the Bank periodically. As on date the base rate is 9.35% p.a. and spread is 2% p.a.. The above term loan is secured by an exclusive charge over movable fixed assets and current assets, present and future and an exclusive charge by way of equitable mortgage on movable and immovable fixed assets except leasehold land of J B Mangharam Foods Private Limited.  
Out of above loan, ₹ 3.00 is repayable within 1 year and classified under "Other current liability" and balance of ₹ 17.13 has been classified under "Long-term borrowings".
- (b) Rate of interest for finance lease obligations ranges from 15.55% to 19.2% per annum. Number of repayment installments (quarterly) for lease obligations ranges from 12 to 20. Period of maturity for the lease obligations ranges from 5 months to 5 years.

As at	31 March 2016	31 March 2015
<b>Note 10 - Short-term provisions</b>		
Provision for employee benefits	14.05	12.28
Others:		
Excise related issues (a)	53.17	51.73
Sales tax and other issues (a)	87.02	62.62
Trade and other issues (a)	20.79	20.47
Provision for income tax	38.55	39.08
Proposed dividend	239.95	191.88
Tax on dividend	48.85	39.06
	<u>502.38</u>	<u>417.12</u>

- (a) Refer note 33.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 11 - Fixed assets

Description	Gross block at cost						Accumulated depreciation and amortisation/ impairment					Net block	
	As at 1 April 2015	Exchange difference	Additions	Deletions	As at 31 March 2016	As at 1 April 2015	Exchange difference	Charge for the year	On deletions during the year	As at 31 March 2016	As at 31 March 2015		
<b>Tangible assets</b>													
Own assets													
Freehold land	76.52	-	-	2.00	74.52	-	-	-	-	74.52	76.52		
Leasehold land	30.66	-	1.64	-	32.30	1.81	0.34	-	-	30.15	28.85		
Buildings	345.52	4.73	80.76	0.56	430.45	111.00	3.82	11.73	0.43	304.33	234.52		
Plant and equipment	980.98	14.94	119.68	29.01	1,086.59	628.05	11.11	90.52	20.84	377.75	352.93		
Furniture and fittings	24.05	0.27	7.58	0.39	31.51	9.36	0.20	2.70	0.29	19.54	14.69		
Motor vehicles	3.46	0.09	0.59	0.04	4.10	2.09	0.08	0.39	0.03	1.57	1.37		
Office equipment	58.43	0.49	6.06	1.38	63.60	47.18	0.56	4.27	1.37	12.96	11.25		
<b>Leased assets</b>													
Motor vehicles	0.98	-	-	0.28	0.70	0.48	-	0.17	0.13	0.18	0.50		
	<b>1,520.60</b>	<b>20.52</b>	<b>216.31</b>	<b>33.66</b>	<b>1,723.77</b>	<b>799.97</b>	<b>15.77</b>	<b>110.12</b>	<b>23.09</b>	<b>821.00</b>	<b>720.63</b>		
<b>Intangible assets</b>													
Own assets													
Trademarks	0.04	-	-	-	0.04	0.01	-	-	-	0.03	0.03		
Designs	0.01	-	-	-	0.01	-	-	-	-	0.01	0.01		
Computer software	26.83	-	4.57	-	31.40	14.11	-	4.00	-	13.29	12.72		
Knowhow	10.10	-	-	-	10.10	10.10	-	-	-	-	-		
Marketing infrastructure	16.90	-	-	-	16.90	16.90	-	-	-	-	-		
Non-competete rights	24.46	-	-	-	24.46	24.46	-	-	-	-	-		
	<b>78.34</b>	<b>-</b>	<b>4.57</b>	<b>-</b>	<b>82.91</b>	<b>65.58</b>	<b>-</b>	<b>4.00</b>	<b>-</b>	<b>13.33</b>	<b>12.76</b>		
	<b>1,598.94</b>	<b>20.52</b>	<b>220.88</b>	<b>33.66</b>	<b>1,806.68</b>	<b>865.55</b>	<b>15.77</b>	<b>114.12</b>	<b>23.09</b>	<b>834.33</b>	<b>733.39</b>		
<b>Goodwill on consolidation, net (c)</b>													
	118.19	5.23	-	-	123.42	7.51	-	-	-	115.91	110.68		
<b>Total</b>	<b>1,717.13</b>	<b>25.75</b>	<b>220.88</b>	<b>33.66</b>	<b>1,930.10</b>	<b>873.06</b>	<b>15.77</b>	<b>114.12<sup>(d)</sup></b>	<b>23.09</b>	<b>950.24</b>	<b>844.07</b>		
Previous year	1,599.97	18.77	160.24	61.85	1,717.13	752.38	9.53	162.49	51.34	90.07	48.37		
Add: Capital work-in-progress										<b>1,040.31</b>	<b>892.44</b>		

Notes:

(a) Agreements in respect of leasehold land at one factory of the Company (previous year: one factory) are in the process of renewal.

(b) Buildings include:

- (i) Fully paid unquoted shares and bonds in respect of ownership of flats in 1 Co-operative Housing Society (previous year: 1 Co-operative Housing Society); 10 shares (previous year: 10 shares) of ₹ 50/- each.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(ii) Net book value ₹ 1.38 (previous year: ₹ 1.86) constructed on a land leased from the government (UAE) which is renewable each year in relation to Strategic Food International Co. LLC, Dubai (SFIC). The lessor [Government (UAE)] would be required to give the tenant (SFIC) a notice of one year for termination of the lease.

(iii) Net book value ₹ 13.54 (previous year: ₹ 13.61) constructed on a land leased from the Public Establishment for Industrial Estates (Sohar Industrial Estate) for a period of 25 years from 1 January 1994, which is renewable thereafter for a further period of 25 years in relation to Al Sallan Food Industries Co. SAOC (ASFII).

(c) Goodwill on consolidation comprises goodwill ₹ 124.48 (previous year: ₹ 119.24) and capital reserve ₹ 1.05 (previous year: ₹ 1.05).

	31 March 2016	31 March 2015
Depreciation:		
Depreciation charge for the year	114.12	162.49
Transfer from capital subsidy [Refer note 1 (w) and 42]	(0.71)	(0.71)
Fixed assets charged off due to change in useful life as per Companies Act, 2013	-	(17.30)
<b>Net depreciation charge for the year</b>	<b>113.41</b>	<b>144.48</b>

(e) Net book value of tangible assets included in the above schedule pertaining to ASFII amounts to ₹ 40.64 (previous year: ₹ 39.07). Substantially all the tangible assets of ASFII are mortgaged as security against the Government term loan and other term loans amounting to ₹ 27.51 (previous year: ₹ 29.22).

(f) During the previous year ended 31 March 2015, the management based on internal technical evaluation reassessed the remaining useful life of assets primarily consisting of Buildings and Plant and equipment with effect from 01 April 2014, accordingly the useful lives of certain assets required a change from the previous estimates.

The earlier and revised useful lives are as below:

Assets Classification	Earlier useful life (Years)	Revised useful life (Years)
Buildings	60 - 65 years	60 years
Plant and equipment	10 - 20 years	7.5 - 15 years
Furniture & fixtures	15 years	10 years
Motor vehicles	5 years	8 years
Computer software	6 years	6 years
Office equipment	5 years	3 - 5 years
Moulders, cutters and spare parts	10 - 20 years	1 year

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 12 - Non-current investments</b>		
<b>At cost less provision for other than temporary diminution</b>		
<b><u>Unquoted</u></b>		
<b>Non-trade investments</b>		
Investments in equity instruments - Associates	1.30	1.08
Less: Provision for diminution in value of investments	0.01	0.01
	1.29	1.07
Investments in mutual funds	235.00	45.00
Investments in insurance policy	5.99	5.99
Investments in Tax free bonds	14.11	-
	256.39	52.06
<b><u>Quoted</u></b>		
<b>Non-trade investments</b>		
Investments in debentures / bonds	100.00	25.00
	100.00	25.00
	356.39	77.06

### Note 13 - Deferred tax assets, net

Disclosure as per Accounting Standard 22 - "Accounting for taxes on income" - Major components of deferred tax assets and liabilities on account of timing differences are as follows:

As at	31 March 2016		31 March 2015	
	Asset	Liability	Asset	Liability
Depreciation	-	27.83	-	22.96
Voluntary retirement scheme, terminal compensation benefits	1.99	-	4.00	-
Statutory payments	43.15	-	31.46	-
Provisions allowed on payments, write off	10.40	-	9.80	-
Others	-	-	1.05	-
	55.54	27.83	46.31	22.96
	27.71		23.35	

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 14 - Long-term loans and advances</b>		
<b>Unsecured</b>		
<i>Considered good:</i>		
- Capital advances	19.96	21.96
- Deposits	11.37	11.09
<i>- Other loans and advances:</i>		
Recoverable in cash or in kind or for value to be received	38.13	24.65
Inter-corporate deposits [Refer note 32 (b)]	182.00	-
Advance income tax and tax deducted at source	23.20	15.74
Minimum alternative tax credit entitlement	15.39	16.91
<i>Considered doubtful:</i>		
- Loans / advances recoverable in cash or in kind or for value to be received	9.05	8.79
	299.10	99.14
- Less: Provision for doubtful loans / advances	9.05	8.79
	290.05	90.35
<b>Note 15 - Other non-current assets</b>		
Fixed Deposits with banks [Refer note 19 (b)(ii)]	25.68	25.05
Other Deposits [Refer note 34]	12.12	12.12
	37.80	37.17
<b>Note 16 - Current investments</b>		
<b>Lower of cost or fair value</b>		
<b><u>Unquoted</u></b>		
<b>Non-trade investments</b>		
Investments in mutual funds	396.46	440.88
	396.46	440.88
<b>Note 17 - Inventories *</b>		
Raw materials	148.72	123.74
Packing materials	53.27	53.26
Work-in-progress	0.28	0.36
Finished goods	186.44	186.22
Goods-in-transit (Finished goods)	4.58	2.00
Stock-in-trade	20.25	15.83
Stores and spare parts	27.11	22.63
	440.65	404.04

\* Refer note 1 (j) for method of valuation for inventories.

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 18 - Trade receivables</b>		
<b>Unsecured</b>		
<i>Considered good:</i>		
- Over six months	4.83	4.93
- Others	165.78	130.88
	170.61	135.81
<i>Considered doubtful:</i>		
- Over six months	5.85	5.10
- Others	0.26	-
	176.72	140.91
Less: Provision for doubtful receivables	6.11	5.10
	170.61	135.81
 <b>Note 19 - Cash and bank balances</b>		
<i>Cash and cash equivalents:</i>		
- Cash on hand	0.12	0.19
- Cheques on hand	17.85	28.47
- Current accounts	46.74	28.41
	64.71	57.07
<i>Other bank balances:</i>		
- Unpaid dividend accounts #	2.99	2.73
- Unclaimed debenture interest #	0.44	0.46
- Deposit accounts [Refer note below] #	18.39	164.91
- Unclaimed debenture redemption proceeds	1.12	1.16
	22.94	169.26
	87.65	226.33
# Refer note 43		
<b>Notes:</b>		
(a) Deposit accounts held against bank guarantees includes bank deposits with more than 12 months maturity amounting to ₹ Nil (previous year: ₹ 0.45).		
(b) Details of Bank deposits:		
<b>Particulars</b>		
(i) Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	18.39	164.91
(ii) Bank deposits due to mature after 12 months of the reporting date included under 'Other non - current assets' [Refer note 15]	25.68	25.05
	44.07	189.96

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2016	31 March 2015
<b>Note 20 - Short-term loans and advances</b>		
<b>Unsecured</b>		
<i>Considered good:</i>		
- Deposits	4.13	3.68
- Other loans and advances		
Recoverable in cash or in kind or for value to be received	112.70	118.80
Inter-corporate deposits [Refer note 32 (b)]	453.75	325.00
Balances with customs, port trust, excise, etc	19.93	6.01
Interest accrued but not due	18.96	12.43
<i>Considered doubtful:</i>		
- Loans / advances recoverable in cash or in kind or for value to be received	2.90	2.90
	612.37	468.82
Less: Provision for doubtful loans / advances	2.90	2.90
	609.47	465.92

For the year ended	31 March 2016	31 March 2015
<b>Note 21 - Other operating revenues</b>		
Royalty income	2.79	2.36
Scrap sales	29.09	26.87
Other receipts [Refer note below]	36.27	36.68
Provisions and liabilities no longer required written back, net	3.64	17.42
	71.79	83.33

**Note:**

Includes an amount of ₹ 28.99 (previous year: ₹ 26.43) towards VAT incentive for the Hajipur Factory, Bihar and Khurda Factory, Orissa in accordance with the State Industrial Policy of Bihar and Orissa.

For the year ended	31 March 2016	31 March 2015
<b>Note 22 - Other income</b>		
Interest income		
Long-term	21.24	10.99
Current	51.14	29.31
Dividend income		
Long-term	0.02	0.23
Net gain / (loss) on sale of investments		
Long-term	-	16.60
Current	23.98	26.70
<i>Other non-operating income:</i>		
- Foreign exchange gain, net	0.06	1.10
- Other receipts	3.54	3.03
	99.98	87.96

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2016	31 March 2015
<b>Note 23 - Purchase of stock-in-trade</b>		
Biscuits and high protein food	340.95	292.40
Bread, bread toast and rusk	64.40	52.48
Cake	249.84	226.46
Others	30.31	30.90
	<u>685.50</u>	<u>602.24</u>
<b>Note 24 - Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Opening stock:		
- Finished goods	188.22	157.12
- Stock-in-trade	15.83	13.59
- Work-in-progress	0.36	0.37
Closing stock:		
- Finished goods	191.02	188.22
- Stock-in-trade	20.25	15.83
- Work-in-progress	0.28	0.36
	<u>(7.14)</u>	<u>(33.33)</u>
Less: Excise duty on opening stock of finished goods	(7.18)	(4.25)
Add: Excise duty on closing stock of finished goods	10.05	7.18
Increase / (decrease)	<u>2.87</u>	<u>2.93</u>
	<u>(4.27)</u>	<u>(30.40)</u>
<b>Note 25 - Employee benefits expense</b>		
Salaries and wages	304.82	249.64
Contribution to provident and other funds[Refer note 39]	12.65	16.11
Staff welfare expenses	19.02	14.83
	<u>336.49</u>	<u>280.58</u>
<b>Note 26 - Finance costs</b>		
Interest expense:		
- Finance lease	0.12	0.07
- Bank and others	4.75	3.79
	<u>4.87</u>	<u>3.86</u>

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## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2016	31 March 2015
<b>Note 27 - Other expenses</b>		
Consumption of stores and spares	19.21	23.55
Power and fuel	95.16	110.96
Rent [Refer note 30 (a)]	8.10	9.09
Repairs and maintenance:		
- Plant and equipment (a)	14.15	16.07
- Buildings (a)	3.52	2.77
- Others	25.00	25.23
Insurance	3.25	2.85
Rates and taxes, net	31.57	29.40
Carriage, freight and distribution	431.04	427.14
Auditors' remuneration (b):		
- Audit fees	1.21	0.95
- Other services	0.13	0.08
- Expenses reimbursed	0.12	0.12
Corporate social responsibility [Refer note 37]	10.94	7.74
Advertising and sales promotion	737.81	651.70
Conversion charges	473.52	488.06
Loss on sale / write off of fixed assets, net	9.18	6.41
Bad debts and advances written off, net	0.20	0.18
Miscellaneous	251.75	217.07
Provision for doubtful receivables and loans / advances, net	1.04	2.75
	<u>2,116.90</u>	<u>2,022.12</u>
(a) Includes stores consumed	5.29	7.32
(b) Excluding service tax		
<b>Note 28 - Exceptional items (expense) / income, net</b>		
Additional bonus provision made as per amendments to the Payment of Bonus Act, 1965 [Refer note (a) below]	(10.33)	-
Profit on sale of land & building [Refer note (b) below]	-	159.92
Amortisation of voluntary retirement scheme expenditure [Refer note (c) below]	-	(13.86)
	<u>(10.33)</u>	<u>146.06</u>

**Note:**

- (a) During the year, the Company has provided additional bonus as per amendments to the Payment of Bonus Act, 1965 of ₹ 10.33.
- (b) During the previous year, the Company sold its land and building in Padi, Chennai resulting in a profit of ₹ 159.92.
- (c) During the previous year, Company offered a Voluntary retirement scheme (VRS) to all workmen at Delhi factory. All the workmen have accepted the scheme. Consequently an amount of ₹ 13.86 was paid towards the scheme.



NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 29 Contingent liabilities and commitments:**

(i) **Contingent liabilities:**

- (a) Claims / demands against the Group not acknowledged as debts including excise, income tax, sales tax and trade and other demands of ₹ 148.65 (previous year: ₹ 46.37).
- (b) Bank guarantee and letter of credit for ₹ 28.02 (previous year: ₹ 37.60).
- (c) Discounted cheques ₹ 0.67 (previous year: ₹ 0.89).

**Notes:**

- (i) Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.
- (ii) The above does not include non-quantifiable industrial disputes and other legal disputes pending before various judicial authorities [Also refer note 33, 34 and 43].

(ii) **Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 137.67 (previous year: ₹ 107.19).

**Note 30 (a) Operating leases**

The Group has certain operating leases for land, office facilities and residential premises (cancellable as well as non cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement (except non cancellable leases). Rental expenses of ₹ 7.84 (previous year: ₹ 8.85) and ₹ 0.26 (previous year: ₹ 0.24) in respect of obligation under cancellable and non cancellable operating leases respectively have been recognised in the statement of profit and loss. With respect to Al Sallan Food Industries Co. SAOC, Oman, the Company has taken on lease a plot of land for factory premises at Sohar from the Public Establishment for Industrial Estates ("PEIE") for a period of 25 years from 1 January 1994 which is renewable thereafter for a further period of 25 years.

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ 0.71 (previous year: ₹ 0.90) and are due:

	31 March 2016	31 March 2015
Not later than 1 year	0.26	0.24
Later than 1 year and not later than 5 years	0.45	0.66
More than five years	-	-
	<u>0.71</u>	<u>0.90</u>

(b) **Finance leases**

The Group has taken motor vehicles under finance leases. The total minimum lease payments and present value of minimum lease payments as at 31 March 2016 are as follows:

	31 March 2016		31 March 2015	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.28	0.19	0.37	0.24
Later than 1 year and not later than 5 years	0.52	0.49	0.85	0.73
	<u>0.80</u>	<u>0.68</u>	<u>1.22</u>	<u>0.97</u>

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.12 (previous year: ₹ 0.25) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 31 (i) Details of non-current investments purchased and sold during the year:

	Face value per unit	As at 1 April 2015	Share of Profit / (loss) during the year	As at 31 March 2016	
<b>Non-trade investments - Unquoted</b>					
<b>(a) Investments in equity instruments (fully paid)</b>					
<b>Associates</b>					
Klassik Foods Private Limited	₹ 100	0.94	0.03	0.97	
Nalanda Biscuits Company Limited	₹ 10	0.13	0.19	0.32	
		<u>1.07</u>	<u>0.22</u>	<u>1.29</u>	
	Face value per unit	As at 1 April 2015	Purchase during the year	Sold during the year	As at 31 March 2016
<b>Non-trade investments - Quoted</b>					
<b>(a) Insurance companies</b>					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment	₹ 10	3.08	-	-	3.08
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment	₹ 10	2.91	-	-	2.91
		<u>5.99</u>	<u>-</u>	<u>-</u>	<u>5.99</u>
<b>(b) Debentures / bonds</b>					
Tata Capital 10.25% Secured Redeemable Non Convertible Debentures	₹ 500,000	25.00	-	-	25.00
Kotak Mahindra Investments Limited - 08 Sep 17 - 8.70% Non Convertible Debentures	₹ 1,000,000	-	10.00	-	10.00
Kotak Mahindra Investments Limited - 11 Sep 17 - 8.90% Non Convertible Debentures	₹ 1,000,000	-	15.00	-	15.00
Kotak Mahindra Investments Limited - 03 May 17 - 8.41% Non Convertible Debentures	₹ 1,000,000	-	25.00	-	25.00
Mahindra & Mahindra Financial Services Limited 03 Nov 17-8.48% Non Convertible Debentures	₹ 1,000,000	-	25.00	-	25.00
		<u>25.00</u>	<u>75.00</u>	<u>-</u>	<u>100.00</u>
<b>(c) Investments in Tax free bonds</b>					
National Highway Authority of India - 7.11% - 18 Sep 2025	₹ 1,000,000	-	10.00	-	10.00
National Highway Authority of India - 7.14% - 11 Jan 2026	₹ 1,000	-	2.86	-	2.86
National Thermal Power Corporation Limited - 7.11% - 05 Oct 2025	₹ 1,000	-	1.25	-	1.25
		<u>-</u>	<u>14.11</u>	<u>-</u>	<u>14.11</u>
		<u>30.99</u>	<u>89.11</u>	<u>-</u>	<u>120.10</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(ii) Details of non-current investments purchased and sold during the previous year:

	Face value per unit	As at 1 April 2014	Share of Profit / (loss) during the year	As at 31 March 2015
<b>Non-trade investments - Unquoted</b>				
<b>(a) Investments in equity instruments (fully paid)</b>				
<b>Associates</b>				
Klassik Foods Private Limited	₹ 100	0.91	0.03	0.94
Nalanda Biscuits Company Limited	₹ 10	(0.05)	0.18	0.13
		<u>0.86</u>	<u>0.21</u>	<u>1.07</u>

**Non-Trade investments - Quoted**

(a) Investments in equity instruments (fully paid)

	Face value per unit	As at 1 April 2014	Purchase during the year	Sold during the year	As at 31 March 2015
HDFC Bank Limited	₹ 2	0.90	-	0.90	-
Standard Chartered Bank - IDR	₹ 2.3	3.48	-	3.48	-
Glaxosmithkline Pharmaceuticals Limited	₹ 10	0.02	-	0.02	-
Great Offshore Limited	₹ 10	0.03	-	0.03	-
Hindustan Unilever Limited	₹ 1	0.11	-	0.11	-
Mahindra Lifespace Developers Limited	₹ 10	0.02	-	0.02	-
State Bank of India	₹ 10	0.20	-	0.20	-
Tata Coffee Limited	₹ 10	0.04	-	0.04	-
Tata Steel Limited	₹ 10	0.40	-	0.40	-
Great Eastern Shipping Company Limited	₹ 10	0.13	-	0.13	-
Tata Motors Limited	₹ 2	0.34	-	0.34	-
Ultratech Cement Limited	₹ 10	0.01	-	0.01	-
Grasim Industries Limited	₹ 10	0.05	-	0.05	-
ICICI Bank Limited	₹ 10	0.03	-	0.03	-
Larsen & Toubro Limited	₹ 2	0.11	-	0.11	-
Reliance Communications Limited	₹ 5	0.01	-	0.01	-
Reliance Industries Limited	₹ 10	0.13	-	0.13	-
Tata Chemicals Limited	₹ 10	0.02	-	0.02	-
Bajaj Auto Limited	₹ 10	0.16	-	0.16	-
Bajaj Finserv Limited	₹ 5	0.06	-	0.06	-
Bajaj Holdings & Investments Limited	₹ 10	0.09	-	0.09	-
Essel Propack Limited	₹ 2	0.01	-	0.01	-
Titan Industries Limited	₹ 1	0.11	-	0.11	-
		<u>6.46</u>	<u>-</u>	<u>6.46</u>	<u>-</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per unit	As at 1 April 2014	Purchase during the year	Sold during the year	As at 31 March 2015
<b>(b) Insurance companies</b>					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment	₹ 10	3.08	-	-	3.08
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment	₹ 10	2.91	-	-	2.91
		<u>5.99</u>	<u>-</u>	<u>-</u>	<u>5.99</u>
<b>(c) Debentures / bonds</b>					
Tata Capital 10.25% Secured Redeemable Non Convertible Debentures	₹ 500,000	25.00	-	-	25.00
		<u>25.00</u>	<u>-</u>	<u>-</u>	<u>25.00</u>
		<u>37.45</u>	<u>-</u>	<u>6.46</u>	<u>30.99</u>
<b><u>Trade investments - Unquoted</u></b>					
<b>(a) Investments in commercial paper</b>					
J.M Financial Products Ltd - Commercial Paper	₹ 500,000	-	24.43	24.43	-
		<u>-</u>	<u>24.43</u>	<u>24.43</u>	<u>-</u>

**Note:**

Excludes details of investments within the group as eliminated on consolidation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 32 (a) Details of loans during the year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2015	Given during the year	Repayment during the year	As at 31 March 2016
Purbasha Properties Private Limited	Others	Unsecured	10%	10 years	2.93	-	0.45	2.48
Real Agro Industries Private Limited	Others	Unsecured	10%	5 years	1.22	-	0.41	0.81
Super Dairy Farm	Others	Unsecured	10%	5 years	2.20	-	-	2.20
					<u>6.35</u>	<u>-</u>	<u>0.86</u>	<u>5.49</u>

Details of loans during the previous year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2014	Given during the year	Repayment during the year	As at 31 March 2015
Purbasha Properties Private Limited	Others	Unsecured	10%	10 years	3.30	-	0.37	2.93
Real Agro Industries Private Limited	Others	Unsecured	10%	5 years	1.59	-	0.37	1.22
Super Dairy Farm	Others	Unsecured	10%	5 years	2.20	-	-	2.20
					<u>7.09</u>	<u>-</u>	<u>0.74</u>	<u>6.35</u>

Note:

Excludes details of loans within the group as eliminated on consolidation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(b) Details of inter corporate deposits during the year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2015	Placed	Redeemed	As at 31 March 2016
Bajaj Finance Limited	Others	Unsecured	8.70 - 9.90%	1 to 3 years	25.00	90.00	25.00	90.00
Kotak Mahindra Prime Limited	Others	Unsecured	8.46%	1 year 6 months	-	10.00	-	10.00
Kotak Mahindra Investments Limited	Others	Unsecured	8.35 - 9.50%	0.5 to 18 months	-	77.25	-	77.25
Shriram Transport Finance Limited	Others	Unsecured	9.00%	1 year	-	35.00	-	35.00
Infrastructure Leasing & Finance Company Limited	Others	Unsecured	8.90 - 9.15%	14.5 to 24 months	-	63.50	-	63.50
Tata Housing Development Co. Ltd	Others	Unsecured	9.50%	6 months	-	10.00	-	10.00
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	12.00%	1 year	-	100.00	-	100.00
Scal Services Limited (Based on comfort letter from Bombay Dyeing & Manufacturing Co. Ltd.)	Others	Unsecured	12.25%	1 year	200.00	-	50.00	150.00
The Bombay Burmah Trading Corporation Limited	Ultimate holding company	Unsecured	12.00%	1 year	40.00	-	-	40.00
Macrofil Investments Limited	Others	Unsecured	12.25%	1 year	60.00	-	-	60.00
					<u>325.00</u>	<u>385.75</u>	<u>75.00</u>	<u>635.75</u>
Details of inter corporate deposits during the previous year:								
Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2014	Placed	Redeemed	As at 31 March 2015
Bajaj Finance Limited	Others	Unsecured	10%	1 year	-	25.00	-	25.00
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	12%	Repayable on demand	-	40.00	40.00	-
Scal Services Limited	Others	Unsecured	12%	Repayable on demand	75.00	165.00	40.00	200.00
(Based on comfort letter from Bombay Dyeing & Manufacturing Co. Ltd.)								
The Bombay Burmah Trading Corporation Limited	Ultimate holding company	Unsecured	12%	Repayable on demand	-	40.00	-	40.00
HDFC Ltd.	Others	Unsecured	9%	91 days	-	25.00	25.00	-
Macrofil Investments Limited	Others	Unsecured	12%	Repayable on demand	-	60.00	-	60.00
					<u>75.00</u>	<u>355.00</u>	<u>105.00</u>	<u>325.00</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 33** In accordance with Accounting Standard 29 - "Provisions, Contingent Liabilities and Contingent Assets", prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014, certain classes of liabilities have been identified as provisions which have been disclosed as under:

	1 April 2015	Additions*	Utilisation*	Reversals / adjustments*	31 March 2016
(a) Excise related issues	51.73	5.65	(0.41)	(3.80)	53.17
(b) Sales tax and other issues	62.62	41.02	(14.94)	(1.68)	87.02
(c) Trade and other issues	20.47	0.58	(0.08)	(0.18)	20.79
	1 April 2014	Additions*	Utilisation*	Reversals / adjustments*	31 March 2015
(a) Excise related issues	39.41	12.36	(0.04)	-	51.73
(b) Sales tax and other issues	48.58	14.26	(0.22)	-	62.62
(c) Trade and other issues	18.68	1.28	(0.09)	0.60	20.47

(a) and (b) represents estimates made for probable cash outflow arising out of pending disputes / litigations with various regulatory authorities.

(c) represents provisions made for probable liabilities / claims arising out of commercial transactions with vendors / others. Further disclosures as required in Accounting Standard 29 are not made since it can be prejudicial to the interests of the Group.

\* Included under various heads in the statement of profit and loss.

**Note 34** With respect to the matter related to the refund of excess contribution by Company's Covenanted Staff Pension Fund ("Fund") to the Company, the Honourable Supreme Court at its hearing on 12 May 2008 set aside the order of the Division Bench of the Honourable High Court, Kolkata and remanded the writ pending for disposal. Based on the directions of the courts, the Company was required to deposit ₹ 12.12 with a Nationalised Bank, which the Company has done under protest.

In other Writ Petitions filed by some of the pensioners in the Honourable Madras High Court, challenging the Deeds of Variation submitted in May 2005, the Honourable High Court has passed an interim order restraining the CIT, Kolkata from approving the Deeds of Variation pending disposal of the Writ Petitions.

In the suit filed by the Britannia Industries Limited Pensioners Welfare Association, the Company received a judgement on 21 September 2015 from Honourable City Civil Court, Bangalore, in the matter of pension payable to its eligible beneficiaries. The Board of Directors reviewed the judgement and after obtaining legal opinion from eminent lawyers resolved to file an appeal in the higher court against the said judgement. Accordingly, the Company has appealed against the Honourable City Civil Court's judgement in the Honourable High Court of Karnataka. In response to the appeal filed, the Honourable High Court of Karnataka, in its order dated 18 December 2015, referred the matter to Bangalore Mediation Centre for exploring the possibilities of a settlement. The Britannia Industries Limited Pensioners Welfare Association through their legal counsel had submitted that they will not precipitate execution before the trial court during mediation. The mediation meetings are currently in progress.

In the meanwhile, based on the interim order of the Honourable City Civil Court, Bangalore and the direction of the Honourable Supreme Court, the Company continues to pay pension as per the interim order passed by the Bangalore City Civil Court on 1 January 2009 (i.e. on Defined Contribution basis).

The Company believes, based on current knowledge and after consultation with eminent legal counsel that the resolution of the matter will not have any material adverse effect on the financial statements of the Company. Accordingly, no adjustment in this respect has been made in the financial results of the Company.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 35 Earnings per equity share**

	31 March 2016	31 March 2015
(a) Net profit attributable to the equity shareholders	806.11	688.64
(b) Weighted average number of equity shares outstanding during the year	119,966,116	119,925,815
(c) Effect of potential equity shares on employee stock option outstanding	31,973	16,609
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	119,998,089	119,942,424
Nominal value of equity shares (₹)	2	2
Basic earnings per share (₹)	67.19	57.42
Diluted earnings per share (₹)	67.18	57.41

**Note 36** Based on guiding principles given in the Accounting Standard 17 –“Segment Reporting”, the primary business segment of the Group is foods, comprising bakery and dairy products. As the Group operates in a single primary business segment, disclosure requirements are not applicable. The Group primarily caters to the domestic market (India) and export sales are not significant. The Group’s revenues from domestic markets aggregating to ₹ 8,046.82 (previous year: ₹ 7,357.39); assets located in India aggregating to ₹ 3,128.33 (previous year: ₹ 2,477.89) and capital expenditure in India aggregating ₹ 258.92 (previous year: ₹ 101.21).

**Note 37 Corporate Social Responsibility**

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 10.94 (previous year: ₹ 7.74) in accordance with Section 135 of the Companies Act, 2013. The following amounts were spent during the current & previous year:

Particulars	31 March 2016	31 March 2015
(i) Amount spent other than for construction / acquisition of any asset	10.94	7.74
(ii) Amount accrued and not spent	-	-
<b>Total</b>	<b>10.94</b>	<b>7.74</b>

**Note 38 Related party disclosures under Accounting Standard 18**

**Relationships**

1. Ultimate holding company	The Bombay Burmah Trading Corporation Limited
Holding company	Associated Biscuits International Limited (ABIL), UK
2. Fellow subsidiary companies	Bannatyne Enterprises Pte Limited, Singapore Dowbiggin Enterprises Pte Limited, Singapore Nacupa Enterprises Pte Limited, Singapore Spargo Enterprises Pte Limited, Singapore Valletort Enterprises Pte Limited, Singapore
3. Associates	Klassik Foods Private Limited Nalanda Biscuits Company Limited
4. Key management personnel (KMP)	
Managing Director	Mr. Varun Berry



## Britannia Annual Report 2015-16

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2016	31 March 2015
<b><u>Related party transactions during the year:</u></b>			
<b>Remittance of dividend</b>			
Associated Biscuits International Limited (ABIL), UK	Holding company	86.25	64.69
Others	Fellow subsidiary companies	11.14	8.35
<b>Total</b>		<b>97.39</b>	<b>73.04</b>
<b>Purchase of finished goods</b>			
Nalanda Biscuits Company Limited	Associate	69.09	77.76
<b>Conversion charges</b>			
Klassik Foods Private Limited	Associate	4.46	4.09
<b>Remuneration #</b>			
Mr. Varun Berry	KMP	6.69	4.71
# Excludes: Contributions to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.			
<b>Shares allotted under employee stock option scheme for consideration received during the year</b>			
Mr. Varun Berry	KMP		
Equity shares		0.01	-
Securities premium		4.34	-
<b>Total</b>		<b>4.35</b>	<b>-</b>
<b>Inter-corporate deposits placed</b>			
The Bombay Burmah Trading Corporation Limited	Ultimate holding company	-	40.00
<b><u>Related party transactions during the year:</u></b>			
<b>Share of current year profit / (loss)</b>			
Klassik Foods Private Limited	Associate	0.03	0.03
Nalanda Biscuits Company Limited	Associate	0.19	0.18
<b>Total</b>		<b>0.22</b>	<b>0.21</b>
<b>Sale of goods / consumables and ingredients</b>			
Nalanda Biscuits Company Limited	Associate	0.74	0.50
<b>Interest and dividend income</b>			
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	4.81	2.12
Klassik Foods Private Limited	Associates	0.02	0.02
		<b>4.83</b>	<b>2.14</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2016	31 March 2015
<b>Related party closing balances as on balance sheet date:</b>			
<b>Outstanding - net receivables / (payables)</b>			
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	40.00	40.00
Klassik Foods Private Limited	Associates	0.04	(0.12)
Nalanda Biscuits Company Limited	Associates	1.41	(0.56)
<b>Total</b>		<b>41.45</b>	<b>39.32</b>
<b>Investments (including goodwill)</b>			
Klassik Foods Private Limited	Associates	0.97	0.94
Nalanda Biscuits Company Limited	Associates	0.32	(0.04)
<b>Total</b>		<b>1.29</b>	<b>0.90</b>

**Notes:**

- (i) The above does not include related party transactions with retiral funds, as key management personnel who are trustees of the funds cannot individually exercise significant influence on the retiral funds transactions.
- (ii) The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.

**Note 39 Employee benefits**

**(a) Post retirement benefit - Defined contribution plans**

The Group has recognised an amount of ₹ 9.78 (previous year: ₹ 8.75) as expenses under the defined contribution plans in the statement of profit and loss for the year:

	31 March 2016	31 March 2015
<b>Benefit (Contribution to)</b>		
Provident Fund *	6.41	5.71
Family Pension Scheme	2.08	1.72
Pension Fund / Scheme	0.64	0.78
ESI	0.65	0.54
<b>Total</b>	<b>9.78</b>	<b>8.75</b>

\* With regard to the assets of the Fund and the return on the investments, the Group does not expect any deficiency in the foreseeable future.

**(b) Post retirement benefit - Defined benefit plans**

The Company has two funds: Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.

- (i) The Scheme in relation to Britannia Industries Limited Non Covenanted Staff Gratuity Fund provides for lumpsum 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 six months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

- (ii) The Scheme in relation to Britannia Industries Limited Covenanted Staff Gratuity Fund provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of six months subject to the higher of maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary.

Vesting (for both the funds mentioned above) occurs only upon completion of five years of service, except in case of death or permanent disability. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at balance sheet date.

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
1. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:					
Obligations at 1 April	21.52	21.54	21.54	19.61	20.35
Service cost	1.72	1.40	1.43	1.24	1.28
Interest cost	1.70	1.95	1.74	1.66	1.68
Benefits settled	(1.64)	(6.75)	(2.59)	(2.56)	(3.73)
Actuarial (gain) / loss	1.13	3.38	(0.58)	1.59	0.03
On acquisition	-	-	-	-	-
Obligations at the year end 31 March	24.43	21.52	21.54	21.54	19.61
2. Change in plan assets:					
Plan assets at 1 April at fair value	18.56	22.87	21.49	20.52	21.28
Expected return on plan assets	1.47	2.08	1.87	1.75	1.76
Actuarial gain / (loss)	0.21	(0.30)	(0.09)	(0.04)	(0.16)
Contributions	2.22	(6.17)	2.19	1.82	1.37
Benefit settled	(1.52)	0.08	(2.59)	(2.56)	(3.73)
On acquisition	-	-	-	-	-
Plan assets at 31 March at fair value	20.94	18.56	22.87	21.49	20.52
3. Reconciliation of present value of the obligation and the fair value of the plan assets:					
Present value of obligation as at 31 March	24.43	21.52	21.54	21.54	19.61
Plan assets at 31 March at fair value	20.94	18.56	22.87	21.49	20.52
Amount recognised in balance sheet asset / (liability)	(3.49)	(2.95)	1.33	(0.05)	0.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	31 March 2016	31 March 2015	31 March 2014	31 March 2013	31 March 2012
4. Expenses recognised in the statement of profit and loss:					
Current service cost	1.72	1.40	1.43	1.24	1.28
Interest cost	1.70	1.95	1.74	1.66	1.68
Expected return on plan assets	(1.47)	(2.08)	(1.87)	(1.75)	(1.76)
Actuarial (gain) / loss	0.92	3.68	(0.49)	1.63	0.19
Net cost	2.87	4.95	0.81	2.78	1.39
5. Amount recognised in the balance sheet:					
Opening asset / (liability)	9.79	(1.33)	0.05	(0.91)	(0.93)
On acquisition	-	-	-	-	-
Expense as above	2.87	4.95	0.81	2.78	1.39
Employers contribution paid	(2.22)	6.17	(2.19)	(1.82)	(1.37)
Closing (asset) / liability	10.44	9.79	(1.33)	0.05	(0.91)
6. Experience adjustment:					
On plan liabilities (gain) / loss	0.82	1.73	1.46	0.79	0.51
On plan assets gain / (loss)	0.21	(0.30)	(0.09)	(0.04)	(0.16)
7. Investment details:	<b>% Invested</b>	<b>% Invested</b>	<b>% Invested</b>	<b>% Invested</b>	<b>% Invested</b>
Government of India securities	3.45	3.73	17.54	20.85	21.51
State Government securities	22.31	20.15	20.42	17.70	15.89
Public sector securities	36.25	37.81	34.50	35.54	34.80
Mutual funds	2.56	2.34	1.15	0.80	0.62
Special deposit scheme	2.87	3.09	2.59	2.94	6.61
Others	32.56	32.88	23.80	22.17	20.57
	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
8. Principal actuarial assumptions:					
Discount factor [Refer note (i) below]	7.56%	7.92%	9.02%	8.00%	8.50%
Estimated rate of return on plan assets [Refer note (ii) below]	7.56%	7.92%	9.02%	8.00%	8.50%
Attrition rate:					
Service related:					
5 years and above	4.00%	4.00%	4.00%	2.00%	2.00%
Below 5 years	16.00%	16.00%	14.00%	14.00%	14.00%
Salary escalation rate	5.00%	5.00%	5.00%	5.00%	5.00%
Retirement age (in years)	58	58	58	58	58

Notes:

- (i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

- (ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.
  - (iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
  - (iv) The disclosure above includes amounts for both Britannia Industries Limited Covenanted Staff' Gratuity Fund and Britannia Industries Limited Non Covenanted Staff' Gratuity Fund and amounts relating to other group companies.
- (c) The charge for retirement benefits of Al Sallan Food Industries Co. SAOC and Strategic Food International Co. LLC, Dubai has been calculated in accordance with the laws applicable in their countries of incorporation which amounts to ₹ 2.88 (previous year: ₹ 2.41).

**Note 40** With respect to Al Sallan Food Industries Co. SAOC, the Company's income tax assessments for the year 2010 to 2015 have not been agreed with the Secretariat General for Taxation at the Ministry of Finance, Oman. Management believes that additional taxes, if any, that may become payable on finalisation of the assessments in respect of these open years would not be material to the Company's financial position as at 31 March 2016. No tax has been recognised due to carried forward accumulated losses of prior years.

**Note 41 Derivative contracts**

**Foreign currency forward contracts**

The Company has entered into foreign exchange forward contracts for hedging the foreign exchange fluctuation risks on foreign currency payables, which has been accounted for in line with Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the amount receivable of ₹ Nil (previous year: ₹ Nil), relating to foreign exchange forward contracts for hedging has been netted off and disclosed under 'Short-term loans and advances'.

The Company has designated certain foreign exchange forward contracts (relating to foreign currency receivables and payables) outstanding as on 31 March 2016 as hedge of committed transaction. On that date, the Company had forward contracts amounting to USD 4,228,848 and EUR 553,347 (previous year: USD 2,908,783 and EUR 2,060,830). As at the year end the unrealized exchange loss of ₹ 0.35 has been accounted for (previous year: unrealized exchange loss of ₹ 0.49 has not been accounted) (arrived on a mark to market basis) in line with the ICAI notification issued in March 2008.

**Note 42 Capital subsidy**

During the year ended 31 March 2013, an amount of ₹ 5 was received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 0.71 (previous year: ₹ 0.71) has been credited to the statement of profit and loss (by reducing the depreciation charge for the year) and the outstanding amount of ₹ 2.86 (previous year: ₹ 3.57) has been classified as capital subsidy in the balance sheet [Refer note 1 (w)].

**Note 43** During the year, based on queries received from Securities Exchange Board of India ('SEBI'), the Company conducted a preliminary internal investigation and discovered certain irregularities by M/s Sharepro Services (India) Private Limited ('Sharepro'), the Company's erstwhile Registrar and Share Transfer Agent. Subsequently, the Company has filed a criminal complaint against Sharepro and its employees. Pursuant to the directions issued by SEBI in its interim order dated 22 March 2016, the Company has appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to past transactions. The Company will evaluate additional steps, if any, based on the findings of the audit by the independent external agency and in accordance with the directions of SEBI or any other regulatory authorities. Based on consultations with its legal counsel, the Company has been advised that the liability will not evolve on the Company and thus no provision is considered necessary. Further, the Company has a right to claim losses, if any, from Sharepro and accordingly the Company does not plan to make good the losses on its own account.

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### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 44** Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements

Name of the Entity	Net Assets, i.e., Total Assets minus total liabilities		Share in Profit or loss	
	As a % of Consolidated Net Assets	Amount	As a % of consolidated profit or loss	Amount
<b>Parent</b>				
Britannia Industries Limited	86.54%	1,700.16	92.89%	749.09
<b>India Subsidiaries</b>				
Boribunder Finance and Investments Private Limited	0.07%	1.34	(0.00)%	(0.01)
Flora Investments Company Private Limited	0.10%	1.97	0.02%	0.13
Gilt Edge Finance and Investments Private Limited	0.10%	2.01	0.02%	0.13
Ganges Vally Foods Private Limited	0.10%	1.90	0.01%	0.04
International Bakery Products Limited	0.08%	1.58	0.09%	0.76
J B Mangharam Foods Private Limited	0.20%	3.91	(0.05)%	(0.38)
Manna Foods Private Limited	0.22%	4.34	(0.17)%	(1.33)
Sunrise Biscuit Company Private Limited	0.78%	15.31	0.03%	0.21
Daily Bread Gourmet Foods (India) Private Limited	0.21%	4.16	(0.24)%	(1.96)
Britannia Dairy Private Limited	6.12%	120.21	4.22%	34.02
Britannia Employees General Welfare Association Private Limited	0.01%	0.29	0.00%	-
Britannia Employees Medical Welfare Association Private Limited	0.01%	0.27	0.00%	-
Britannia Employees Educational Welfare Association Private Limited	0.02%	0.31	0.00%	0.01
<b>Foreign Subsidiaries</b>				
Britannia and Associates (Mauritius) Private Limited	8.41%	162.30	0.13%	1.03
Britannia and Associates (Dubai) Private Co. Limited	(0.83)%	(16.24)	(0.16)%	(1.29)
Al Sallan Food Industries Co. SAOC	(2.60)%	(51.16)	0.73%	5.92
Strategic Food International Co. LLC, Dubai	0.50%	7.76	2.49%	20.10
Strategic Brands Holding Company Limited	(0.03)%	(0.60)	(0.01)%	(0.06)
Britannia Dairy Holdings Private Limited	(0.01)%	(0.20)	(0.00)%	(0.03)
	<b>100.00%</b>	<b>1,959.62</b>	<b>100.00%</b>	<b>806.38</b>
Adjustment arising out of Consolidation		(196.89)		(0.45)
<b>Minority Interests in all Subsidiaries / Associates (Investment as per the Equity method)</b>				

# Britannia Annual Report 2015-16

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Name of the Entity	Net Assets, i.e., Total Assets minus total liabilities		Share in Profit or loss	
	As a % of Consolidated Net Assets	Amount	As a % of consolidated profit or loss	Amount
<b>Minority interest in Subsidiaries</b>				
Ganges Vally Foods Private Limited		2.26		(0.04)
Sunrise Biscuit Company Private Limited		0.20		(0.00)
<b>Associates</b>				
Klassik Foods Private Limited		0.97		0.03
Nalanda Biscuits Company Limited		0.32		0.19
<b>Total</b>		<u>1,766.48</u>		<u>806.11</u>

**Note 45** The financial statements are presented in ₹ Crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ Crores are given below:

Note No.	Description	₹ in '000	
		31 March 2016	31 March 2015
<b>13. Non-current investments:</b>			
(a) Unquoted - Trade investments - Investments in debentures / bonds		4	4
<b>44. Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:</b>			
(a) Britannia Employees Medical Welfare Association Private Limited		48	-
(b) Britannia Employees Educational Welfare Association Private Limited		37	-

**Note 46** Figures in rupees have been rounded off to two decimal places to the nearest crore, unless otherwise stated.

**Note 47** During the year ended 31 March 2016 no material foreseeable loss (previous year: nil) was incurred for any long-term contract including derivative contracts.

As per our report of even date attached

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

for and on behalf of the Board of Directors  
Chairman : Nusli N Wadia  
Managing Director : Varun Berry  
Directors : A K Hirjee  
S S Kelkar  
Nasser Munjee  
Nimesh N Kampani  
Avijit Deb  
Jeh N Wadia  
Ajai Puri  
Ness N Wadia  
Ranjana Kumar  
Chief Financial Officer : Amlan Datta Majumdar  
Company Secretary : Rajesh Arora

Supreet Sachdev  
Partner  
Membership number: 205385

Place : Bangalore  
Date : 20 May 2016

Place : Mumbai  
Date : 20 May 2016

## Britannia Annual Report 2015-16

### SIGNIFICANT RATIOS

			2015-16	2014-15
<b>Measures of Investment</b>				
Return on equity	$\frac{\text{Net profit}}{\text{Shareholders' funds}}$	%	44.1	50.4
Book value per share	$\frac{\text{Shareholders' funds}}{\text{Number of equity shares}}$	₹	141.71	103.0
Dividend cover	$\frac{\text{Earnings per share (Basic)}}{\text{Dividend (plus tax) per share}}$	times	2.6	2.7
<b>Measures of Performance</b>				
Profit margin	$\frac{\text{Profit before tax and exceptional items}}{\text{Revenue from operations + Other income}}$	%	14.2	10.2
Debtors turnover	$\frac{\text{Sale of products}}{\text{Trade receivables}}$	times	75.9	102.4
Stock turnover	$\frac{\text{Sale of products}}{\text{Inventories (Finished goods + Stock-in-trade + Goods-in-transit)}}$	times	42.6	40.3
<b>Measures of Financial Status</b>				
Debt equity ratio	$\frac{\text{Long-term borrowings + Short-term borrowings + Current maturities of long-term debt and finance lease obligations}}{\text{Shareholders' funds}}$	%	0.0	0.1
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities - Current maturities of long-term debt and finance lease obligations}}$	times	1.1	1.2
Tax ratio	$\frac{\text{Tax expense}}{\text{Profit before tax}}$	%	33.8	29.5



# Britannia Annual Report 2015-16

## TEN YEAR FINANCIAL STATISTICS : 2007 - 2016

₹ in Crores

As at / Year ended 31 March	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Assets employed</b>										
Fixed assets less depreciation and amortisation	214.40	250.68	283.86	291.47	315.40	458.82	580.12	642.88	574.16	713.89
Investments (non-current and current)	320.05	380.83	423.10	490.64	545.00	428.94	279.60	372.99	661.04	894.88
Other assets / (Liabilities), net	59.57	207.17	116.10	43.76	22.34	66.78	(7.83)	(161.96)	1.39	92.07
Miscellaneous expenditure	25.58	23.23	26.64	-	-	-	-	-	-	-
	<b>619.60</b>	<b>861.91</b>	<b>849.70</b>	<b>825.87</b>	<b>882.74</b>	<b>954.54</b>	<b>851.89</b>	<b>853.91</b>	<b>1,236.59</b>	<b>1,700.84</b>
<b>Financed by</b>										
Equity shares	23.89	23.89	23.89	23.89	23.89	23.89	23.91	23.99	23.99	24.00
Reserves and surplus	590.93	731.92	800.65	372.36	427.41	496.15	612.50	829.47	1,211.63	1,676.16
Loan funds (long-term borrowings, short-term borrowings and current maturities of long term debt & finance lease obligations)	4.78	106.10	25.16	429.62	431.44	434.50	215.48	0.45	0.97	0.68
	<b>619.60</b>	<b>861.91</b>	<b>849.70</b>	<b>825.87</b>	<b>882.74</b>	<b>954.54</b>	<b>851.89</b>	<b>853.91</b>	<b>1,236.59</b>	<b>1,700.84</b>
<b>Profits and appropriations</b>										
Sale of products	2,317.21	2,616.98	3,142.89	3,426.64	4,230.59	5,005.66	5,649.66	6,347.85	7,269.26	8,097.81
Profit before depreciation, amortisation, exceptional items and tax	151.38	253.56	286.61	204.96	242.65	299.69	389.26	626.00	857.82	1,228.78
Depreciation and amortisation	25.27	29.08	33.46	37.54	44.59	47.32	57.08	63.38	117.27	86.89
Profit before tax and Exceptional items	126.11	224.48	253.15	167.42	198.06	252.37	332.18	562.62	740.55	1,141.89
Exceptional items	(7.70)	7.78	(20.63)	(46.64)	-	-	-	(20.00)	142.06	(10.33)
Profit before tax	118.41	232.26	232.52	120.78	198.06	252.37	332.18	542.62	882.61	1,131.56
Tax	10.76	41.26	52.12	4.27	52.77	65.63	98.31	172.79	260.20	382.47
Net profit	107.65	191.00	180.40	116.51	145.29	186.74	233.87	369.83	622.41	749.09
Dividend	35.84	43.00	95.56	59.73	77.64	101.53	101.66	143.91	191.88	239.95*
Tax on dividend	6.09	7.31	16.24	9.92	12.60	16.47	17.28	24.46	39.06	48.85#
Profit for the year after dividend and tax thereon	65.72	140.69	68.60	46.86	55.05	68.74	114.93	201.46	391.47	460.29

\* Proposed dividend

# Tax on proposed dividend





