28 August, 2017

1. The Secretary
   BSE Limited
   Phiroze Jeejeebhoy Towers,
   Dalal Street, Fort
   Mumbai 400 023

2. The Manager
   Listing Department
   National Stock Exchange of India Limited
   Exchange Plaza, 5th Floor
   Plot No. C/1, G Block
   Bandra-Kurla Complex
   Bandra (E)
   Mumbai 400 051

Dear Sir,

Sub: Compliance with Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

In compliance with the requirements under Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2016-17.

Request you to take the above information on records.

Yours faithfully,
For Britannia Industries Limited

Chirag Karia
Asst. Company Secretary

BRITANNIA INDUSTRIES LIMITED ★ BANGALORE

Encl: As above

Britannia Industries Limited
Executive Office : Prestige Shantiniketan,The Business Precinct,
Tower C,16th & 17th Floor, Whitefield Main Road, Mahadevapura Post,
Bangalore - 560048. Tel: 080 39400080 Fax : 080 25063229
www.britannia.co.in
CIN : L15412WB1918PLC002964

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


BRITANNIA
Eat Healthy, Think Better
ANNUAL REPORT 2017
ALL THE RIGHT INGREDIENTS
DESIGN / PRODUCTION / DISTRIBUTION

R&D

TODAY'S INNOVATION IS THE AGENT OF TOMORROW'S GROWTH. THAT'S WHY WE CREATED THE ALL NEW, WORLD CLASS RESEARCH & DEVELOPMENT CENTRE.



FACTORY



PRODUCTS MADE CLOSER TO MARKET ADDS TO THE ORGANOLEPTIC DELIGHT. WHICH IS WHY WE CREATED EIGHT NEW MANUFACTURING LINES.

OUTLETS

GOOD THINGS SHOULD BE ACCESSIBLE TO ALL. REASON WHY WE ADDED 2.9 LAKH OUTLETS TO OUR DIRECT REACH NETWORK.



Corporate Information

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
(upto 25 May, 2017)

Mr. Ness N Wadia

Dr. Vijay L Kelkar
(upto 31 May, 2016)

Mrs. Ranjana Kumar

Dr. Ajay Shah

Dr. Y. S. P. Thorat

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
UCO Bank

Management Team

Mr. N Venkataraman

Chief Financial Officer (from 1 December, 2016)

Mr. Amlan Datta Majumdar

Chief Financial Officer (upto 30 November, 2016)

Mr. Vinay Singh Kushwaha
Vice President-Supply Chain

Mr. Manjunath Desai
Vice President-Strategy & Business Development

Mr. Sudhir Nema
Vice President-R&D and Quality

Mr. Gunjan Shah
Vice President - Sales and Bread Business

Mr. Ali Harris Shere
Vice President - Marketing

Mr. Ritesh Rana
Vice President - Human Resource

Mr. Anindya Dutta
Vice President - International Business

Mr. Manoj Balgi
Head-Procurement

Mr. Sarad Garodia
Head-Dairy Business

Company Secretary

Mr. Rajesh Arora
(upto 30 June, 2017)

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For decades, we are serving the discerning consumers with a wide range of Healthy, Delightful and Organoleptically superior products.

We use the finest ingredients and package their natural goodness in our products.

Our products are designed through deep insight and innovation to deliver a complete sensory experience, in every product, every time.

On the other hand, we continue to extend our manufacturing footprint to launch industry-leading products that set a benchmark in quality and taste.

Our distribution reach and differentiated branding have endeared our products to a wide cross-section of the population.

All the Right Ingredients to grow sustainably and create enriching experiences that endure.



Delighting every palate for decades

99 YEARS
Since incorporation

No.1
Position in biscuit category

70+
Countries, where we export

8 POWER BRANDS
With turnover > ` 500 Crores each



47 LAKH+

Outlets, offer our products

3,000+

Dynamic workforce

1,600 LAKH+

Households enjoy our products

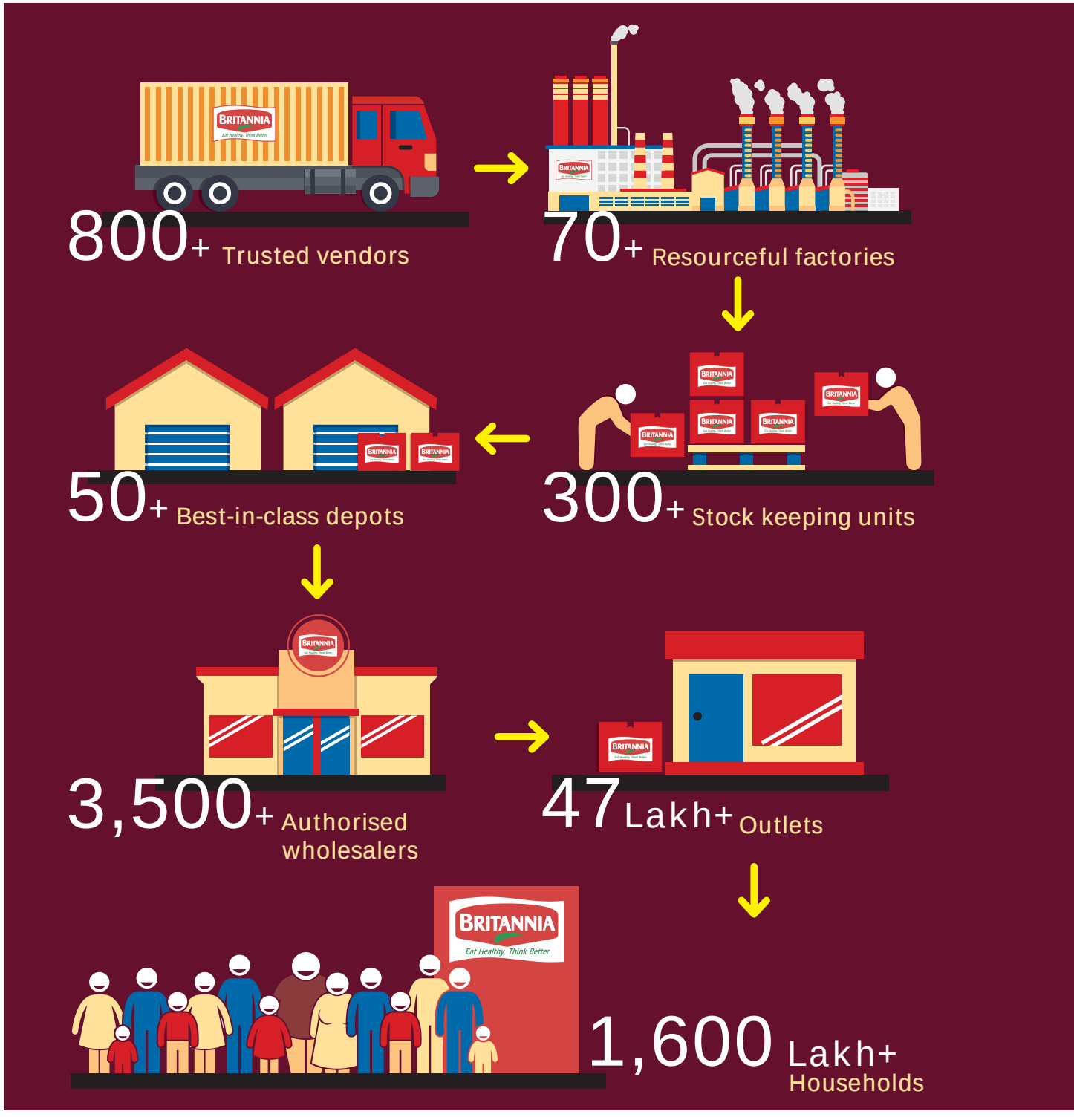


An arm-stretch away, any time of the day





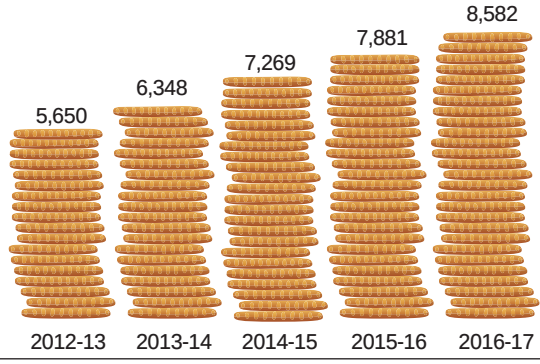
Network that drives value



Key Performance Indicators

Sale of Products

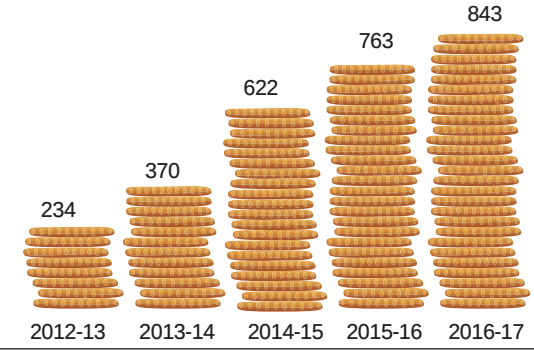
(` in crore)



5 year CAGR 11%

Net Profit

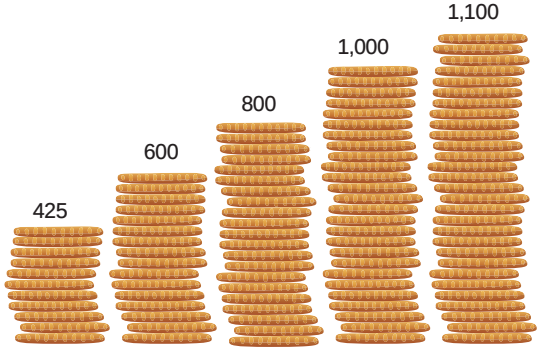
(` in crore)



5 year CAGR 38%

Dividends

(%)



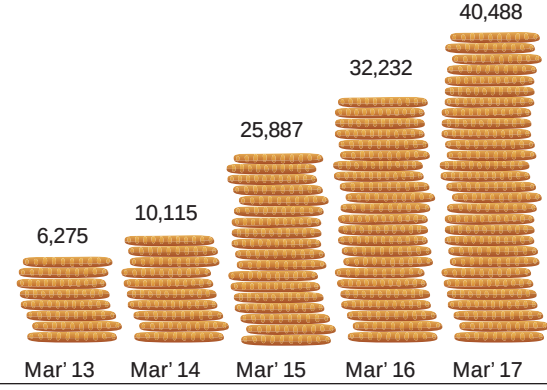
Shareholders' Funds

(` in crore)



Market Capitalisation

(` in crore)



Notes:

(i) Figures of 2015-16 and 2016-17 are as per IND AS. (ii) Figures of 2012-13 to 2014-15 are as per IGAAP. (iii) All figures are given on standalone basis.

SPREADING SMILES... 25+YEARS






BRITANNIA
Good Day
Good Day
CASHEW
Good Day
CHOCOCHIP
melt
Good Day

DESIGNING TO WIN

Our world-class Research & Development Centre near Bangalore has all capabilities to transform Britannia into a total Foods Company.



We launched new products in the market for a superior organoleptic experience.







Enriching our portfolio

We entered into a joint venture agreement with Chipita S.A., a Greek company, for the manufacture and sale of ready-to-eat delicious croissants.

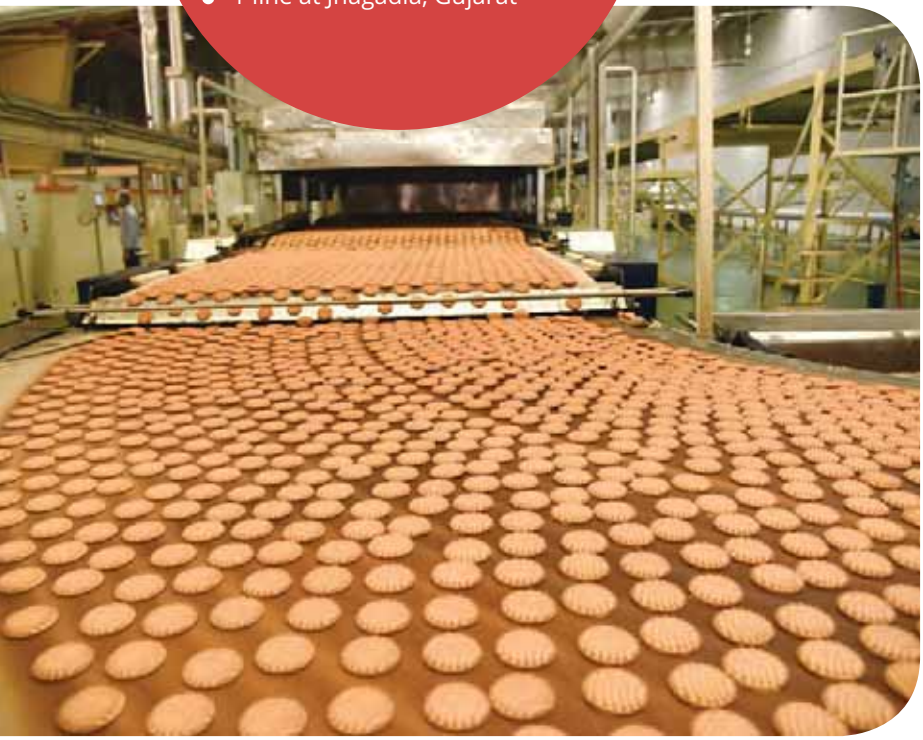


SETTING A BENCHMARK IN PRODUCTION



New manufacturing lines in FY 2016-17

- 4 lines at Bidadi, Karnataka
- 1 line at Perundurai, Tamil Nadu
- 1 line at Chennai, Tamil Nadu
- 1 line at Madurai, TamilNadu
- 1 line at Jhagadia, Gujarat



Cutting-edge technology

- State-of-the-art imported cream biscuit line at Bidadi, Karnataka
- Energy efficient, thermic fluid based ovens
- Imported speciality cookie line at Chennai, Tamil Nadu



Quality focus

- All our manufacturing units are ISO 22000 certified
- Our consumer care cell is ISO 10002 certified
- Some of our factories are AIB certified



10 Lakh+
tonnes of annual production

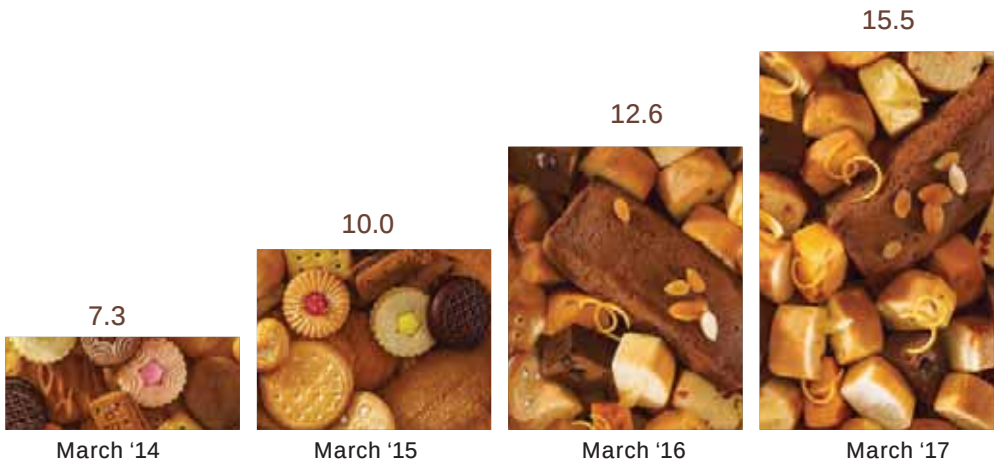
Future projects

- Greenfield plant in Guwahati, Assam
- Greenfield plant at Mundra Special Economic Zone to cater to our export requirements
- Integrated Food park at Ranjangaon, Maharashtra

REACHING CONSUMERS

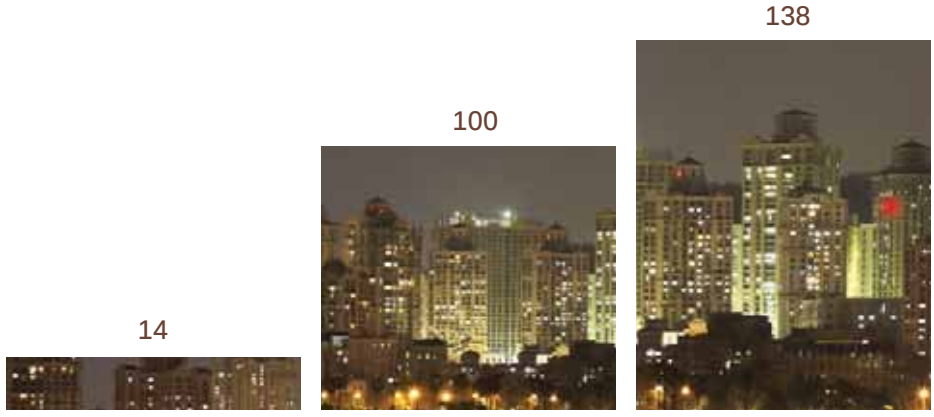


2X increase in Direct reach



Number of outlets directly reached (in lakhs)

Significant growth in urban markets through split route strategy

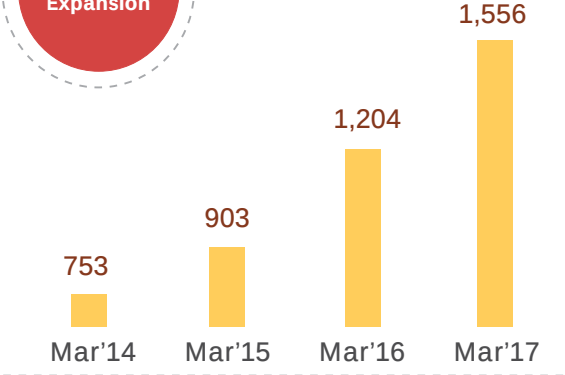


Number of towns where this strategy is in place

9,350 Lakh+ Packs sold per month

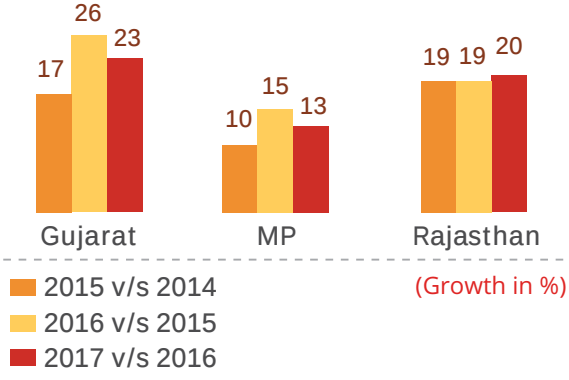


Rural Expansion



Revenue (` in Crores)

Focused States Growth



(Growth in %)

Community...matters

We are committed to improve the lives of the under privileged.

Refurbishment of Bai Jerbai Wadia Hospital for Children







We have successfully completed the refurbishment of Bai Jerbai Wadia Hospital, Mumbai, which is one of the largest paediatric hospitals of Asia and has the world's largest Neonatal Intensive Care Unit (NICU) for underprivileged children.

Post renovation

- Accommodates 55,000 children in Out Patient Department (OPD) and 6,000 children in In Patient Department (IPD)
- Comprises a cardiac surgery unit and a haemato-oncology ward
- A fully functional bone marrow transplant unit and CT scan is in pipeline

525
Patient beds

5
Super speciality Operation Theatres

30+
Super speciality paediatric services

Refurbishment of Nowrosjee Wadia Maternity Hospital

We are undertaking the refurbishment and upgradation of Nowrosjee Wadia Maternity Hospital, Mumbai, that provides specialised affordable obstetric and gynaecological services to women.

The refurbishment and upgradation of the hospital would be carried out over the period 2017–2020. The renovated facility will have 7 operation theatres, dedicated labour wards and cancer detection units and additional scope of treating all women diseases.



305
Patient beds

1,00,000
Out-patients treated annually

10,000
In-patients treated annually

Britannia Nutrition Foundation (BNF)

BNF's mission is to help secure every child's right to nutrition and growth. We implement sustainable programmes, pursue product innovation and research, and address core & allied causes for malnutrition.

We aim to provide a healthy environment for all, through our Swasth Bharat programmes.





CSR programs were conducted at our factory locations- Jhagadia (Gujarat), Uttaranchal (Uttarakhand), Gwalior (Madhya Pradesh), Hajipur (Bihar), Khurda (Odisha), Pondicherry, Madurai, Perundurai & Chennai (Tamil Nadu).

Key initiatives during 2016-17

- Improve nutritional parameters among 500 children in Palghar's (Maharashtra) tribal regions
- Distributed iron-fortified biscuits through government Anganwadis to 43,000 children
- Trained 485 Anganwadi workers and Child Development Project Officers (CDPOs)
- Benefited 10,000 people by initiating health, hygiene and nutrition focused programmes



DIRECTORS' REPORT

Your Directors present their Report together with the audited financial statements for the year ended 31 March 2017.

I. FINANCIAL PERFORMANCE

a. Standalone Financial Results

₹ in Crores

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Sale of goods	**8,581.55**	7,880.56
Profit before tax	**1,251.16**	1,149.13
Profit after tax	**843.69**	763.31
Profit available for appropriation	**1,979.86**	**1,509.34**
Proposed dividend (including tax thereon)	**317.75**	288.80

b. Overview Of Company Performance

Your Company achieved a revenue growth of 8.9% and strengthened its market leadership in an environment which was impacted by sluggish category growths. While, we witnessed robust topline growth in the first half of the year, there was significant slowdown in the second half of the year post demonetization. Besides, growth in International Business also continued to be under pressure due to deteriorating geopolitical situation and currency fluctuations in geographies like Middle East, Africa and a general economic slowdown in certain key export markets. To minimize effects of this trend, your Company focused on:

(i) Strengthening distribution by enhancing direct reach which now stands in excess of 1.5 million outlets;

(ii) Driving the rural and weak state agenda and gaining market share while achieving double digit growth;

(iii) Building new capabilities and driving innovation which resulted in many new launches and re-launches in the form of Good Day Nuts Cookies, NutriChoice Oat Cookies, 50-50 Mathri Masti, Good Day Chocochips and so on which were well received by Consumers;

(iv) Finalising plans for expansion in export markets.

Your Company also encountered a very volatile commodity environment during the year and witnessed significant price rise in key commodities. While, your Company actioned requisite price increases, the primary focus was on accelerating its Cost Efficiency Program through scale in operations, technology interventions, wastage reduction in the value chain, optimized advertising spends and fixed costs leverage. This helped your Company achieve a profit growth of 10.5% and sustain its profitability while ensuring competitiveness in the market place.

Your Company has been actively working on realising untapped opportunities in the bakery business as well as in the adjacent macro snacking space. To this end, your Company entered into a Joint Venture Agreement with Chipita S. A, a Greek Company, for manufacture and sale of ready-to-eat filled croissants which is a very large category in certain countries demographically similar to India. Your Company shall continue to scout for many such profitable growth opportunities to ensure that it stays ahead of the market while transforming itself into a total Foods Company.

c. Consolidated Financial Performance

Consolidated Financial Statements prepared in accordance with Section 133 of the Companies Act, 2013 read with rules made thereunder and applicable Accounting Standards along with the Auditor's Report form part of this Annual Report.

Consolidated Sale of your Company for the financial year ended 31 March 2017 is ₹ 9,232.30 Crores vis-à-vis ₹ 8,554.36 Crores in the previous year, registering a growth of 7.9%. Consolidated Net Profit for the financial year ended 31 March 2017 is ₹ 884.61 Crores vis-à-vis ₹ 824.58 Crores in the previous year, registering a growth of 7.3%.

d. Subsidiaries, Associates and Joint Ventures

Financial Performance

A report on the financial performance of each of the Subsidiaries and Associates included in the Consolidated Financial Statements is provided in Form AOC-1 and forms part of this Annual Report. The audited financial statements of all the subsidiaries are available on the website of the Company: www.britannia.co.in.

Significant Developments during the year

Demerger: The Manufacturing and Retail Sales Business of Daily Bread Gourmet Foods (India) Private Limited has been demerged into Britannia Industries Limited after obtaining necessary approvals from High Court of Karnataka and High Court at Calcutta.

Acquisition: Your Company acquired 26% stake in Sunandaram Foods Private Limited, a cake manufacturing unit in Assam.

Joint Venture: Your Company entered into a Joint Venture Agreement with Chipita S. A, a Greek Company, for the purpose of manufacture and sale of ready-to-eat filled croissants through a Joint Venture Company in India namely 'Britchip Foods Limited'. Your Company will hold 60% and Chipita will hold 40% of share capital of Britchip Foods Limited.

e. Dividend

Your Board is pleased to recommend a dividend of 1100% which amounts to ₹ 22/-per share (face value ₹ 2 per share) for consideration and approval by the Members at the ensuing Annual General Meeting. The total dividend payout amounts to ₹317.75 Crores including dividend distribution tax of ₹ 53.75 Crores.

f. Reserves

Your Company has transferred an amount of ₹ 84.37 Crores to the General Reserve for the financial year ended 31 March 2017.

g. Share Capital

During the year under review, your Company has allotted 25,000 equity shares of ₹ 2 each upon exercise of 25,000 options under Employee Stock Option Scheme. Consequently, the paid up equity share capital of your Company has increased by ₹ 50,000 in the current year.

II. OPERATIONAL PERFORMANCE

a. 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 a testimony to the promise forming the core of your Company. This reflects your Company's 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.

b. Supply Chain

Your Company has been focusing on developing a competitive edge in manufacturing by deploying Cost Efficiency and Operational Excellence Programs across the value chain.

Your Company expanded its capacity during the year across five locations, interalia including, a state-of-the-art imported Cream biscuit line, an imported Speciality Cookie line and the first in-house Rusk Plant. Your Company has increased its operating control on capacity with the commissioning of these new production lines. Further, one Greenfield Plant is under way in Assam and two more are planned for Project start-up in FY 2017-18. To improve your Company's competitiveness in the International market, a Greenfield Project at Mundra Special Economic Zone, is being put up and is expected to commission in the coming year.

These initiatives have helped in creating the right capacity and capability using cost-efficient yet superior technology to meet the growing demand and rising consumer expectations. With the ever increasing challenges in supply chain planning, especially during the period of demonetization, your Company could manage the volatility in demand by effectively deploying various IT tools to cater to the service levels at an optimum cost.

c. Environment, Health and Safety

Environment, Health and Safety are treated as core values at your Company. Promoting a Zero Accident culture, your Company has strengthened its workplace systems and practices through several accident prevention programs. Further, your Company has also introduced site level performance indicators (Lead, Lag and System related) to promote a positive and proactive culture at work place. During FY 2016-17, all the manufacturing units of your Company have successfully undertaken OHSAS 18001:2007 certification. Your Company also extended safety programs at its depots covering fire, electrical and operational safety.

d. Quality Programs

Your Company is committed to provide safe, compliant and consistently better quality products to delight consumers. Your Company started its journey to excel in Food Safety and Quality Standards by building American Institute of Baking (AIB) roadmap through capability enhancement in core teams followed by rigorous internal programs. In this initial phase of AIB roadmap, two of Britannia's Biscuit units have successfully cleared external AIB inspection. The journey will continue in coming years to build global standards in Food Safety and Quality for your Company.

You would be happy to know that all biscuits, cake and rusk manufacturing units are ISO 22000 certified and new units are under certification process. Your Company continued risk assessment based supplier quality assurance programs and carried out rigorous vendor audits for key raw and packaging materials to ensure input material quality. Rigorous in-market delivered quality assessment programs helped deliver quality products to consumers.

You would be happy to know that your Company's consumer care cell is now compliant to the 'Global Standards on Customer Satisfaction & Guidelines on Complaint Handling' and it has been awarded with ISO 10002 certification.

e. Research and Development (R&D)

You will be glad to know that your Company's new R&D centre near Bangalore received approval from Department of Scientific and Industrial Research. This centre is now fully operational with enhanced capabilities for the core as well as future adjacent product categories which will help in innovating faster with superior product experience delivery.

During FY 2016-17, R&D team developed for market launch, a new differentiated product 'Cake Biscotti'. Your Company also expanded its presence in the Veg Cake portfolio with the launch of 'Veg Choco Cake'. Your R&D team developed delightful and organoleptic superior 'Good Day Choco Chips' and 'Good Day Nuts Cookie', which received very favourable response from the consumers.

Your Company has further strengthened Health and Wellness portfolio with the launch of 'Nutrichoice Digestive Zero' made with whole wheat flour and no added sugar and 'Nutrichoice Oats' in two delightful variants, Orange and Almond & Milk. Launch of '50-50 Mathri Masti' embarked into a new territory of cracker-snacks with the taste profile of Indian ethnic snack Mathri.

Your Company's R&D team continued to work on building cost competitiveness based on value engineering for product and packaging and has also built a robust pipeline for the next year.

Re-engineering of packaging laminate and paper based packaging continued and rolled out during the year leading to use of less plastic and paper. Your R&D team built strategic partnership with global leaders in core areas of interest like Chocolate, Taste Tool boxes and Health & Wellness.

f. 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 'A'** to this Report.

g. Brands

Brands provide your Company a competitive edge and hence keeping them vibrant, relevant and the preferred choice of consumers is paramount. FY 2016-17 saw a slew of new initiatives - big renovations, innovations, promotions, activations and advertisements which kept your Company's brands salient in the consumers minds.

FY 2016- 17 witnessed subdued consumer demand, especially in the later part of the year. In view of this, your Company invested in strengthening consumer demand through some focused brand campaigns

and activations. Your Company also consolidated product portfolios to bring in efficiencies of scale and accelerated the launch of innovative products and variants across the product portfolio.

The key campaigns executed by your Company were on Good Day, Marie Gold, Milk Bikis, 50-50 and NutriChoice Oats cookies. These campaigns delivered rich returns for the brands.

Your Company brought on board two popular Bollywood Celebrities to endorse its brands - Farhan Akhtar for NutriChoice and Deepika Padukone for Good Day. Both celebrity endorsements have helped the brands to strike a chord with their target audience, as measured by increase in saliency of these brands.

Your Company invested in movie marketing tie ups to promote its brands. The key among them were Milk Bikis and Cheese tie up with the popular animated movie Ice Age, Milk Bikis's tie up with Tamil movie Passanga starring popular Tamil actor, Suriya and Muffil's tie up with the animated movie Kungfu Panda which was immensely popular with kids. Your Company also tied up with two IPL teams to create consumer excitement and engagement with its brands, Good Day and 50-50.

Your Company carried out a large scale consolidation of its Top and Time Pass brands with the 50-50 brand portfolio. The key reason was that 50-50 enjoys a high preference amongst its consumers in comparison to its competition. Hence, migrating the smaller brand portfolios of Top and Time Pass into 50-50 would have a positive rub off on them and strengthen our play in the (savory) snacking category.

Your Company launched a host of new-to-market taste experiences across its product portfolio- some of the key ones being Good Day 3 Nuts cookie, Good Day Choco chip cookie, NutriChoice Digestive Zero, Oats cookies and 50-50 Mathri Masti. These innovations are performing well in the market and your Company is continuing to invest behind growing them.

During the year under review, your Company ensured to protect consumer value and has enhanced its competitive edge in the market. This has helped your Company to retain market leadership through FY 2016-17.

Your Company won accolades and recognition at prestigious Marketing Forums in the country. It won the Pitch CMO Summit Award for 'Best Use of Media'. The flagship brand Good Day won three medals at the prestigious Advertising & Marketing, Abby's Awards.

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

III. DIRECTORS

a. Appointment/Re-Appointment

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

During the year under review, the Board of Directors at their meeting held on 13 February 2017 appointed Dr. Ajay Shah and Dr. Y.S.P Thorat as Additional and Independent Directors of the Company w.e.f 13 February 2017 subject to approval of the Members.

Mr. Nasser Munjee, Director of the Company resigned at the Nomination and Remuneration Committee Meeting prior to the Board meeting of your Company on 25 May 2017 to be given effect immediately on the conclusion of the Board meeting. In his letter to the Chairman of the Board, Mr. Munjee stated that "my continuance on the Britannia Board is no longer compatible with my activities in the Tata Group. Unfortunately, this has arisen from the events that we all witnessed over the last few months". "Your questioning my independence on the Boards of Tata Companies……. and specifically writing to SEBI has also complicated matters". "There have been consequences of this and matters are truly out of my hands".

The Chairman while responding to Mr. Munjee informed him that he did not understand the relevance of the statement "my continuance on the Britannia Board is no longer compatible with my activities in the Tata Group. Unfortunately, this has arisen from the events that we all witnessed over the last few months". He stated that he and the Wadia Group as Promoters of Britannia Industries Limited repeatedly asked and wished him to continue on the Board and that his continued contribution as an Independent Director would in no way be affected by his Directorships at Tatas. He also informed him that the pressures that he was under were solely from the Tatas and not from Wadia Group.

The Directors of your Company are of the opinion that the reasons stated by Mr. Munjee for his resignation from the Board are neither germane nor relevant to Britannia.

The Board while accepting the resignation of Mr. Munjee, appreciated and placed on record the valuable contribution made by him during his tenure as an Independent Director as well as Chairman of the Audit Committee and Risk Management Committee.

b. 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:

(i) In the preparation of the annual accounts, the applicable accounting standards have been followed;

(ii) 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 2017 and of the profit of the Company for the year;

(iii) 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;

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

(v) 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;

(vi) 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 FY 2016-17.

IV. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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. The details of the CSR activities are given as **Annexure 'B'** forming part of this Report.

V. EMPLOYEES

a. Key Managerial Personnel (KMP)

During the year under review, Mr. Amlan Datta Majumdar resigned from the position of Chief Financial Officer and Key Managerial Personnel w.e.f closing business hours of 30 November 2016 and Mr. N Venkataraman has been appointed as Chief Financial Officer and Key Managerial Personnel of the Company w.e.f 1 December 2016.

Mr. Rajesh Arora resigned from the position of Company Secretary and Key Managerial Personnel of the Company w.e.f closing business hours of 30 June 2017.

b. Particulars of Remuneration of Directors, KMPs and Employees

A statement containing the details of the Remuneration of Directors, KMPs 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 'C'** to this Report.

c. Particulars of Employees

The disclosure as per Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and Rule 5 (3) 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 financial statements are being sent to the Members and others entitled thereto, excluding the disclosure on particulars of employees. This is available for inspection by the Members at the Registered Office of your 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 an email to investorrelations@britindia.com

d. Employee Stock Option Scheme (ESOS)

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and 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 'D'** to this Report.

e. Disclosure on Sexual Harassment of Women at Workplace

The Company has 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.

f. Britannia's Transformative HR Practices

(i) "Britannia for Britannians"

People are the pillar of any organization and your Company is no exception to this. The talented and committed people of your Company have been the architects of its success and reputation which in turn has attracted new talent. This virtuous cycle has ensured that the skill and capability to successfully steer a Company as large as yours is ever present and improving. Your Company termed this virtuous cycle as 'Britannia for Britannians' a term that is self-explanatory. Today, about 80% of your Company's senior management team comprises of people promoted from within which is an industry benchmark according to experts.

(ii) Britannia "Young Manager Council"

In order to build an inclusive work culture and young future leaders, your Company has created a "Young Manager Council" consisting of employees who are less than 30 years of age. The young Managers council is a way for the management to understand youth of the country. The idea behind this initiative is to encourage young managers /management trainees/ new joinees to provide input to the organization on food & snacking habits and preferences of the youth so that Company can develop products accordingly. The young managers provide feedback on current market trends through their distinctive lens. This helps us stay in tune with the changing preferences in palates and their dynamic lifestyles while it keeps them intricately involved in new product launches right from the R&D stage till the launch.

VI. GOVERNANCE/SECRETARIAL

a. Corporate Governance

A Report on Corporate Governance for the financial year ended 31 March 2017 along with the Statutory Auditor's Certificate on compliance with the provisions of corporate governance under SEBI (Listing Obligation and Disclosure Requirements ("LODR")) Regulations, 2015 is forming part of the Annual Report.

b. Business Responsibility Report

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/10/2015 dated 4 November 2015, the "Business Responsibility Report" (BRR) of the Company for FY 2016-17 is forming part of the Annual Report.

c. 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 'E'** to this Report.

d. Whistle Blower Policy

The details of Whistle Blower Policy are given in the Clause No. 8(c) of the Corporate Governance Report.

e. Board Evaluation

The details of evaluation of Directors, Committees and Board as whole are given in the Clause No. 3(b) of the Corporate Governance Report.

f. Remuneration Policy

The details of the Remuneration Policy are given in the Clause No. 3(b) of the Corporate Governance Report.

g. Risk Management

Your Company has a well defined risk management framework in place and a robust organizational structure for managing and reporting risks. Your Company has constituted a Committee of the Board to monitor and review risk management plan. Risk management process has been established across your Company and is designed to identify, assess and frame a response to threats that affect the achievement of its objectives.

h. Independent Directors

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

i. Board and Committees

The details of Board and its Committees are given in Clause No. 2 and 3 of the Corporate Governance Report.

j. Related Party Transactions

The framework for dealing with related party transactions is given in Clause no. 8(a) of the Corporate Governance Report.

During the year, your Company had not entered into any contract / arrangement / transactions with Related Parties referred in Section 188(1) of the Companies Act, 2013 read with the rules made thereunder. In accordance with Ind AS - 24, the Related Party Transactions are disclosed under Note No. 44 of the Standalone Financial Statements.

k. 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.

l. 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. 37, 38 and 39 of the Standalone Financial Statements.

m. Significant and 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.

VII. AUDITORS

a. Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of the Company by the members at the 95 Annual General Meeting held on 12 August 2014 for a term of 5 consecutive years subject to ratification by the Members at every Annual General Meeting.

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 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.

b. 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, your Company appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2016-17. The Secretarial Audit Report submitted by them is given as **Annexure 'F'** to this Report.

VIII. INTERNAL FINANCIAL CONTROLS

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

IX. PENSION

In the suit filed by Britannia Industries Limited Pensioners Welfare Association (PWA), 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 of the Company 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 in its order dated 18 December 2015 referred the matter to Bangalore Mediation Centre for exploring the possibilities of settlement. The PWA through their legal counsel had submitted that they will not precipitate execution before the trial court during mediation.

As a result of the mediation process, a Memorandum of Settlement ('MoS') dated 29 August 2016 was entered into between the PWA, the Company and Trust Funds. As per terms of the MoS and the Decree passed by the Hon'ble High Court of Karnataka dated 18 October 2016, the Covenanted Staff Pension Fund Trust inter alia, filed an application with the Hon'ble High Court at Calcutta for obtaining approval to use the fixed deposit held in the name of the Trust and interest thereon. In response to the petition filed by the Company, the Hon'ble High Court at Calcutta passed an order directing CIT, Kolkata to consider the representations made by PWA and the Company.

On 9 January 2017, the CIT passed an order withdrawing the approval accorded to Britannia Industries Covenanted Staff Pension Fund (Trust Fund) w.e.f. A.Y. 2003-04. The Trust Fund filed a Writ petition with the Hon'ble High Court at Calcutta against the said order of CIT, Kolkata. On 3 February 2017, while admitting the writ, the Hon'ble High Court at Calcutta did not pass any interim order/grant stay against the impugned order of the CIT. Aggrieved by the same, the Trust Fund filed an appeal in the Division Bench of Calcutta High Court which was heard on 10 March 2017. The Hon'ble High Court granted the stay, however, restrained the Company from encashing the fixed deposit of ₹ 12.12 Crores till the final disposal of the writ petition and further directed the single bench of the High Court at Calcutta to dispose of the writ petition as expeditiously as possible. The matter is currently pending before the single bench of High Court at Calcutta.

Related matters have been dealt within Note No. 41 of the Standalone Financial Statements and Note No. 43 of the Consolidated Financial Statements, which are self-explanatory.

X. 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: 30 June 2017

Nusli N Wadia
Chairman
(DIN No: 00015731)

ANNEXURE 'A' 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

(a) Some of the energy conservation measures undertaken during 2016-17 are:

(i) Alternate clean fuels like LPG and PNG were used which increase thermal efficiency while drastically reducing emissions.

(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) First in-house 100 KW Solar power plant commissioned in Perundurai Factory.

(v) 30 KW Solar power plant commissioned in R&D Centre, Bangalore.

(b) 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 ₹ 14 Crores has been planned for FY 2017-18 in various projects related to savings in energy consumption and use of alternate fuels.

(c) Impact of measures at (a) and (b) above:

- Your Company has been able to achieve cost benefit in overall baking fuel consumption despite trials and start-ups. This was achieved mainly through quick replication of technology and opportunistic switching over amongst feasible fuels governed by the volatile market price of liquid fuels and natural gas.
- However, the cost per unit of own generation of power has seen a marginal increase owing to the increase in price of High Speed Diesel. Also, consumption of power per ton of biscuit produced has increased due to the trials and ramp up of new factories in addition to low production in few months due to demonetization.

B. TECHNOLOGY ABSORPTION

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

During the year, your Company initiated pilot runs in the areas of automation and technology upgradation:

(i) Process automation in Rusk proofing for temperature and humidity control initiated in Manna Foods, Madurai.

(ii) Online Bread cooling system (for new rusk line) in Manna Foods, Madurai for achieving desired in-process bread quality before slicing, thereby increasing process capability and productivity.

(iii) Minor and micro ingredient auto handling system was successfully commissioned in IBPL, Pondicherry Unit.

(iv) Automation in primary and secondary packing of wholesale packs was successfully completed in four units.

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

The above mentioned initiatives (i), (ii) and (iii) resulted in achieving higher productivity with enhanced process capability to give superior and consistent product quality.

The initiative number (iv) resulted in significant gains in labour productivity and has been taken up for replicating in all feasible units in the next financial year.

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

Your Company has invested in a state of the art Cookie Capper Line for online biscuit cream deposition and capping from USA and Netherlands at its Bidadi factory, Bangalore. Commercial production in the new line commenced in Q4 FY 16-17. This will enable your Company to come out with unique product formats which would increase Customer delight significantly.

Your Company is also investing in a state-of-the-art European Rusk Line which would cater primarily to the Export demand. This line is scheduled for commissioning in FY 2017-18.

C. RESEARCH AND DEVELOPMENT

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

Your Company's R&D team's core focus is to continue delivering significantly superior and Organoleptically advantaged innovations, renovating the core to deliver superior taste experience, value engineering of the product and packaging, building healthier product portfolio backed with solid nutrition science and building science based deep understanding on core areas of bakery while building capability for future.

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

All the innovations launched in the market are with superior organoleptic experience at optimum cost. Your Company's R&D team developed new-to-market product category 'Cake Biscotti' and expanded healthier product portfolio with the launch of Nutrichoice Oats Orange and Milk & Almond which were developed by incorporating the taste design principles of indulgent products.

Milk Rusk, Good Day Choco Chips and Good Day Nuts Cookie are other innovations which were launched during FY 2016-17 and have received very positive response from the market. R&D team is also developing disruptive and new-to-market products which will be launched in coming years.

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

₹ in Crores

Particulars	31 March 17
Capital	21.70
Recurring	26.14
Total	**47.84**
Total R&D expenditure as a % of turnover	**0.56%**

iv. **Future plan of action:**

Your Company's R&D team will continue to focus on science based understanding of ingredients, process, additives and packaging coupled with deep understanding of consumer needs. This will help deliver new-to-market disruptive innovations and renovations of the core at the optimum costs.

Going forward, your Company's major focus areas would be:

a) products based on new technology platforms;

b) health and wellness offerings with science based claims and improved nutritional value and

c) entry into adjacent food categories.

Further, your Company will encourage the R&D team to build strong partnerships for open innovations in key areas of interest with Academia, Business Partners and Scientific Institutes.

New capabilities in R&D Centre with state-of-the-art pilot plant and development labs will speed up the pace of innovations for your Company.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO FOR FY 2016-17

₹ in Crores

Particulars	Amount
Foreign exchange used	154.68
Foreign exchange earned	184.56

On behalf of the Board

Place: Mumbai
Date: 30 June 2017

Nusli N Wadia
Chairman
(DIN No: 00015731)

ANNEXURE 'B' TO THE DIRECTORS' REPORT

CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

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 your Company operates. It represents the continuing commitment and actions of your Company towards socio-economic development.

   As a responsible organisation, your Company comprehends the need for promoting health, growth and development of children from lower socio-economic sections of society. It has taken up various activities to promote health, growth and development of children and has also contributed towards restoration of hospitals for children and women as part of its CSR Programs during FY 2016-17.

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

   Weblink: 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
3. Average net profit of the Company for last three financial years: ₹ 790.22 Crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 15.80 Crores
5. Details of CSR spent during the financial year:
   a. Total amount to be spent for the financial year: ₹ 15.80 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 expenses (2) Over-heads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through implementing agency**
1	Promoting preventive health care at Bai Jerbai Wadia Hospital for Children (BJWHC)	Promoting preventive health care	Mumbai, Maharashtra		₹ 6.01		Direct
2	Promoting preventive health Care at Nowrosjee Wadia Maternity Hospital (NWMH)	Promoting preventive health care	Mumbai, Maharashtra		₹ 8.21		Direct
3	Promoting health care, growth and development of children from lower socio- economic section of the society through Britannia Nutrition Foundation (BNF)	Health care	Melghat (Amravati district, Maharashtra) Jhagadia (Gujarat) Rudrapur (Uttarakhand) Gwalior (MP) Hajipur (Bihar) Khurda (Odisha) Madurai, Perundurai Pondicherry, Chennai (Tamil Nadu)		₹ 1.58		Direct

i. Project closure of refurbishment of Bai Jerbai Wadia Hospital for Children (BJWHC):

Bai Jerbai Wadia Hospital for Children, established in the year 1929 in Mumbai is one of the largest paediatric hospitals in Asia and a referral centre across India. BJWHC is a 525 bedded pediatric hospital for the underprivileged, with the world's largest NICU of 150 beds & 7 operation theatres (OTs) of which 5 are super speciality OTs and more than 30 super speciality paediatric services.

The refurbishment of this heritage building has been successfully completed and it began operating from January 2017. Post renovation, more than 55,000 children in OPD and 6,000 children in IPD have availed the facilities. The renovated facility has a cardiac surgery unit and a haemato-oncology ward. Further, in the pipeline are a fully functional bone marrow transplant unit and CT Scan.

BJWHC also acts a Nodal centre for Clubfoot in Maharashtra with the only Neonatal/Paediatric dialysis in Western India. BJWHC has been conferred more than 25 various National and International awards in the past three years:

- International Quality Award for Excellence in Child Health Care Services by International Quality Awards 2015 in Goa in February 2016.
- Acknowledged as the Most Promising Child Care Hospital by ABS Awards, 2016.
- Outstanding Achievement Award in HealthCare – Social Cause and the Best use of Six Sigma in Healthcare by The Gold Globe Tigers Summit Award 2016 .
- Ideal Child Care Hospital Brand 2016 by the AIESAC, Brand Ranking Awards.
- Acknowledged by Council for Fair Business Practices (CFBP) as Jamnalal Bajaj Uchit Vyavahar Puraskar for Fair Business Practices 2015 Charitable Association.
- Best Hospital Unit in Paediatric Care by CIMS Healthcare Excellence Awards 2016.

Wadia Group has been awarded with the prestigious award for 'Best Group in CSR Practices' at CSR Leadership awards at the 24th World CSR congress, organized at the Taj Lands End Hotel.

ii. Nowrosjee Wadia Maternity Hospital (NWMH):

Nowrosjee Wadia Maternity Hospital, established in the year 1926 in Mumbai to provide affordable comprehensive healthcare and super speciality services for women. The hospital specialises in offering affordable obstetric and gynaecological services to women across all sections of society, catering to their changing needs through different stages of their lives. It also acts as a tertiary level referral centre as well as helps rehabilitate these women and their families by showing them methods of improving the health and sanitation around their environment and thus ensuring a healthy life for their whole family.

A 305 bedded hospital, which treats over 1,00,000 outpatients and 10,000 inpatients annually. In addition, as a teaching hospital, it also has a constant influx of aspiring doctors who get trained under some of the best specialists in the country. The refurbishment and upgradation of the hospital would be carried out over the period 2017 – 2020, the renovated facility will have 7 operation theatres dedicated labour wards and cancer detection units along with additional scope of treating all women diseases.

NWMH has won over 25 National and International awards since 2014. In the calendar year 2016, NWMH has won 6 awards as listed below:

- International Quality Award for Excellence in Maternity Care by International Quality Award 2015 in February, 2016
- Best Maternity Hospital Award 2016 by ABS.
- Arch of Excellence Awards 2016 by AIAC Excellence Awards.
- Best Quality Initiative in Healthcare and the Best Fertility Chain by The Golden Globe Tigers Summit in Malaysia.
- Ideal Maternity Care Hospital Brand 2016 by the AIESAC Brand Ranking Awards.

iii. 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. It pursues product innovation and research, addressing core and allied causes for malnutrition and assuming responsibility for the nourishment and vitality of the community.

The major initiatives undertaken by the Foundation this year are:

Distribution of Iron Fortified biscuits in programs addressing malnutrition amongst children

The specially formulated Iron fortified biscuits were integrated into the Palghar District Nutrition Project being executed by Sir Ness Wadia Foundation. The biscuits are currently a part of the dietary improvement plans of 250 children and is distributed at the government Anganwadis in the region. The project aims to address child malnutrition in the predominantly tribal dominated district and to improve nutritional parameters amongst 500 children in the area. The distribution of the fortified biscuits began in October 2016 and is expected to continue for a period of 2 years.

The Iron fortified biscuits are also being distributed through government anganwadis to 43,000 children in the age of 3- 6 years in Uttar Kannada district of Karnataka.

Partnership with the Government of Maharashtra in Melghat Nutrition Project

A MoU was signed with the Department of Women and Child Development, State Government of Maharashtra, to work jointly in the Melghat region in Amravati district. This area predominantly has tribal population and comprises two Integrated Child Development Services (ICDS) project blocks where according to government sources, over 35 % of the nearly 30,000 children under 6 years of age are moderately or severely underweight. A Public Private Partnership was formed wherein BNF builds capacity of the Government machinery (trained 485 Anganwadi workers and CDPOs - Child Development Project Officers) and focuses on providing the government, real-time nutrition data of the children, post which the Government presses various protocols into action for the immediate care of severely malnourished children. The distinguishing feature of the program is its use of technology to identify the nutritional parameters of every child in the region, on a monthly basis.

The model is based on 2 pivotal departments- Women and Child Development and Health- converging together in the treatment of high incidence of child malnutrition.

The program commenced in January 2016 and will go on until December 2019. Currently, the milestones of the program are progressing as per timelines.

It is planned that Iron fortified Tiger Choco Glucose biscuits will be made an integral part of the overall nutritional interventions to be provided to malnourished children to improve nutritional indicators (Height/ weight/ Haemoglobin) as part of the program.

Building an engagement with Communities around our Factories

The workforce in the factories is Britannia's lifeline and your Company has taken the responsibility of nourishing the communities where they come from. 9 of your Company factories began health, nutrition, hygiene and sanitation focused programs in nearby villages from where workforce is recruited. The factory locations where the CSR programs were conducted- Jhagadia (Gujarat), Uttaranchal (Uttarakhand), Gwalior (Madhya Pradesh), Hajipur (Bihar), Khurda (Odisha), Pondicherry, Madurai, Perundurai & Chennai (Tamil Nadu). The total number of beneficiaries positively impacted by such factory led CSR initiatives is about 10,000.

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/-	Sd/-
Varun Berry	**Ness N Wadia**
Managing Director	Chairman of the Committee

Place: Mumbai
Date: 30 June 2017

ANNEXURE 'C' TO THE DIRECTORS' REPORT

DETAILS OF REMUNERATION OF DIRECTORS, KMPs 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 including amendments thereto]

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2016-17 are as under:

Sr. No.	Name of Director / KMP	Remuneration of Director / KMP for FY 2016-17 (₹ in Crores)	% increase in Remuneration in FY 2016-17	Ratio of Remuneration of each Director to median remuneration of employees
Promoter and Non-Executive Directors:				
1	Mr. Nusli N Wadia, Chairman	5.03	7%	138
2	Mr. A K Hirjee	0.48	51%	13
3	Mr. Jeh N Wadia	0.15	22%	4
4	Mr. Ness N Wadia	0.50	20%	14
Independent Directors				
5	Mr. Avijit Deb	0.25	37%	7
6	Mr. S S Kelkar	0.22	1%	6
7	Mr. Nimesh N Kampani	0.30	23%	8
8	Mr. Keki Dadiseth	0.09	- 64%	2
9	Dr. Ajai Puri	0.46	9%	13
10	Mr. Nasser Munjee	0.34	9%	9
11	Mrs. Ranjana Kumar	0.10	-20%	3
12	Dr. Ajay Shah	0.02	*	0.45
13	Dr. Y.S.P Thorat	0.03	*	0.91
Key Managerial Personnel				
14	Mr. Varun Berry, Managing Director	7.36	10%	202
15	Mr. Amlan Datta Majumdar, Chief Financial Officer (upto 30 November 2016)	0.89	#	24
16	Mr. N Venkataraman, Chief Financial Officer (w.e.f 1 December 2016)	0.52	##	14
17	Mr. Rajesh Arora, Company Secretary	0.54	3%	15

* Details not given as Dr. Ajay Shah and Dr. Y.S.P Thorat were appointed as Additional and Independent Directors only for part of FY 2016-17 i.e., with effect from 13 February 2017.

\# Details not given as Mr. Amlan Datta Majumdar was Chief Financial Officer and Key Managerial Personnel only for part of FY 2016-17 i.e., upto 30 November 2016

Details not given as Mr. N Venkataraman was appointed as Chief Financial Officer and Key Managerial Personnel only for part of FY 2016-17 i.e., with effect from 1 December 2016.

(ii) The median remuneration of employees of the Company during FY 2016-17 was ₹ 3.64 Lakhs. In FY 2016-17, the median remuneration of employees was 0.09% higher compared to previous year.

(iii) There were 3,206 permanent employees on the rolls of Company as on 31 March 2017.

(iv) Average percentage increase made in the salaries of employees other than the Managerial Personnel in FY 2016-17 on comparable basis was 9% over previous year whereas for Managerial Remuneration it increased by 9.5%.

(v) 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.

(vi) It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

On behalf of the Board

Place: Mumbai
Date: 30 June 2017

Nusli N Wadia
Chairman
(DIN No: 00015731)

ANNEXURE 'D' TO THE DIRECTORS' REPORT

Disclosure under Regulation 14 of SEBI (Share Based Employee Benefits) Regulations, 2014 and Section 62(1)(b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital & Debentures), Rules, 2014

Sr. No.	Particulars	Britannia Industries Limited Employee Stock Option Scheme
1.	**A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:**	
a.	Date of shareholders' approval for the options granted under the scheme	28 July 2008 and subsequently amended by special resolution passed on 9 August 2010 and 6 August 2011
b.	Total number of options approved under the scheme	8,75,000
c.	Vesting requirements	Vesting Period ranges between 1-3 years from the date of grant of options.
d.	Exercise price or pricing formula	The exercise price is 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 are granted.
e.	Maximum term of options granted	Options granted to be exercised not later than 3 years from the date of vesting.
f.	Source of shares	Direct Allotment
g.	Variation of terms of options	There was no variation in terms of options.
2.	**Method used to account for ESOS - Intrinsic or fair value**	Fair Value Method
a.	The difference between the employee compensation cost so computed using Intrinsic Value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	Not Applicable
b.	The impact of this difference on profits and on EPS of the Company.	Not Applicable
3.	**Option movement during the year:**	
a.	Number of options outstanding at the beginning of the period	75,000
b.	Number of options granted during the year	1,00,000
c.	Number of options forfeited / lapsed during the year	Nil
d.	Number of options vested during the year	25,000
e.	Number of options exercised during the year	25,000
f.	Number of shares arising as a result of exercise of options	25,000
g.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	₹ 27,42,85,250
h.	Loan repaid by the Trust during the year from exercise price received	Not Applicable
i.	Number of options outstanding at the end of the year	1,50,000
j.	Number of options exercisable at the end of the year	Nil

4.	Weighted-average exercise prices 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.	Weighted average exercise price for the options granted during the year is ₹2,771.40 Weighted average Fair Value of Option is ₹617.19 per option.
5.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –	
a.	Senior managerial personnel;	1,00,000 options granted to Mr. Varun Berry, Managing Director on 30 June 2016 at an exercise price of ₹ 2,771.40.
b.	Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Not Applicable
c.	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
6.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Black-Scholes Model
a.	the weighted-average values of option	₹617.19
b.	the weighted-average values of exercise price	₹2,771.40
c.	the weighted-average values of expected volatility	23.63%
d.	the weighted-average values of expected option life	3 years
e.	the weighted-average values of expected dividends	1000% of face value of share.
f.	the weighted-average values of the risk-free interest rate	7.45%
g.	The method used and the assumptions made to incorporate the effects of expected early exercise;	As per the scheme, early exercise of option is not allowed.
h.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time (6 years historical price of the share has been considered).
i.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Black Scholes model considered
7.	Disclosures in respect of grants made in three years prior to IPO under each ESOS until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	Not Applicable
8.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Ind AS 33 - "Earnings Per Share".	₹ 70.30

On behalf of the Board

Place: Mumbai
Date: 30 June 2017

Nusli N Wadia
Chairman
(DIN No: 00015731)

AUDITOR'S CERTIFICATE

To the Board of Directors of Britannia Industries Limited

Independent Auditor's Certificate on compliance of regulations for Employee Stock Option Scheme of the Company

This certificate is issued in accordance with the terms of our engagement letter dated 25 November 2016.

As requested, we have examined the Britannia Industries Limited Employee Stock Option Scheme ('the ESOS') of Britannia Industries Limited ('the Company') to determine whether the ESOS implemented thereof is in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the SEBI Guidelines') for the period 1 April 2016 to 31 March 2017. We understand that this certificate is required to be submitted to the National Stock Exchange of India Limited and the BSE Ltd., Mumbai for the purposes of complying with their regulations. The ESOS was approved by the shareholders at its Annual General Meeting held on 28 July 2008 and duly amended by the special resolutions passed by the shareholders at the Annual General Meetings held on 9 August 2010 and 6 August 2011.

Management Responsibility

Management is responsible for maintaining the information and documents which are required to be kept and maintained under the relevant laws and regulations, implementing the ESOS in accordance with the SEBI Guidelines and the resolutions passed at the Annual General Meetings of the Company and establishing and maintaining effective internal control for properly recording the information related to the ESOS in the records maintained by the Company.

Auditor's Responsibility

Pursuant to this, our responsibility is to express reasonable assurance in the form of a certificate whether the Company has implemented the ESOS in accordance with the relevant provisions of the SEBI Guidelines.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of information and according to the explanations given to us and representations made by the Management, we state that the Company has complied with the relevant provisions of the SEBI Guidelines.

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

Restrictions on use

This Certificate is issued solely for the purpose of complying with the SEBI Guidelines for the period 1 April 2016 to 31 March 2017 and may not be suitable 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: 30 June 2017

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31 March 2017

[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 Agents (RTA):	Karvy Computershare Private Limited Karvy Selenium, Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad Telangana – 500032, India Tel No: 040 6716 2222 Fax No: 040 2342 0814 E-mail: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company:

Sr. No.	Name and description of main products / services	NIC Code of the product	% to total turnover of the Company
1.	Manufacture of Biscuits, Cakes and Rusk	10712	~95

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name of the Company	Address	CIN/GLN	% of holding#
Subsidiary Companies – Section 2(87) of the Companies Act, 2013				
1	Britannia Dairy Private Limited	5/1A Hungerford Street, Kolkata, West Bengal- 700017	U15201WB2002PTC191511	100
2	Daily Bread Gourmet Foods (India) Private Limited	Prestige Shantiniketan,The Business Precinct, Tower C, 16th Floor,Whitefield Main Road, Mahadevpura Post, Bangalore, Karnataka – 560048	U01549KA2003PTC031859	100
3	Boribunder Finance and Investments Private Limited	3A, Metro Chambers, 69/71, S.S. Gaikwad Road (Trinity Street), Dhobi Talao, Mumbai, Maharashtra - 400002	U65990MH1983PTC030883	100

Sr. No.	Name of the Company	Address	CIN/GLN	% of holding#
4	Flora Investments Company Private Limited	3A, Metro Chambers, 69/71, S.S. Gaikwad Road (Trinity Street), Dhobi Talao, Mumbai, Maharashtra - 400002	U65923MH1983PTC030875	100
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	100
6	International Bakery Products Limited	India Land Tech Park, Tower B, 5th Floor, III Main Road, Ambattur Industrial Estate, Chennai, Tamil Nadu – 600058	U15419TN1997PLC037876	100
7	J. B. Mangharam Foods Private Limited	D-1/502, Krishna Kaveri Society, Yamuna Nagar, Andheri (West), Mumbai, Maharashtra – 400053	U15100MH1984PTC031983	100
8	Manna Foods Private Limited	Prestige Shantiniketan, The Business Precinct, Tower C, 16th Floor, Whitefield Main Road, Mahadevpura Post, Bangalore, Karnataka – 560048	U15400KA1994PTC015687	100
9	Snacko Bisc Private Limited	India Land Tech Park, Tower B, 5th Floor, III Main Road, Ambattur Industrial Estate, Chennai-600058	U15419TN1997PTC039343	100
10	Vasana Agrex and Herbs Private Limited	India Land Tech Park, Tower B, 5th Floor, III Main Road, Ambattur Industrial Estate, Chennai-600058	U01119TN1996PTC034766	100
11	Britchip Foods Limited	5/1A Hungerford Street, Kolkata, West Bengal- 700017	U15490WB2017PLC219389	100
12	Sunrise Biscuit Company Private Limited	Pub Boragaongotanagar, Guwahati, Assam – 781033	U15412AS1985PTC002361	99.16
13	Ganges Vally Foods Private Limited	Village-Jagannatpur, P O Bamunari, Hooghly, West Bengal – 712250	U15440WB1992PTC054793	51
14	Britannia Employees Educational Welfare Association Private Limited*	Reay Road (East), Mazagaon, Mumbai, Maharashtra-400010	U85110MH1992GAT242375	N.A
15	Britannia Employees General Welfare Association Private Limited*	Reay Road (East), Mazagaon, Mumbai, Maharashtra-400010	U85110MH1992GAT243304	N.A
16	Britannia Employees Medical Welfare Association Private Limited*	Reay Road (East), Mazagaon, Mumbai, Maharashtra-400010	U91120MH1992PTC242376	N.A
17	Strategic Food International Co.LLC	PO Box No. 53193, Dubai, United Arab Emirates	Body Corporate	100
18	Britannia and Associates (Dubai) Private Company Limited	PO Box No. 4254, Dubai, United Arab Emirates	Body Corporate	100

Sr. No.	Name of the Company	Address	CIN/GLN	% of holding#
19	Strategic Brands Holding Company Limited	PO Box No. 4421, Dubai, United Arab Emirates.	Body Corporate	100
20	Britannia and Associates (Mauritius) Private Limited	Apex Fund Services (Mauritius) Ltd, 4th Floor, 19 Bank Street, Cybercity, Ebène 72201 Republic of Mauritius	Body Corporate	100
21	Britannia Dairy Holdings Private Limited	Apex Fund Services (Mauritius) Ltd, 4th Floor, 19 Bank Street, Cybercity, Ebène 72201 Republic of Mauritius	Body Corporate	100
22	AL Sallan Food International Co. SAOC	PO Box No. 970, Sohar, Postal Code: 311, Sultanate of Oman	Body Corporate	65.46
Associate Companies – Section 2(87) of the Companies Act, 2013				
23	Nalanda Biscuit Company Limited	Khagual Road, Naya Tola, PS-Phulwari Sharif, Patna, Bihar – 801505	U15410BR1986PLC002262	35
24	Klassik Foods Private Limited	Plot No F-30 Midcsatpur, Nasik, Maharashtra - 422007	U15120MH1981PTC025662	26.02
25	Sunandaram Foods Private Limited	Ward No. 1, Darrang Mangaldai, Assam – 784125	U15412AS2006PTC008112	26

**Company Limited by Gurantee*

 # Percentage holding in Subsidiaries represents aggregate percentage of shares held by the Company and/or its subsidiaries

IV. SHAREHOLDING 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)	
A. Promoters									
(1) Indian									
(a) Individual/HUF	4,551	--	4,551	0.00	4,551	--	4,551	0.00	0.00
(b) Central Govt	--	--	--	--	--	--	--	--	--
(c) State Govt (s)	--	--	--	--	--	--	--	--	--
(d) Bodies Corp	--	--	--	--	--	--	--	--	--
(e) Banks/FI	--	--	--	--	--	--	--	--	--
(f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1)	4,551	--	4,551	0.00	4,551	--	4,551	0.00	0.00
(2) Foreign									
(a) NRIs-Individuals	2,250	--	2,250	0.00	2,250	--	2,250	0.00	0.00
(b) Other - Individuals	--	--	--	--	--	--	--	--	--
(c) Bodies Corp	6,08,66,095	--	6,08,66,095	50.74	6,08,66,095	--	6,08,66,095	50.73	(0.01)*
(d) Banks/FI	--	--	--	--	--	--	--	--	--
(e) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2)	6,08,68,345	–	6,08,68,345	50.74	6,08,68,345	–	6,08,68,345	50.73	(0.01)*
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	6,08,72,896	–	6,08,72,896	50.74	6,08,72,896	–	6,08,72,896	50.73	(0.01)*
*Change in the share holding is due to increase in paid-up share capital of the Company on account of allotment of 25,000 equity shares under ESOS.									

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. Public Shareholding									
1. Institutions									
(a) Mutual Funds / UTI	73,90,573	1,250	73,91,823	6.16	80,40,445	--	80,40,445	6.70	0.54
(b) Banks/FI	2,07,969	5,350	2,13,319	0.18	2,90,892	6865	2,97,757	0.25	0.07
(c) Central Govt	--	--	--	--	--	--	--	--	--
(d) State Govt(s)	--	--	--	--	--	--	--	--	--
(e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
(f) Insurance Companies	35,57,035	500	35,57,535	2.96	56,46,381	500	56,46,881	4.71	1.75
(g) FIIs	1,37,45,676	--	1,37,45,676	11.46	60,03,340	--	60,03,340	5.00	(6.46)
(h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
(i) Others (specify)									
Foreign Portfolio Investors	78,06,291	--	78,06,291	6.51	1,32,15,889	--	1,32,15,889	11.01	4.50
Sub-total(B)(1)	3,27,07,544	7,100	3,27,14,644	27.27	3,31,96,947	7,365	3,32,04,312	27.67	0.40
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	47,29,370	24,250	47,53,620	3.96	45,85,649	23,160	46,08,809	3.84	(0.12)
(ii) Overseas	--	--	--	--	--	--	--	--	--
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1,39,23,828	26,08,267	1,65,32,095	13.78	1,35,67,056	24,36,931	1,60,03,987	13.34	(0.44)
(ii) Individual Shareholders holdings nominal share capital in excess of ₹ 1 lakh	27,67,594	13,31,890	40,99,484	3.42	23,43,367	13,31,890	36,75,257	3.06	(0.36)
(c) Others									
(i) Trusts	81,743	--	81,743	0.07	6,16,286	--	6,16,286	0.51	0.44
(ii) NBFCs	2,58,884	--	2,58,884	0.21	2,15,914	--	2,15,914	0.18	(0.03)
(iii) Individual NRI	6,42,598	15,230	6,57,828	0.55	7,88,109	15,230	8,03,339	0.67	0.12
(iv) Foreign National	526	4,095	4,621	0.00	15	--	15	0.00	(0.00)
Sub-total(B)(2)	2,24,04,543	39,83,732	2,63,88,275	21.99	2,21,16,396	38,07,211	2,59,23,607	21.60	(0.39)
Total Public Shareholding (B)=(B)(1)+(B)(2)	5,51,12,087	39,90,832	5,91,02,919	49.26	5,53,13,343	38,14,576	5,91,27,919	49.27	0.01
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	1,15,984,983	39,90,832	11,99,75,815	100.00	11,61,86,329	38,14,576	12,00,00,815	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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	44.93	--	5,39,04,500	44.92	--	(0.01)*
2	Dowbiggin Enterprises Pte. Ltd	13,92,510	1.16	--	13,92,510	1.16	--	--
3	Nacupa Enterprises Pte. Ltd	13,92,510	1.16	--	13,92,510	1.16	--	--
4	Spargo Enterprises Pte. Ltd	13,92,510	1.16	--	13,92,510	1.16	--	--
5	Valletort Enterprises Pte. Ltd	13,92,510	1.16	--	13,92,510	1.16	--	--
6	Bannatyne Enterprises Pte. Ltd	13,91,555	1.16	--	13,91,555	1.16	--	--
7	Mr. Nusli N Wadia	2,250	0.00	--	2,250	0.00	--	--
8	Mr. Ness N Wadia	4,551	0.01	--	4,551	0.01	--	--
	Total	**6,08,72,896**	**50.74**	--	6,08,72,896	**50.73**	--	**(0.01)***

*Change in the share holding is due to increase in paid-up share capital of the Company on account of allotment of 25,000 equity shares under ESOS.

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

Particulars	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	6,08,72,896	50.74	6,08,72,896	50.74
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus sweat equity etc.,)	--	--	--	--
At the end of the Year	6,08,72,896	50.73*	6,08,72,896	50.73*

*Change in the percentage of share holding is due to increase in paid-up share capital of the Company on account of allotment of 25,000 equity shares under ESOS.

(iv) Shareholding of top ten Shareholders as on 31 March 2017 (other than Directors, Promoters and holders of GDRs and ADRs):

Sr. No.	Particulars	Shareholding at the beginning of the year		*Increase/ Decrease in No. of shares	Shareholding at the end of the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Life Insurance Corporation of India (Client ID: 10000012)	16,69,926	1.39	+19,66,709	36,36,635	3.03
2	Arisaig Partners (Asia) Pte Ltd A/c Arisaig India Fund Limited (Client ID: 10438382)	36,40,631	3.03	-1,08,755	35,31,876	2.94
3	General Insurance Corporation of India (Client ID: 10000029)	12,36,125	1.03	-10,000	12,26,125	1.02
4	Jwalamukhi Investment Holdings (Client ID: 10713562)	--	0.00	+10,84,979	10,84,979	0.90
5	New World Fund Inc (Client ID: 10003337)	--	0.00	+10,20,000	10,20,000	0.85
6	ICICI Prudential Balanced Advantage Fund (Client ID: 11218322)	--	0.00	+9,69,596	9,69,596	0.81
7	Arisaig Partners (Asia) Pte Ltd. A/c Arisaig Global Emerging Markets Consumer Fund (Singapore) Pte. (Client ID: 10723923)	8,54,942	0.71	+22,000	8,76,942	0.73
8	Nomura India Investment Fund Mother Fund (Client ID: 10021590)	1,75,000	0.15	+5,57,913	7,32,913	0.61
9	ICICI Prudential Focused Bluechip Equity Fund (Client ID: 11219356)	--	0.00	+6,16,110	6,16,110	0.51
10	Kotak Mahindra Old Mutual Life Insurance Limited (Client ID: 30026774)	7,20,960	0.60	-1,78,193	5,42,767	0.45

** The Shares of the Company are traded on a daily basis and hence the date wise increase/decrease in the shareholding is not indicated.*

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Director	Shareholding at the beginning of the year		Increase / Decrease in No. of shares	Shareholding at the end of the year	
		No. of shares	% of total shares of the Company		No. of shares	% of total shares of the Company
1	Mr. Nusli N Wadia	2,250	0.00	--	2,250	0.00
2	Mr. Varun Berry	39,430	0.03	+25,000* -64,430*	0	0.00
3.	Mr. Ness N Wadia	4,551	0.00	--	4,551	0.00
*Acquired 25,000 shares on 22.08.2016 under ESOS. Sold 10,000 shares on 18.04.2016, 29,430 shares on 12.08.2016 and 25,000 shares on 08.09.2016.						
Other Directors and Key Managerial Personnel are not holding any Shares in the Company.						

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	68.00	--	--	68.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	**68.00**	--	--	**68.00**
Change in Indebtedness during the financial year				
• Addition	38.00	--	--	38.00
• Reduction	(44.00)	--	--	(44.00)
Net Change	**(6.00)**	--	--	**(6.00)**
Indebtedness at the end of the financial year				
i) Principal Amount	62.00	--	--	62.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	**62.00**	--	--	**62.00**

** Relates to Motor Vehicles taken on lease.*

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
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	412.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.14
	(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	302.50
	- Contribution to Provident Fund, Meal Voucher and Medical Insurance premium	20.21
	Total (A)	**736.32**
	Ceiling as per the Act	6,095.65

**During FY 2016-17, Mr. Varun Berry, Managing Director has been granted 1,00,000 stock options at an exercise price of ₹ 2,771.40 per option.*

B. Remuneration to other Directors:

(₹ in lakhs)

Sr. No	Name of the Directors	Fee for attending Board /Committee meetings	Commission	Total
I.	**Independent Directors**			
1.	Mr. Avijit Deb	3.00	21.77	24.77
2.	Mr. S S Kelkar	2.80	18.87	21.67
3.	Mr. Nimesh N Kampani	3.80	26.13	29.93
4.	Mr. Keki Dadiseth	1.00	7.96	8.96
5.	Dr. Ajai Puri	3.20	43.23	46.43
6.	Mr. Nasser Munjee	3.60	30.48	34.08
7.	Mrs. Ranjana Kumar	1.00	8.71	9.71
8.	Dr. Ajay Shah	0.20	1.45	1.65
9.	Dr. Y.S.P Thorat	0.40	2.90	3.30
	Total (I)	**19.00**	**161.50**	**180.50**
II.	**Non-Executive Directors**			
10.	Mr. Nusli N Wadia	2.80	500.00	502.80
11.	Mr. A K Hirjee	3.60	44.68	48.28
12.	Mr. Jeh N Wadia	2.00	13.07	15.07
13.	Mr. Ness N Wadia	4.00	46.45	50.45
	Total (II)	**12.40**	**604.20**	**616.60**
	Total B (I +II)	**31.40**	**765.70**	**797.10**
	Total Managerial Remuneration (Commission)			**765.70**
	Overall Ceiling as per the Act			**1,219.13**

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

(₹ in lakhs)

Sr. No	Name of the Directors	Amlan Datta Majumdar (CFO) (upto 30 Nov 2016)	N Venkataraman (CFO) (w.e.f 1 Dec 16)	Rajesh Arora (CS)	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	84.53	39.53	41.63	165.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	0.13	0.29	0.42
	(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, specify…				
5	Others :				
	- Performance linked incentive	--	11.47	9.81	21.28
	- Contribution to Provident Fund, Meal Voucher and Medical Insurance premium	4.20	1.08	1.96	7.24
	Total	**88.73***	**52.21**	**53.69**	**194.63**

* The above figures are excluding recovery of joining bonus of ₹ 7,50,000.

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.

On behalf of the Board

Place: Mumbai
Date: 30 June 2017

Nusli N Wadia
Chairman
(DIN No: 00015731)

FORM -AOC -1

(Statement Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2015)
Statement containing salient features of the financial statement of Subsidiaries / Associate companies / Joint Ventures

PART - A SUBSIDIARIES

₹ in '000

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Equity Share Capital *	Other equity *	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	Boribunder Finance and Investments Private Limited	INR	1.00	1.00	26,710	(306)	27,245	841	120	11	(126)	(1)	(127)	-	100.00	India
2	Britannia Dairy Private Limited	INR	1.00	1.00	57,800	1,382,200	2,034,600	594,600	947,200	3,302,600	377,800	120,000	257,800	-	100.00	India
3	Britannia Employees Educational Welfare Association Private Limited	INR	1.00	1.00	1,752 ^	1,364	3,161	45	-	143	90	28	62	-	N.A.	India
4	Britannia Employees General Welfare Association Private Limited	INR	1.00	1.00	1,750 ^	1,231	3,045	64	-	132	88	27	61	-	N.A.	India
5	Britannia Employees Medical Welfare Association Private Limited	INR	1.00	1.00	1,800 ^	961	2,804	44	40	112	67	21	46	-	N.A.	India
6	Daily Bread Gourmet Foods (India) Private Limited	INR	1.00	1.00	316,726	(263,444)	53,282	-	-	17,567	(5,124)	-	(5,124)	-	100.00	India
7	Flora Investments Company Private Limited	INR	1.00	1.00	2,843	18,978	22,498	677	-	1,447	1,368	423	945	-	100.00	India
8	Ganges Vally Foods Private Limited	INR	1.00	1.00	6,000	40,293	85,428	39,135	-	185,203	3,673	1,121	2,552	-	51.00	India
9	Gilt Edge Finance and Investments Private Limited	INR	1.00	1.00	2,498	19,649	22,839	693	-	1,476	1,397	431	966	-	100.00	India
10	International Bakery Products Limited	INR	1.00	1.00	14,500	75,385	473,956	384,071	-	361,545	18,288	1,119	17,169	-	100.00	India
11	J B Mangharam Foods Private Limited	INR	1.00	1.00	4,502	38,640	316,631	273,489	26	364,748	7,539	1,355	6,184	-	100.00	India
12	Manna Foods Private Limited	INR	1.00	1.00	48,750	(18,107)	775,993	745,350	162	405,967	(16,123)	-	(16,123)	-	100.00	India
13	Sunrise Biscuit Company Private Limited	INR	1.00	1.00	141,995	26,019	382,399	214,385	-	1,117,718	6,164	(660)	6,824	-	99.16	India
14	Al Sallan Food International Co. SAOC	OMR	168.12	173.89	336,240	(784,452)	613,476	1,061,689	-	1,949,630	53,925	-	53,925	-	65.46	Oman
15	Strategic Food International Co. LLC, Dubai	AED	17.65	18.25	344,175	148,905	1,528,484	1,035,405	-	3,635,583	66,317	-	66,317	-	100.00	Dubai
16	Britannia and Associates (Dubai) Private Company Limited, Dubai	USD	64.85	67.03	18	(171,707)	2,291,094	2,462,784	-	14,477	(13,106)	-	(13,106)	-	100.00	Dubai - JAFZA
17	Britannia and Associates (Mauritius) Private Limited, Mauritius	USD	64.85	67.03	1,580,530	9,914	2,443,045	844,445	-	24,407	10,570	323	10,248	-	100.00	Mauritius
18	Britannia Dairy Holdings Private Limited, Mauritius	USD	64.85	67.03	480,733	(283,451)	198,033	750	-	-	(25,922)	-	(25,922)	-	100.00	Mauritius
19	Strategic Brands Holding Company Limited, Dubai	USD	64.85	67.03	18	(6,552)	44	6,579	-	-	(637)	-	(637)	-	100.00	Dubai - JAFZA
20	Vasna Agrex and Herbs Private Limited	INR	1.00	1.00	100	(105,543)	16	105,459	-	-	(53)	-	(53)	-	100.00	India
21	Snacko Bisc Private Limited	INR	1.00	1.00	255,208	(420,300)	192	165,285	-	-	(28)	-	(28)	-	100.00	India

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

PART - B ASSOCIATES

₹ in '000

Sr. No.	Name of the Associate Company	Klassik Foods Private Limitd	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited
1	Latest Unaudited Balance Sheet Date	31.03.2017	31.03.2017	31.03.2017
2	Share of Associate held by the Company on the year end			
	Number of Shares	3,390	87,500	459,800
	Amount of Investment in Associate/joint Venture	3,198	2,808	145,000
	Extend of Holding %	26.02	35.00	26.00
3	Description of how there is significant influence	Voting power	Voting power	Voting power
4	Reason why the associate/joint venture is not consolidated	N.A.	N.A.	N.A.
5	Net worth attributable to Shareholding as per latest unaudited Balance Sheet	38,641	12,731	28,236
6	Profit / Loss for the year	1,630	3,554	4,231
	(i) Considered in consolidation	424	1,244	1,100
	(ii) Not Considered in consolidation	1,206	2,310	3,131

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
	Keki Dadiseth
	Ajai Puri
	Ness N Wadia
	Ranjana Kumar
	Y.S.P.Thorat
	Ajay Shah
Chief Financial Officer:	N. Venkataraman
Company Secretary:	Rajesh Arora

Place : Mumbai
Date : 25 May 2017

ANNEXURE 'F' TO THE DIRECTORS' REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2017

(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, 2017, 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, 2017 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, 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 (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 regulations made thereunder.
2. Legal Metrology Act 2009 and Legal Metrology (General) Rules, 2011
3. Legal Metrology Act 2009 read with Legal Metrology (Packaged Commodities) Rules, 2011

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 Securities and Exchange Board of India (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 for meetings other than those held at shorter notice, 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 the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. The Manufacturing and Retail Sales Business of Daily Bread Gourmet Foods (India) Private Limited has been demerged into Britannia Industries Limited.
2. The Company has entered into Joint Venture Agreement with Chipita S A, a Greek Company.

For Parikh & Associates
Company Secretaries

Shalini Bhat
Partner
Place : Mumbai FCS No: 6484
Date : 17 May, 2017 CP No. 6994

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

Shalini Bhat
Partner
Place : Mumbai FCS No: 6484
Date : 17 May, 2017 CP No. 6994

MANAGEMENT DISCUSSION AND ANALYSIS

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company operates in the packaged food segment, especially in the bakery and dairy product categories.

Bakery

India's Bakery Industry comprises several sub-categories, of which Biscuit is the largest category accounting for nearly two-third of the revenue. Bread, cake and rusk constitute the majority of its remaining one-third. Bakery categories have experienced healthy growths ranging from 8-12% over the past 5 years.

Biscuit

In the past decade, the biscuit category has witnessed robust growth. The growth has been on two axes viz. per capita volume of consumption and premiumness of products. Despite this visible global progress, India continues to be at the lower end of the scale on both these critical axes. This only points to the growth potential that lies ahead.

As India continues on its stride towards prosperity with greater number of Indians participating in the economy, the biscuit category will continue to benefit on account of three critical attributes: a) highly convenient form; b) above par organoleptic delivery and c) preparation process (baking) which has considerable health quotient attached to it. Competitive activity within the segment is encouraging players towards more innovation and better delivery. Such a scenario is likely to ensure sustainable growth of the segment, going forward.

Being among the largest and fastest growing consumer packaged category, coupled with relatively low barrier to entry, biscuit has traditionally attracted investment from a wide spectrum of companies. However, the success levers have been becoming increasingly more complex with format and recipe differentiation leading the pack. In addition, the investment in leading-edge technology by Indian and trans-national companies has steadily raised the capability bar for success. In the coming years, companies will need to excel across multi dimensions such as product development, brand equity, distribution reach to succeed in a competitive market.

Cake

Compared to biscuits, cake is an under-developed category both in the product evolution as well as its share of formal sector. However, its inherent product characteristics of sponginess and juiciness lend it an enhanced organoleptic quotient. This natural advantage has been leveraged further by organized players such as your Company, in the form of longer shelf life at a marginal loss of organoleptic delivery thereby expanding the category beyond the traditional bakery stores.

This initiative has resulted in high double-digit growth that the category has been witnessing. While the market can do with even more aggressive expansion of the base products, there is a significant section of the populace that is ready and waiting for organoleptically evolved products. Growth in the coming years will be led by the twin forces of base expansion and organoleptic upgrade.

Rusk

Double baked bread, otherwise known as Rusk or Toast, has found favour among a large section of consumers owing to its substantiveness as a snack and also as perception of being a safer product on account of double baking. Traditionally, bakeries that serve bread also produced toast. The practice is still widely prevalent. As a result, a significant part of the rusk market continues to be in the informal sector.

Your Company was the first to establish a national business and promote the same product with the uniform quality standards across India. Today, your Company is the market leader in the category and with its benefit focused advertising also leads the category development effort.

Bread

Traditionally, bread has strong regional pockets of consumption but with consumers increasingly adding wheat to their diet, bread has been gaining traction in new markets as well. With a short shelf life, bread is produced and consumed in a short radius. This has meant that players of national significance are not common. In this market scenario, your Company is a pre-eminent player.

The bread category has been undergoing significant transformation through the introduction of healthier variants and your Company has been leading this revolution.

Adjacent Bakery

In addition to the four well established categories, the traditional bakeries in India offer a variety of products to their patrons. Among them buns/pav both filled & plain, pastries, cake and rusk are noteworthy. Each of these products, possess a distinctive organoleptic signature and have occupied either consumer or consumption occasion niches. But these products are ready to enter the mainstream and attain significant sizes. One such category your Company identified was Filled Croissant. The product delivers the delight of a cream/jam fill with satiety of a baked dough helping it occupy the space of delightful stomach fill. However, the category requires special capabilities in leavening and centre-fill preparation. Recognizing this, your Company has signed up with Chipita, the world leader in long-shelf life filled croissant, to form a joint venture Company focused on the category. Currently, the work is underway to establish operations of the JV.

Dairy

India has remained the largest producer and consumer of dairy. The milk processing sector has been growing in double digits in the last few years. However, 80% of milk produced is still unprocessed and sold loose or consumed by producer farmer. As the demand from processing industry continues to grow and outpace the milk production growth, milk collection for processing will remain a challenge and a big driver for milk economics in future.

Looking at opportunity for growth, existing private and cooperative players have continued to invest in the sector. Also, a few private industry players announced their entry in the sector.

The major growth driver has been value-added products like cheese, dahi and drinks. Basic product like pasteurized milk is also growing significantly in absolute numbers.

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 shift in consumer behaviour, dairy industry which is overwhelmingly unorganized today, will evolve towards a more organized form;

ii) With increasing affluence, there will be demand for value-added products as a result of which the 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) Right product value addition capability;

c) Access to a cold chain for fresh dairy products having short shelf life.

(B) BUSINESS STRATEGY

Despite the macro-economic challenges, India growth story remains unchanged. As a result, your Company remains committed to execute the strategy formulated and shared last year. This strategy is based on the time-tested phenomenon of humans seeking to better their life continuously and any improvement in affluence accelerates the betterment. With rapid economic progress, Indians continue to increase their disposable income which your Company expects will be applied in the pursuit of greater pleasure, health and convenience. Given the traditional importance to food in the Indian culture and the effort that a typical home maker puts into preparing it, packaged food will benefit disproportionately from this trend. While, the overall food category will experience rapid growth, different segments of the food industry will experience differential growths depending on the extent of their current evolution/maturity. Analysis done by your Company indicates that structure of the food industry will be substantially different from what it is today.

In this context, your Company remains committed to the strategy as under:

i) Strengthen position in bastion categories (Biscuit, Cake, Rusk and Bread) 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.

ii) Successfully enter attractive adjacencies for an accelerated future growth;

iii) Evaluate transition of the dairy model to a fully integrated one and

iv) Expand international business with focus on countries with Indian diaspora.

Strengthen position in bakery

Your Company accelerated growth by a three-pronged approach in the Biscuit, Cake and Rusk category. First, we built relevance for categories where we have dominant market share and grew penetration and consumption for our brands within these categories; Second, we built competitive mixes to help us grow in categories where our relative position is weaker and; Third, we continued to focus on innovation by bridging portfolio gaps and creating disruption with new to market experiences.

Your Company disproportionately focused on rural areas through strengthening and expansion of sales and distribution network, introducing the right price points and driving them aggressively and activating our brands in semi-urban and rural areas through visibility and experiences. Additionally, your Company accelerated direct reach significantly into rural areas, which is a noteworthy feat in the Indian retail-scape. Your Company continued focus on the 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 and more Indians switch from home-made/local to packaged foods.

Bread business continues 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 the 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 a fully integrated business model.

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 also identify more opportunities to optimize cost structurally across the value chain.

International Business

Your Company is currently present in more than 70 countries, its key geographies being the Middle East, Levant, Africa, Americas, Asia Pacific and SAARC. Your Company follows the strategy of catering to markets in GCC through local operations in Oman & Dubai and the rest of the countries through exports from India.

Your Company's growth across the global market is through:

- Developing and scaling up existing export markets and entering new markets;
- Expanding its distribution footprint in GCC markets;
- Innovating products and brand building to have deeper localization;
- Strategic investments in high potential markets to create local operations.

With an endeavour to increase our international presence in the Indian subcontinent, your Company has initiated a project to start a local manufacturing unit in Nepal and is also constantly evaluating such other opportunities.

(C) SEGMENT INFORMATION

The primary business segment of your Company is Foods.

(D) OUTLOOK

Indian economy has faced headwinds in the past couple of years. Consumer facing businesses which were on the path to historical growth were impacted by some significant economic events in November/ December but have since been inching back to normalcy with some distance to cover. We expect that full recovery and a restoration of growth rate to the previous levels may start in the second part of the coming fiscal year.

This overall economic environment will impact all our businesses but we expect that we will be able to tide over it better than industry on account of strong brand, relatively lower dependence on wholesale channel and a culture of thrift that has been institutionalised.

(E) OPPORTUNITIES AND THREATS

Bakery

Rising aspiration of consumers enabled by higher income is the largest opportunity for your Company.

Past work in exploration and capability building, positions your Company to uniquely undertake the following growth journey:

1. Disruptive innovations in the core bakery categories of Biscuit, Cake and Rusk;
2. Expansion into adjacent bakery categories;
3. Exploit the large and profitable international markets leveraging brand Britannia heritage and bakery expertise and
4. Strengthening of footprint in hitherto weaker geographies in India e.g. North and Rural.

Primary threat will be from competitors who see the same opportunities and are investing to tap them.

A combination of consumer relevant innovations, superior quality delivery, further expansion of distribution and the inherent strength of Brand Britannia made more potent through judicious investments will help your Company address these 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.

International Business

Significant slowdown in economies of certain countries in GCC coupled with political instability and currency fluctuation in Levant & African markets are likely to continue to impact the International business.

In this environment, your Company will endeavour to gain market share from competition and focus on cost efficiencies to protect margins. Your Company will also evaluate entry through local manufacturing, wherever feasible, in high potential markets which are currently not accessible through exports routes due to high trade barriers.

(F) RISKS AND CONCERNS

The growth of individual categories of our portfolio 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.

(G) FINANCIAL AND OPERATIONAL PERFORMANCE

The key standalone financials are as under:

₹ in Crores

Particulars	2016-17	2015-16
Sale of goods	8,581.55	7,880.56
Profit before tax	1,251.16	1,149.13
Net profit	843.69	763.31

(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.

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 the Annual Report.

(I) HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company is committed to create an environment of constant learning and development, drive an effective and transparent performance culture and build a culture of appreciation & transparent communication. Your Company has established listening and feedback mechanisms from employees through usage of employee engagement surveys and has a robust performance management system with regular reviews and discussions. Such feedback and discussions help your Company to have a collaborative, open and transparent culture. Also, Company has created learning and development oriented environment through various training and development interventions. It has also inculcated an appreciation culture by setting up required systems and processes and an appropriate recognition mechanism is in place.

During the year under review, your Company has focused on functional as well as behavioural training programs such as bakery ingredients & processing, TQM, food safety regulations, technical training for operators, training on effective communication, presentation skills and personal effectiveness. 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 2017, your Company had 3,206 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.

CORPORATE GOVERNANCE REPORT

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 has optimum mix of Executive, Non-Executive and Independent Directors and is headed by a Non-Executive Chairman, Mr. Nusli N. Wadia. The Board of the Company is diverse in terms of qualification, competence, experience and expertise which enables it to ensure long term value creation for all stakeholders.

Composition of the Board as on 31 March 2017:

Category	No. of Directors	% to total number of Directors
Executive Director	1	7%
Non-Executive Directors	4	29%
Independent Directors (including woman director)	9	64%

Board Meetings:

During the year under review, Eight (8) Board Meetings were held. These were on 20 May 2016, 30 June 2016, 8 August 2016, 6 October 2016, 6 November 2016, 7 November 2016, 13 February 2017 and 24 March 2017. The maximum gap between any two Board Meetings held during the year was not more than 120 days.

Details of Directors, their Attendance and other Directorships/Committee Memberships:

Name of the Director	Director Identification Number	No. of Board Meetings attended	Whether attended last AGM held on 8 August 2016	No. of other Companies Directorships#, Committee## Chairmanship/ Membership as on 31 March 2017		No. of shares held in the Company as on 31 March 2017
Promoter and Non-Executive Directors						
Mr. Nusli N Wadia, Chairman	00015731	8	Yes	3	Nil	2,250
Mr. A K Hirjee	00044765	4	Yes	4	Member – 2 Chairman - 4	Nil
Mr. Jeh N Wadia	00088831	8	Yes	4	Member – 2	Nil
Mr. Ness N Wadia	00036049	8	Yes	6	Member – 2	4,551
Executive Director						
Mr. Varun Berry, Managing Director	05208062	8	Yes	Nil	Nil	Nil

Name of the Director	Director Identification Number	No. of Board Meetings attended	Whether attended last AGM held on 8 August 2016	No. of other Companies Directorships#, Committee## Chairmanship/ Membership as on 31 March 2017		No. of shares held in the Company as on 31 March 2017
Independent Directors						
Mr. Avijit Deb	00047233	8	Yes	Nil	Nil	Nil
Mr. S S Kelkar	00015883	6	Yes	8	Member – 1 Chairman - 3	Nil
Mr. Nimesh N Kampani	00009071	7	No	7	Member – 4 Chairman-1	Nil
Mr. Keki Dadiseth	00052165	2	No	7	Member - 4 Chairman - 3	Nil
Dr. Ajai Puri	02631587	8	Yes	Nil	Nil	Nil
Mr. Nasser Munjee###	00010180	7	Yes	9	Member – 1 Chairman - 4	Nil
Mrs. Ranjana Kumar	02930881	5	No	4	Member – 1 Chairman - 1	Nil
Dr. Ajay Shah ####	01141239	1	NA	2	Member – 1	Nil
Dr. Y.S.P Thorat ####	02652734	1	NA	3	Member – 3 Chairman - 1	Nil

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

Audit Committee and Stakeholders Relationship Committee of Public Limited Companies are only considered.

Resigned from the Directorship of the Company w.e.f 25 May 2017.

Appointed as Additional and Independent Director by the Board w.e.f 13 February 2017 subject to approval of Members.

Notes:

(a) 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.

(b) During the financial year 2016-17, Dr. Vijay L Kelkar resigned w.e.f 31 May 2016 and did not attend the Board Meeting held on 20 May 2016.

3. COMMITTEES OF THE BOARD

The Board has constituted the following Committees:

(a) 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'). Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

During the year under review, Six (6) Committee Meetings were held. These were on 19 May 2016, 8 August 2016, 6 October 2016, 7 November 2016, 13 February 2017 and 24 March 2017. The maximum gap between any two Meetings of the Committee held during the year was not more than 120 days.

Composition of the Committee and Attendance of Members:

Name of the Member	No. of Meetings Attended
Independent Directors	
Mr. Nasser Munjee, Chairman *	6
Mr. Nimesh N Kampani #	5
Mr. Keki Dadiseth	1
Mr. Avijit Deb	6
Non-Executive Directors	
Mr. A. K Hirjee	4
Mr. Ness N Wadia	6

*Mr. Nasser Munjee, Chairman of the Committee, was present at the Annual General Meeting of the Company held on 8 August 2016. He ceased to be the Chairman of the Committee w.e.f 25 May 2017.

#Mr. Nimesh Kampani has been appointed as interim Chairman of the Audit Committee and Risk Management Committee.

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 possess financial management expertise.

The Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the Committee. Mr. Rajesh Arora, GM - Legal & Company Secretary is the Secretary to the Committee.

Broad Terms of Reference of the Committee inter-alia include:

- Appointment & performance evaluation of statutory and internal auditors;
- Review of Company's financial statements, internal financial reporting process and the audit process;
- Review of adequacy, reliability and effectiveness of internal financial controls, risk management process and vigil mechanism;
- Approval of related party transactions;
- Monitoring of process for compliance with laws, regulations and the code of conduct.

Internal Audit:

M/s. Ernst and Young LLP, Internal Auditors of the Company have carried out the internal audit for FY 2016-17. The reports and findings of the Internal Auditor are periodically reviewed by the 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. Apart from the above, the Committee also carries out such functions/ responsibilities entrusted on it by the Board of Directors from time to time.

During the year under review, five (5) Committee Meetings were held. These were on 20 May 2016, 30 June 2016, 7 November 2016, 13 February 2017 and 24 March 2017.

Composition of the Committee and Attendance of Members:

Name of the Member	No. of Meetings Attended
Independent Directors	
Mr. Keki Dadiseth, Chairman *	1
Mr. Nimesh N Kampani	4
Mr. Nasser Munjee	4
Dr. Ajai Puri	5
Non-Executive Directors	
Mr. Nusli N Wadia	5
Mr. A K Hirjee	4

*Mr. Keki Dadiseth, Chairman of the Committee, authorised Mr. Nasser Munjee to attend the AGM held on 8 August 2016.

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

Broad Terms of Reference of the Committee inter-alia include:

- Recommendation of nominations for membership of the Board, its Committees and the leadership team of the Company including Key Managerial Personnel ("KMP") as defined by the Companies Act, 2013 and Executive Team (as defined by the Committee).
- Formulation of 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.
- Devising a policy on diversity of Board of Directors.

Evaluation of Performance of the Board, its Committees and Directors

Pursuant to the provisions of the Companies Act, 2013 read with the rules made thereunder, SEBI (LODR) Regulations, 2015 and Guidance Note on Board Evaluation issued by SEBI vide its Circular dated 5 January 2017, performance evaluation of Directors, Committees and Board as a whole was carried out.

The performance of every Director and the Board as a whole was evaluated by the Nomination and Remuneration Committee and the Board, seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members.

A separate meeting of Independent Directors was also held to review:

- Performance of the Non-Independent Directors and the Board as a whole.
- Performance of the Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors.

The criteria for performance evaluation of the Board and its Committees include aspects like structure and composition, effectiveness of processes and meetings and other measures. The criteria for performance evaluation of the individual Directors include aspects like professional conduct, competency, contribution to the Board and Committee meetings and other measures. In addition, the performance of the Chairman is also evaluated on key aspects of his roles and responsibilities.

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.

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.

Succession Planning:

The Nomination and Remuneration Committee works with the Board for succession planning for its Directors, KMPs and senior management.

Remuneration to 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 Annual General Meeting held on 12 August 2014.

Annual Revisions in the remuneration (including performance linked incentive) are within the limits and conditions approved by the Members and are decided by the Board of Directors based on merit, key result areas and Company's performance for the year.

As per the service agreement, either party 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 FY 2016-17 are as follows:

Salary/Benefits # (₹)	Performance Linked Incentives (₹)	Total (₹)	No. of stock options granted on 30 June 2016 ##
4,33,82,676	3,02,50,000	7,36,32,676	1,00,000

\# Employee benefits which are based on actuarial valuation done on an overall Company basis are excluded.

\## The options vest over a period of 3 years i.e. 1/3 every year. Other relevant details of options granted are given in Annexure-C to the Director's Report.

Remuneration to Non-Executive Directors

The Non-Executive Directors are entitled to Commission on the net profits of the Company in addition to sitting fees for attending the meetings. The Board collectively decides the aggregate amount of commission for each year. 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 Annual General Meeting held on 12 August 2014.

Details of remuneration to Non-Executive Directors for FY 2016-17 are given below:

Name	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Nusli N Wadia	2,80,000	5,00,00,250	5,02,80,250
Mr. A K Hirjee	3,60,000	44,67,700	48,27,700
Mr. Avijit Deb	3,00,000	21,77,400	24,77,400
Mr. S S Kelkar	2,80,000	18,87,100	21,67,100
Mr. Nimesh N Kampani	3,80,000	26,12,900	29,92,900
Mr. Jeh N Wadia	2,00,000	13,06,450	15,06,450
Mr. Keki Dadiseth	1,00,000	7,95,800	8,95,800

Name	Sitting Fees (₹)	Commission (₹)	Total (₹)
Dr. Ajai Puri	3,20,000	43,22,550	46,42,550
Mr. Nasser Munjee	3,60,000	30,48,350	34,08,350
Mr. Ness N Wadia	4,00,000	46,45,100	50,45,100
Mrs. Ranjana Kumar	1,00,000	8,70,950	9,70,950
Dr. Ajay Shah	20,000	1,45,150	1,65,150
Dr. Y.S.P Thorat	40,000	2,90,300	3,30,300

The commission amount as mentioned above will be paid after the adoption of financial statements for the financial year ended 31 March 2017 by the Members of the Company. During FY 2016-17, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company.

(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.

During the year under review, two meetings of Stakeholders Relationship Committee were held. These were on 20 May 2016 and 24 March 2017.

Composition of the Committee and Attendance of Members:

Name of the Member	No. of Meetings Attended
Non-Executive Directors	
Mr. A. K. Hirjee, Chairman *	2
Mr. Jeh N Wadia	2
Independent Directors	
Mr. S.S Kelkar	2
Mr. Nimesh N Kampani	2
Executive Director	
Mr. Varun Berry	2

*Mr. A. K. Hirjee, Chairman of the Committee, was present at the Annual General Meeting of the Company held on 8 August 2016.

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

Broad Terms of Reference of the Committee inter-alia include:

- Approval and monitoring of transfer, transmission, split, consolidation and dematerialization, re-materialisation of shares/securities and issuance of duplicate share/security certificates by the Company as per the approval matrix;
- Overseeing various issues relating to shareholders/security holders, including redressal of complaints relating to transfer of shares/security, non-receipt of annual reports, dividends declared etc.

The Board of Directors of the Company at their Meetings held on 10 November 2010, 6 August 2011 and 14 November 2014 had delegated the powers to approve transfer and transmission of securities, issuance of duplicate certificates of securities and such other activities subject to certain guidelines and limits to any two among Managing Director, Chief Financial Officer, Company Secretary and/or Assistant Company Secretary.

Shareholders Complaints:

No. of complaints received during the year	10
No. of complaints disposed off during the year	10
No. of complaints not resolved to the satisfaction of shareholders	0
No. of pending complaints	0

Shareholders Complaints are redressed through SEBI Complaints Redress System (SCORES).

(d) **Finance Committee:**

The broad terms of reference of the Committee are to approve investments / divestments of 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. These were on 20 May 2016, 8 August 2016, 22 December 2016 and 13 February 2017.

Composition of the Committee and Attendance of Members:

Name of the Member	No. of Meetings Attended
Non-Executive Directors	
Mr. A K Hirjee, Chairman	4
Mr. Ness N Wadia	4
Independent Directors	
Mr. S S Kelkar	4

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

The broad terms of reference of the Committee inter-alia include review and formulation of business plans & strategies, Company's product plan and technical development activities.

During the year under review, the Committee met once on 6 October 2016.

Composition of the Committee and Attendance of Members:

Name of the Member	No. of Meetings Attended
Non-Executive Directors	
Mr. Nusli N Wadia, Chairman	1
Mr. Ness N Wadia	1
Independent Directors	
Mr. Keki Dadiseth	1
Dr. Ajai Puri	1
Mrs. Ranjana Kumar	NIL
Executive Director	
Mr. Varun Berry	1

Dr. Ajay Shah and Dr. Y.S.P Thorat, Additional and Independent Directors were appointed as members of the Committee w.e.f. 1 April 2017

(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.

During the year under review, the Committee met once on 24 March 2017.

Composition of the Committee and Attendance of Members:

Name of the Member	No. of Meetings Attended
Non-Executive Director:	
Mr. Ness N Wadia, Chairman	1
Independent Directors:	
Mr. Keki Dadiseth	NIL
Mr. S S Kelkar	1
Dr. Ajai Puri	1

Broad Terms of Reference of the Committee inter-alia include:

- Formulation and recommendation 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;
- Recommendation of the amount of expenditure to be incurred on CSR activities; and
- Monitoring compliance to the CSR Policy of the Company

4. INDEPENDENT DIRECTORS:

The Independent Directors are appointed by the Members of the Company and letter of appointment is issued to them as per Schedule IV of the Companies Act, 2013. The terms and conditions of appointment of Independent Directors 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

During the year under review, Meeting of the Independent Directors was held on 24 March 2017, 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 Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors except Mr. Keki Dadiseth, Mrs. Ranjana Kumar and Dr. Ajay Shah attended the Meeting.

Familiarization Programme:

The Company at its various meetings held during FY 2016-17 familiarized the Independent Directors with regard to their role & responsibilities, industry outlook, business strategy, Company's operations etc. The Independent Directors are provided with necessary presentations, documents, reports, internal policies and updates to familiarise them with the Company's policies, procedures and practices.

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

5. 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 Resolution Passed
8 August 2016	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098	11.00 A.M	None
4 August 2015			None
12 August 2014			• 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 Whole time 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.

(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.

6. MEANS OF COMMUNICATION

Annual Reports, notice of the meetings and other communications to the Shareholders are sent through e-mail, post or courier.

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

The presentations made to analysts/institutional investors are also posted on the Company's website.

7. GENERAL SHAREHOLDER INFORMATION

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

Monday, 7 August 2017 at 11 A.M. at Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098

(ii) **Financial Year:** 1 April 2017 to 31 March 2018

Tentative Calendar for Approval of Financial Results is given below:

Period	Timeline
For the first quarter ending 30 June 2017	1 week of August 2017
For the second quarter and half year ending 30 September 2017	1 week of November 2017
For the third quarter ending 31 December 2017	2 week of February 2018
For the fourth quarter and year ending 31 March 2018	Last week of May 2018

(iii) **Book closure period:** Tuesday, 1 August 2017 to Monday, 7 August 2017 (both days inclusive)

(iv) **Dividend Payment date:** On or before 19 August 2017

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

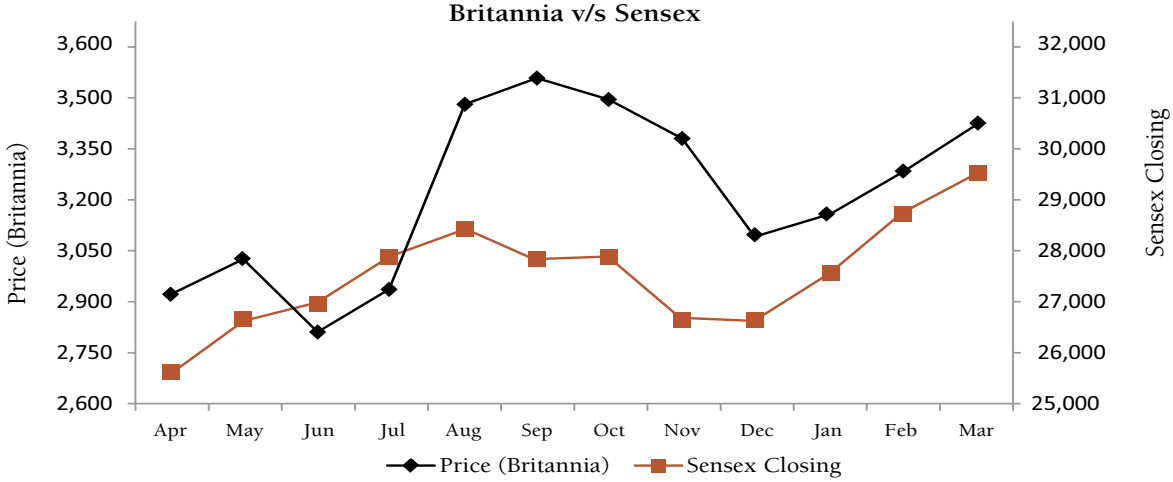
Name of the stock exchange	Address	Stock Code
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023	500825
National Stock Exchange of India Limited (NSE)	Exchange Plaza, 5 Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BRITANNIA

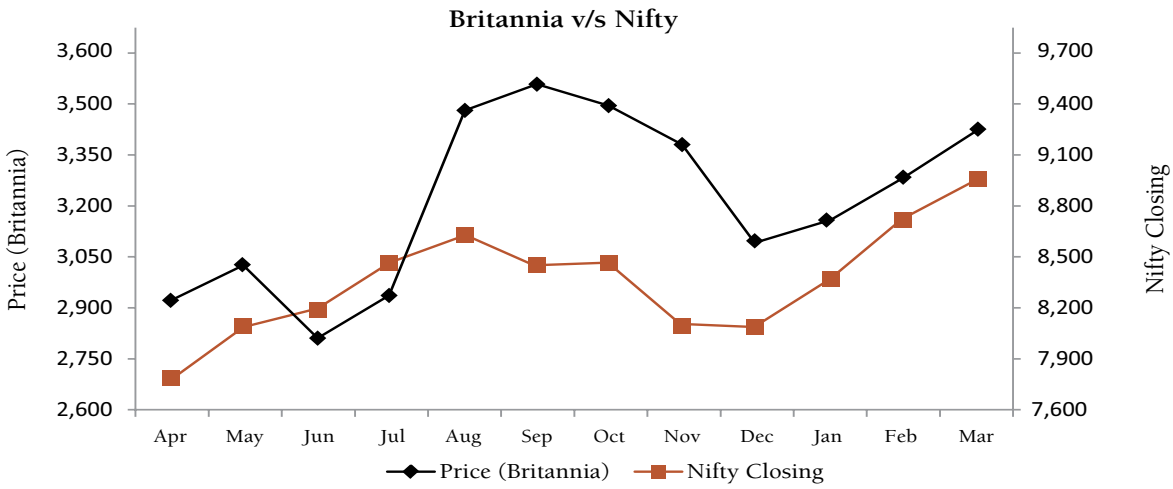
The annual listing fees for equity shares have been paid to the aforesaid Stock Exchanges for FY 2017-18.

(vi) **Stock Price Data:**

Year/ Month	BSE (in ₹)		BSE (Sensex) (Monthly Closing)	NSE (in ₹)		NSE (Nifty) (Monthly Closing)
	High	Low		High	Low	
2016						
April	2,917.00	2,609.00	25,606.62	2,918.00	2,607.15	7,849.80
May	3,034.00	2,611.20	26,667.96	3,035.05	2,610.00	8,160.10
June	2,820.75	2,523.90	26,999.72	2,822.30	2,519.10	8,287.75
July	2,944.55	2,747.40	28,051.86	2,944.20	2,751.55	8,638.50
August	3,497.00	2,811.15	28,452.17	3,499.00	2,811.95	8,786.20
September	3,575.00	3,199.00	27,865.96	3,584.25	3,199.70	8,611.15
October	3,525.00	3,177.00	27,930.21	3,522.00	3,195.00	8,625.70
November	3,379.35	2,781.00	26,652.81	3,380.00	2,781.20	8,224.50
December	3,087.00	2,776.00	26,626.46	3,082.80	2,772.85	8,185.80
2017						
January	3,160.50	2,832.90	27,655.96	3,162.00	2,830.45	8,561.30
February	3,293.25	3,112.00	28,743.32	3,296.00	3,112.75	8,879.60
March	3,444.00	3,052.00	29,620.50	3,432.95	3,045.30	9,173.75

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





(viii) Investor Education and Protection Fund (IEPF):

During the financial year 2016-17, the Company has transferred ₹ 31,12,520 to IEPF in accordance with the provisions of Section 125 of the Companies Act, 2013 (erstwhile 205C of the Companies Act, 1956) read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016.

As on 31 March 2017, the Company's unpaid / unclaimed dividend / interest / debenture redemption proceeds account had a balance of ₹ 4,92,18,294.71 in various dividend / interest / debenture redemption proceeds accounts.

Pursuant to the provisions of Section 125(2) notified w.e.f 7 September 2016, the Company is also required to transfer the amount pertaining to sale proceeds of fractional shares arising out of issue of bonus shares remaining unclaimed/unpaid for seven years or more to IEPF. As on 31 March 2017 the said amount was ₹ 2,56,105.44.

Reminders are sent to the Shareholders who have not claimed the dividends for earlier years to claim the same from the Company failing which the Company is required to transfer the same to IEPF after seven years.

(ix) Registrar and Transfer Agent:

The Board of Directors of the Company appointed M/s. Karvy Computershare Private Limited as the Registrar and Transfer Agent w.e.f 1 April 2016 in place of M/s Sharepro Services (India) Pvt. Ltd. The Registrar and Transfer Agent manage the entire share registry work, both Physical and Electronic. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto should be sent to the address mentioned below:

Karvy Computershare Private Limited
Unit: Britannia Industries Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda
Hyderabad – 500 032
Tel. No.: +91 40 6716 2222
Fax No. +91 40 2342 0814
Email: einward.ris@karvy.com

(x) Share Transfer System

Shareholders' requests for transfer / transmission of equity shares and other related matters are handled by Registrar and Transfer Agent and are effected within 15 days from the date of receipt, if all the documents are valid and in order.

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.

(xi) Distribution of Shareholding as on 31 March 2017:

Group of Shares	No. of Shareholders	% to total no. of shareholders	No. of shares held	% to total shares
1-500	72,187	90.15	40,26,578	3.35
501-1000	3,918	4.89	26,15,025	2.18
1001-2000	2,218	2.77	29,79,198	2.48
2001-10000	1,225	1.53	50,37,186	4.20
10001 and above	528	0.66	10,53,42,828	87.79
Total	**80,076**	**100.00**	**12,00,00,815**	**100.00**

(xii) Dematerialisation of Shares:

The Company's shares are available for dematerialization/re-materialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Requests for the same are processed within 15 days of receipt. As on 31 March 2017, 11,61,86,239 equity shares representing 96.82% of the total paid up share capital were held in dematerialised form with NSDL and CDSL.

(xiii) Outstanding GDRs / ADRs / warrants or any convertible instruments, conversion dates and likely impact on equity: Not Applicable.

(xiv) Commodity price risk or foreign exchange risk and hedging activities:

The Company has robust mechanisms to manage commodity price risk and foreign exchange risk through strategic forward contracts.

(xv) Plant Locations:

The Company owned plants are located at Kolkata (West Bengal), Rudrapur (Uttarakhand), Hajipur (Bihar), Khurda (Orissa), Jhagadia (Gujarat), Perundurai (Tamilnadu) and Bidadi (Karnataka).

(xvi) Address for Correspondence:

Registered Office : 5/1A, Hungerford Street, Kolkata - 700 017
Phone : +91 33 2287 2439/2057;
Fax : +91 33 2287 2501
E-mail Id : investorrelations@britindia.com

8. DISCLOSURES

(a) **Related Party Transactions:**

The Company has a policy on dealing with Related Party Transactions and the same 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

During FY 2016-17, all related party transactions were in the ordinary course of business and on arm's length basis and there were no transactions requiring approval of the Board/Shareholders. However, prior approval of the Audit Committee and Risk Management Committee was sought for entering into the Related Party Transactions as required under Companies Act, 2013 read with rules made thereunder and Regulation 23 (2) of SEBI (LODR) Regulations, 2015. Further, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given are also placed before the Audit Committee and Risk Management Committee for its review on a quarterly basis.

During FY 2016-17, 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 SEBI or any statutory authority, on any matter related to capital markets, during the last three years:** None.

(c) **Whistle Blower Policy:**

The Company has a Whistle Blower Policy to provide vigil mechanism for Directors/Employees to voice their concerns in a responsible and effective manner regarding unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct. It also provides adequate safeguards against victimization of Directors/Employees who avail the mechanism. The Company affirms that during FY 2016-17, 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

(d) **Dividend Distribution Policy:**

The Company has adopted a Dividend Distribution Policy in accordance with the requirements of Regulation 43A of the SEBI (LODR) Regulations, 2015. The same is available on the website of the Company.

Weblink: http://britannia.co.in/pdfs/statutory_disclosures/DividendDistributionPolicy.pdf

(e) **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 periodically.

(f) **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 which is posted on the Company's website. The Managing Director has confirmed and declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

(g) Accounting Treatment:

The Financial Statements of the Company for FY 2016-17 have been prepared in accordance with the applicable accounting principles in India and the mandatory Accounting Standards ('AS') as prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder.

(h) CEO/ CFO Certification:

Mr. Varun Berry, Managing Director and Mr. N Venkataraman, 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 2017.

(i) Compliance Reports:

The Board has reviewed the compliance reports from all functions pertaining to the respective laws applicable to them at its meetings on quarterly basis.

(j) Subsidiary Companies Monitoring Framework:

All the Subsidiary Companies of the Company are managed by their respective Boards and the Management. The Board of Directors and Audit Committee and Risk Management Committee of the Company review the minutes of the meetings, financial statements, investments made, significant transactions and arrangements of the unlisted subsidiary Companies in accordance with SEBI (LODR) Regulation, 2015.

As on 31 March 2017, the Company does not have any material subsidiary as defined under Regulation 16(1) (c) of SEBI (LODR) Regulations, 2015.

(k) Audit of Reconciliation of Share Capital:

As stipulated by SEBI, a Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis 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. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its meetings.

(l) Corporate Identity Number (CIN): L15412WB1918PLC002964.

(m) Information flow to the Board Members:

As required under Regulation 17(7), Part A of Schedule II of SEBI (LODR) 2015, information is provided to the Board members for their information, review, inputs and approval from time to time.

(n) Code of Conduct for Prevention of Insider Trading

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

(o) **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.

(p) **Adoption and Compliance of Non-mandatory requirements:**

i. **The Board:**

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

ii. **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. The Company provides the copy of the quarterly and half-yearly results only on receipt of a specific request from the shareholders.

iii. **Audit Qualifications:**

There is no qualification in the Independent Auditor's Report on the Standalone and Consolidated Financial Statements for FY 2016-17.

iv. **Separate posts of Chairman and CEO:**

The Company has separate posts of Chairman and Managing Director.

v. **Reporting of Internal Auditors:**

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

DECLARATION ON CODE OF CONDUCT

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 2017.

For Britannia Industries Limited

Place: Bangalore
Date: 05 May 2017

Varun Berry
Managing Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Britannia Industries Limited

Independent Auditor's certificate on Compliance of Corporate Governance Report

This certificate is issued in accordance with the terms of our engagement letter dated 25 November 2016.

Britannia Industries Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as stipulated in 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 April 2016 to 31 March 2017.

Management Responsibility

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2016 to 31 March 2017. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation.

Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the above said compliances of the conditions of Corporate Governance for the period 1 April 2016 to 31 March 2017.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1 April 2016 to 31 March 2017 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

In our opinion and to the best of information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) 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 as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2016 to 31 March 2017 and may not be suitable 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 : 30 June 2017

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the Directors present the "Business Responsibility Report" (BRR) of the Company for FY 2016-17.

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
5. E-mail Id : investorrelations@britindia.com
6. Financial Year reported : 2016-17
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: The products of the Company are exported to over 70 Countries across the world.
   (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 National presence and are also exported to over 70 Countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (Standalone)

1. Paid up Capital (INR) : ₹ 24 Crores
2. Total Turnover (INR) : ₹ 8,581.55 Crores
3. Total Profit After Taxes (INR) : ₹ 843.69 Crores
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2% of average net profit of last 3 financial years i.e., ₹ 15.80 Crores
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) Promoting Preventive Health Care at Bai Jerbai Wadia Hospital for Children (BJWHC)
   (b) Promoting Preventive Health Care at Nowrosjee Wadia Maternity Hospital (NWMH).
   (c) 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

1. **Does the Company have any Subsidiary Company/ Companies?**

   Yes. The list of Subsidiaries is given in Extract of Annual Return annexed to the Director's Report.

2. **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.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company?

No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR.

(a) 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

(b) Details of the BR head:

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	NA
2	Name	N Venkataraman
3	Designation	Chief Financial Officer
4	Telephone number	080- 3940 0080
5	E-mail Id	investorrelations@britindia.com

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

(a) Details of compliance - Reply in Yes (Y)/ No (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?	The policies confirm to the National and International standards like ISO 22K, IS0 14001, OHSAS 18001, ISO 22000, FSSAI standards 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) 2015 are approved by the Board and other applicable policies are approved by the Managing Director or Functional Heads of the Company as appropriate.								
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, Audit Committee and Risk Management Committee, Internal Complaints Committee, Stakeholders Relationship Committee, Safety Committee, CSR 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 public 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
- CSR Policy - http://britannia.co.in/pdfs/statutory_disclosures/Britannia%20Industries%20Limited-%20CSR%20Policy.pdf
- Whistle Blower Policy - http://britannia.co.in/pdfs/statutory_disclosures/WHISTLE_BLOWER_POLICY.pdf

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

Not Applicable

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?

The Business Responsibility Report is published annually as part of Annual Report and the same is available on the website of the Company.

Weblink: http://britannia.co.in/investors/financial-performance

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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?

The Company has defined the Code of Conduct for its Directors and employees that cover issues related to ethics, workplace responsibilities and conflict of interest. It also covers all dealings with suppliers, customers and other business associates.

Further, the Company has adopted a 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 unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct.

The Company has also in place Anti-Sexual Harassment Policy to maintain a work environment free from any form of 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?

During the year, a total of 21 complaints and issues from employees/other stakeholders were reported under Code of Business Conduct (COBC) and the same have been satisfactorily 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 produces products which are safe for its consumers and achieve growth in a responsible manner. Environment, health and safety continue to be key focus areas 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 our products have got "Keep your city clean" symbol on the pack.

   Re-engineering of packaging laminate and paper based packaging continued and rolled out during the year leading to use of less plastic and paper in the relevant product portfolio.

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-A of the Directors' Report.

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

   The Company strives to integrate social, ethical and environmental factors across the entire supply chain.

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.

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%)?**

   The Company while pursuing energy efficiency programs in the factories also takes initiatives for recycling of wastes generated during production. About 5 % of the exhaust 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 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 : 3,206
2. Total number of employees hired on temporary/contractual/casual basis : 6,420
3. Number of permanent women employees : 170
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? ~ 19%
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 its manufacturing facilities. The Company is committed towards proactively engaging with all the employees, business associates, customers and communities.

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. The details of the activities are given in Annexure- B - 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 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 2016-17, 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 FY 2016-17, the Company has taken various initiatives for conservation of energy and reducing its environmental impact as given in Annexure A of the Directors Report:

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 continuously implementing process improvements to reduce emissions and wastes. It has recently set up two solar plants at its R&D facility in Bangalore and factory in Perundurai. It is also pursuing opportunities to source solar power from independent power producers wherever feasible.

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 environmental risks.

4. **Does the Company have any project related to Clean Development Mechanism?**

   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-A to the Directors' Report and the same is available on the website of the Company.

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

   Yes. The Company files statutory declarations with the pollution control boards on the emissions and waste generated and they are within permissible limits granted by the pollution control board.

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.**

   NIL

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 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**

   Britannia has been actively participating in various seminars, conferences and other forumsss 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 various programs/initiatives, the details of which are given in Annexure-B - 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 the CSR Projects and Programs undertaken at its 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 ₹ 15.80 Crores as part of its CSR initiatives. Details of the projects are provided 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.

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 95% of the complaints received during the financial year ended 31 March 2017.

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)**

   The Company displays additional information on the product label, over and above the mandated information e.g. Product Claims, storage directions etc. which varies from product to product. This additional information is provided to keep the consumers aware.

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.**

   As on 31 March 2017, there are no cases pending under Competition Act.

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.

   During the year, the Consumer Care Cell of the Company has received ISO 10002 certification, an international standard on customer satisfaction and guidelines for handling complaints.

INDEPENDENT AUDITOR'S REPORT

To the Members of Britannia Industries Limited

Report on the Standalone Financial Statements

We have audited the acCompanying standalone Ind AS financial statements of Britannia Industries Limited ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flow, the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the relevant rules issued thereunder. 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 standalone 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 of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone 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 financial position of the Company as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the 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 paragraphs 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, the statement of cash flow and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
   (e) On the basis of the written representations received from the directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer notes 35(i)(a), 40 and 41 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 57 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; and
      iv. The Company has provided requisite disclosures in the standalone financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management. Refer Note 51 of the standalone financial statements.

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

Supreet Sachdev
Partner
Membership Number: 205385

Place : Mumbai
Date : 25 May 2017

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 2017, 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 three 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 Sections 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, cess 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, cess and any other material statutory dues were in arrears, as at 31 March 2017, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no 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)	36,169,473	1980-1999	High Court(s)
	152,846,383	1995-2011	CESTAT(s)
	681,839,897	1986-2017	Appellate Authority up to Commissioner's level
Sales tax/ Value added tax	156,572,862	1998-2017	Supreme Court
	361,445,951	1989-2016	High Court(s)
	55,035,399	1996-2011	Tribunal(s)
	768,076,594	1999-2016	Appellate Authority up to Commissioner's level
Customs duty	7,833,410	2004-2014	Appellate Authority up to Commissioner's level
Income-tax	298,867,108	1991-2005	High Court
	6,725,975	1990-2008	Income-tax Appellate Tribunal
	501,649,302	1997-2013	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. The Company does not have any outstanding loans or borrowings from any bank, government or debenture holder 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 standalone 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 explanation 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: Mumbai
Date : 25 May 2017

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

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 2017 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 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Supreet Sachdev
Partner
Membership Number: 205385

Place : Mumbai
Date : 25 May 2017

BALANCE SHEET

₹ in Crores

As at	Note	31 March 2017	31 March 2016	1 April 2015
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	4	812.47	628.47	516.93
(b) Capital work-in-progress	4	29.77	74.50	48.22
(c) Investment property	5	15.25	-	-
(d) Intangible assets	6	11.60	13.32	12.73
(e) Financial assets				
(i) Investments	7	514.18	564.37	274.51
(ii) Loans	8	116.52	258.01	79.54
(iii) Other financial assets	9	12.12	37.57	37.12
(f) Deferred tax assets, (net)	34	6.43	23.70	25.30
(g) Other non-current assets	10	156.34	51.40	39.17
(h) Income tax assets, (net)	34	16.58	16.40	10.00
Total non-current assets		1,691.26	1,667.74	1,043.52
(2) Current assets				
(a) Inventories	11	602.61	384.20	346.08
(b) Financial assets				
(i) Investments	12	85.73	356.96	391.48
(ii) Trade receivables	13	126.41	106.88	71.14
(iii) Cash and cash equivalents	14	21.23	19.96	31.02
(iv) Bank balances other than (iii) above	14	32.32	5.85	156.10
(v) Loans	15	791.94	426.12	310.71
(vi) Other financial assets	16	31.07	17.78	10.66
(c) Other current assets	17	313.57	114.48	116.78
Total current assets		2,004.88	1,432.23	1,433.97
Total assets		3,696.14	3,099.97	2,477.49
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	18	24.00	24.00	23.99
(b) Other equity	19	2,557.98	1,992.03	1,453.42
Total equity		2,581.98	2,016.03	1,477.41
(2) Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	20	0.44	0.49	0.73
(ii) Other financial liabilities	21	22.86	21.09	19.68
(b) Government grant	47	1.44	2.15	2.86
Total non-current liabilities		24.74	23.73	23.27
(2) Current liabilities				
(a) Financial liabilities				
(i) Trade payables	22	643.82	644.72	598.29
(ii) Other financial liabilities	23	142.93	129.40	105.87
(b) Other current liabilities	24	85.62	81.99	91.77
(c) Government grant	47	0.71	0.71	0.71
(d) Provisions	25	174.48	166.32	142.00
(e) Current tax liabilities, (net)	34	41.86	37.07	38.17
Total current liabilities		1,089.42	1,060.21	976.81
Total liabilities		1,114.16	1,083.94	1,000.08
Total equity and liabilities		3,696.14	3,099.97	2,477.49
Significant accounting policies	3			

See accompanying notes to standalone financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

for **and on behalf of the Board of Directors**

Chairman	:	Nusli N Wadia	
Managing Director	:	Varun Berry	
Directors	:	A K Hirjee	Keki Dadiseth
		S S Kelkar	Ajai Puri
		Nasser Munjee	Ness N Wadia
		Nimesh N Kampani	Ranjana Kumar
		Avijit Deb	Y.S.P.Thorat
		Jeh N Wadia	Ajay Shah
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Rajesh Arora	

Place : Mumbai
Date : 25 May 2017

STATEMENT OF PROFIT AND LOSS

₹ in Crores

For the year ended	Note	31 March 2017	31 March 2016
I. **Revenue from operations**			
Sale of goods / Income from operations	26	8,581.55	7,880.56
Other operating income	26	102.84	80.06
		8,684.39	7,960.62
II. **Other income**	27	144.78	119.83
III. **Total Income (I+II)**		8,829.17	8,080.45
IV. **Expenses:**			
Cost of materials consumed	28	4,342.78	3,812.06
Purchases of stock-in-trade	29	904.78	833.01
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	(49.25)	(7.12)
Excise duty		270.02	228.92
Employee benefits expense	31	241.68	216.24
Finance costs	32	1.34	1.25
Depreciation and amortisation expense	4, 5, 6	96.43	87.79
Other expenses	33	1,770.23	1,759.17
Total expenses		7,578.01	6,931.32
V. **Profit before tax (III-IV)**		1,251.16	1,149.13
VI. **Tax expense:**			
(i) Current tax	34	390.20	384.22
(ii) Deferred tax	34	17.27	1.60
		407.47	385.82
VII. **Profit for the year (V-VI)**		843.69	763.31
VIII. **Other comprehensive income**			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurements of the net defined benefit liability/asset		(0.37)	(0.38)
Income tax relating to items not to be reclassified subsequently to statement of profit or loss		0.13	0.13
Other comprehensive income, net of tax		(0.24)	(0.25)
IX. **Total comprehensive income for the year (VII-VIII)**		843.45	763.06
Earnings per share (nominal value of ₹ 2 each)	42		
Basic [in ₹]		70.31	63.63
Diluted [in ₹]		70.30	63.61
Weighted average number of equity shares used in computing earnings per share:			
- Basic		119,991,020	119,966,116
- Diluted		120,011,608	119,998,089
Significant accounting policies	3		

See accompanying notes to standalone financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

for **and on behalf of the Board of Directors**

Chairman	:	Nusli N Wadia	
Managing Director	:	Varun Berry	
Directors	:	A K Hirjee	Keki Dadiseth
		S S Kelkar	Ajai Puri
		Nasser Munjee	Ness N Wadia
		Nimesh N Kampani	Ranjana Kumar
		Avijit Deb	Y.S.P.Thorat
		Jeh N Wadia	Ajay Shah
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Rajesh Arora	

Place : Mumbai
Date : 25 May 2017

STATEMENT OF CHANGES IN EQUITY

₹ in crores

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the Company
		Reserves and surplus						Other comprehensive income		
		Securities premium	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Share options outstanding account	Equity instruments through OCI	Other items of OCI	
Balance as at 1 April 2015	23.99	17.15	1,051.98	0.43	3.96	379.02	0.88	-	-	1,477.41
Changes in equity for the year ended 31 March 2016										
Increase in share capital on exercise of employee stock options	0.01	-	-	-	-	-	-	-	-	0.01
Share based payment [Refer note 31]	-	-	-	-	-	-	2.25	-	-	2.25
Transfer to general reserve	-	-	(74.91)	-	-	-	-	-	-	(74.91)
Transfer from retained earnings	-	-	-	-	-	74.91	-	-	-	74.91
Transfer to securities premium on issue of equity shares	-	4.34	-	-	-	-	(1.02)	-	-	3.32
Transfer from share options outstanding account	-	1.02	-	-	-	-	-	-	-	1.02
Dividends (including corporate dividend tax)	-	-	(231.04)	-	-	-	-	-	-	(231.04)
Remeasurement of the net defined benefit liability/(asset), net of tax effect	-	-	-	-	-	-	-	-	(0.25)	(0.25)
Profit for the year	-	-	763.31	-	-	-	-	-	-	763.31
Balance as at 31 March 2016	24.00	22.51	1,509.34	0.43	3.96	453.93	2.11	-	(0.25)	2,016.03

Particulars	Equity share capital	Other equity								Total equity attributable to equity holders of the Company
		Reserves and surplus						Other comprehensive income		
		Securities premium	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Share options outstanding account	Equity instruments through OCI	Other items of OCI	
Balance as at 1 April 2016	24.00	22.51	1,509.34	0.43	3.96	453.93	2.11	-	(0.25)	2,016.03
Changes in equity for the year ended 31 March 2017										
Increase in share capital on exercise of employee stock options	0.00	-	-	-	-	-	-	-	-	0.00
Share based payment [Refer note 31]	-	-	-	-	-	-	5.47	-	-	5.47
Transfer to general reserve	-	-	(84.37)	-	-	-	-	-	-	(84.37)
Transfer from retained earnings	-	-	-	-	-	84.37	-	-	-	84.37
Transfer to securities premium on issue of equity shares	-	5.83	-	-	-	-	(1.66)	-	-	4.17
Transfer from share options outstanding account	-	1.66	-	-	-	-	-	-	-	1.66
Dividends (including corporate dividend tax)	-	-	(288.80)	-	-	-	-	-	-	(288.80)
Remeasurement of the net defined benefit liability/(asset), net of tax effect	-	-	-	-	-	-	-	-	(0.24)	(0.24)
Profit for the year	-	-	843.69	-	-	-	-	-	-	843.69
Balance as at 31 March 2017	24.00	30.00	1,979.86	0.43	3.96	538.30	5.92	-	(0.49)	2,581.98

See accompanying notes to standalone financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

for **and on behalf of the Board of Directors**

Chairman	:	Nusli N Wadia	
Managing Director	:	Varun Berry	
Directors	:	A K Hirjee	Keki Dadiseth
		S S Kelkar	Ajai Puri
		Nasser Munjee	Ness N Wadia
		Nimesh N Kampani	Ranjana Kumar
		Avijit Deb	Y.S.P.Thorat
		Jeh N Wadia	Ajay Shah
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Rajesh Arora	

Place : Mumbai
Date : 25 May 2017

STATEMENT OF CASH FLOW

₹ in Crores

For the year ended	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit before tax	1,251.16	1,149.13
Adjustments for :		
Depreciation and amortisation	96.43	87.79
Share based payment expense	5.47	2.25
Net gain on financial asset measured at fair value through statement of profit and loss	(50.10)	(42.64)
Loss on disposal of property, plant and equipment	1.71	5.19
Provision for impairment in value of investment	2.69	-
Dividend income	(0.02)	(0.02)
Interest income	(92.86)	(75.30)
Finance costs	1.34	1.25
	1,215.82	**1,127.65**
Changes in		
Inventories	(218.41)	(38.12)
Trade receivables	(19.53)	(35.74)
Loans and advances and other assets	(210.23)	138.36
Accounts payable and provisions	19.78	77.45
Cash generated from operating activities	**787.43**	**1,269.60**
Income tax paid, net of refund	(385.49)	(391.57)
Net cash from operating activities	**401.94**	**878.03**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(343.63)	(221.16)
Proceeds from sale of property, plant and equipment	0.97	0.85
Sale / (Purchase) of investments, net	383.33	(212.70)
Investment in associates	(14.50)	-
Inter- corporate deposits placed	(470.79)	(360.00)
Inter-corporate deposits redeemed	255.00	75.00
Loans given to subsidiaries	(10.69)	(15.85)
Loans repaid by subsidiaries	5.23	6.52
Interest received	79.57	68.18
Dividend received	0.02	0.02
Net cash used in investing activities	**(115.49)**	**(659.14)**
Cash flow from financing activities		
Interest paid	(1.14)	(1.53)
Proceeds from share allotment	5.83	4.34
Repayment of unsecured loans, net	(0.07)	(0.33)
Dividends paid (including corporate dividend tax)	(288.42)	(230.78)
Net cash used in financing activities	**(283.80)**	**(228.30)**
Net change in cash and cash equivalents	**2.65**	**(9.41)**
Cash and cash equivalents at the beginning of the year	8.66	18.07
Cash and cash equivalents at the end of the year	**11.31**	**8.66**

STATEMENT OF CASH FLOW (CONTINUED)

₹ in Crores

For the year ended	31 March 2017	31 March 2016
Note:		
Cash and cash equivalents at the end of the year [Refer Note 14]	21.23	19.96
Book overdraft [Refer note 23]	(9.92)	(11.30)
	11.31	**8.66**
Significant accounting policies [Refer note 3]		

See accompanying notes to standalone financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

for **and on behalf of the Board of Directors**

Chairman	:	Nusli N Wadia	
Managing Director	:	Varun Berry	
Directors	:	A K Hirjee	Keki Dadiseth
		S S Kelkar	Ajai Puri
		Nasser Munjee	Ness N Wadia
		Nimesh N Kampani	Ranjana Kumar
		Avijit Deb	Y.S.P.Thorat
		Jeh N Wadia	Ajay Shah
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Rajesh Arora	

Place : Mumbai
Date : 25 May 2017

NOTES TO STANDALONE FINANCIAL STATEMENTS

1 Reporting entity

Britannia Industries Limited (the 'Company') is a Company domiciled in India, with its registered office situated at 5/1A, Hungerford Street, Kolkata, West Bengal - 700017. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily involved in manufacturing and sale of various food products.

2 Basis of preparation

A. Statement of compliance

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

The financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance is provided in Note 55.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 25 May 2017.

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

B. Functional and presentation currency

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

C. Basis of measurement

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

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

D. Use of estimates and judgements

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

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

Judgements

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

- Note 36 - leases: whether an arrangement contains a lease and ;
- Note 36 - lease classification.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2017 is included in the following notes:

- Note 34 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 45 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 40 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment
- Note 5 - useful life of investment property.
- Note 6 - useful life of intangible assets.
- Notes 7 to 10 and Notes 12, 13, 15 and16 - impairment of financial assets.

E. Measurement of fair values

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

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 5 - investment property
- Note 18 (d) - share-based payments
- Note 54 - financial instruments.

3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as on 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 55).

iii. Subsequent expenditure

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

iv. Depreciation

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

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

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

Freehold land is not depreciated.

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

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

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

(b) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Company depreciates investment properties over a period of 60 years on a straight-line basis.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes acCompanying these financial statements. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(c) Intangible assets

Internally generated : Research and development

Expenditure on research activities is recognised in the statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight- line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	**Useful life**
Computer software	6 years

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

i. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (Refer note 55)

(d) Impairment

(i) Financial assets

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

(ii) Non -financial assets

Intangible assets and property, plant and equipment

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

(e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2015, the date of inception is deemed to be 1 April 2015 in accordance with Ind-AS 101 First-time Adoption of Indian Accounting Standard.

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

As a lessee

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

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

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

(f) 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).

(g) Financial instruments

i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of

principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries, joint venture and associates

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

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

(h) Revenue recognition

Revenue from sale of goods and sale of scrap is recognised, when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from the sale of goods and sale of scrap is measured at the fair value of the consideration received or receivable, exclusive of sales tax and net of sales return, trade discounts and volume rebates. Sales are presented gross of excise duties.

Income from royalties recognised based on contractual agreements.

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

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

Deferred revenue

The Company has a customer loyalty programme for selected customers. The Company grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. Consideration received from these customers have been allocated between the goods sold and the credit points granted. The consideration allocated to the credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

(i) Business combination

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

(j) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(k) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the statement of profit and loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it 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.

(l) Income tax

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

i. Current tax

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

ii. Deferred tax

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

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

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

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

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

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

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

(m) Borrowing costs

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

(n) Provisions and contingent liabilities

i. General

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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

ii. Contingent liabilities

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

iii. Onerous contracts

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

(o) 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. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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 or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 1 January every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

iv. Voluntary retirement scheme benefits

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

(p) Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(q) 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.

(r) 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.

(s) Cash flow statement

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

(t) Recent accounting pronouncements

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Company from 1 April 2017.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

The Company does not provide any cash-settled awards due to which the applicability of amendment to Ind AS 102 does not arise and accordingly does not have any impact on the financial statements.

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

Reconciliation of carrying amount

₹ in Crores

Description		Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
		As at 1 April 2016	Additions	Reclassification to investment property	Disposals	As at 31 March 2017	As at 1 April 2016	Depreciation for the year	Disposals	Reclassification to investment property	As at 31 March 2017	As at 31 March 2017
Own assets												
Freehold land		61.53	19.36	-	-	80.89	-	-	-	-	-	80.89
Leasehold land	(a)	27.86	-	-	-	27.86	0.32	0.32	-	-	0.64	27.22
Buildings	(b)	239.91	53.86	15.77	-	278.00	5.94	8.42	-	0.26	14.10	263.90
Plant and equipment		340.16	210.50	-	27.71	522.95	65.94	76.47	25.28	-	117.13	405.82
Furniture and fixtures		19.73	3.67	-	0.07	23.33	0.52	2.37	0.05	-	2.84	20.49
Motor vehicles		0.86	0.24	-	-	1.10	0.12	0.15	-	-	0.27	0.83
Office equipment		14.21	6.42	-	0.05	20.58	3.45	4.33	0.05	-	7.73	12.85
Leased assets												
Motor vehicles	(e)	0.53	0.58	-	0.46	0.65	0.03	0.38	0.23	-	0.18	0.47
Total		**704.79**	**294.63**	**15.77**	**28.29**	**955.36**	**76.32**	(c) **92.44**	**25.61**	**0.26**	**142.89**	**812.47**
Add: Capital work-in-progress												29.77
												842.24

Description		Gross carrying amount					Accumulated depreciation					Carrying amounts (net)
		As at 1 April 2015	Additions	Reclassification to investment property	Disposals	As at 31 March 2016	As at 1 April 2015	Depreciation for the year	Disposals	Reclassification to investment property	As at 31 March 2016	As at 31 March 2016
Own assets												
Freehold land		61.53	-	-	-	61.53	-	-	-	-	-	61.53
Leasehold land	(a)	27.86	-	-	-	27.86	-	0.32	-	-	0.32	27.54
Buildings	(b)	165.43	75.02	-	0.54	239.91	-	6.36	0.42	-	5.94	233.97
Plant and equipment		237.04	114.06	-	10.94	340.16	-	72.68	6.74	-	65.94	274.22
Furniture and fixtures		14.66	6.91	-	1.84	19.73	-	0.81	0.29	-	0.52	19.21
Motor vehicles		0.73	0.13	-	-	0.86	-	0.12	-	-	0.12	0.74
Office equipment		8.87	5.96	-	0.62	14.21	-	4.04	0.59	-	3.45	10.76
Leased assets												
Motor vehicles	(e)	0.81	-	-	0.28	0.53	-	0.17	0.14	-	0.03	0.50
Total		(d)**516.93**	**202.08**	**-**	**14.22**	**704.79**	**-**	(c) **84.50**	**8.18**	**-**	**76.32**	**628.47**
Add: Capital work-in-progress		48.22										74.50
		565.15										**702.97**

₹ in Crores

Notes:

(a) Agreement in respect of leasehold land at 31 March 2017 : one factory (31 March 2016 : one factory, 1 April 2015: one factory) is in the process of renewal.

(b) i) Buildings include fully paid unquoted shares and bonds in respect of ownership of flats in 1 Co-operative Housing Society (31 March 2016: 1 Co-operative Housing Society, 1 April 2015: 1 Co-operative Housing Society); 10 shares ((31 March 2016: 10 shares, 1 April 2015: 10 shares) of ₹ 50/- each.

ii) During the year ended 31 March 2017, the Company has reclassified a building having gross carrying amount of ₹15.51 as investment property [Refer note 5]

(c) Depreciation:

	31 March 2017	31 March 2016
Depreciation charge for the year	92.44	84.50
Depreciation charge on investment property for the year [Refer note 5]	0.26	-
Amortisation for the year [Refer note 6]	4.44	4.00
Transfer from capital subsidy [Refer note 3 (k) and 47]	(0.71)	(0.71)
Depreciation and amortisation charge for the year	**96.43**	**87.79**

(d) Includes assets acquired through business combination aggregating ₹ 3.69. Also refer note 50.

(e) Also Refer to note 20, 23(a) and 36(b)

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 5 - Investment property

Reconciliation of carrying amount	
Gross carrying amount	
Balance as at 1 April 2015	-
Balance as at 31 March 2016	-
Transfer from property, plant and equipment	15.51
Balance as at 31 March 2017	**15.51**
Accumulated depreciation	
Balance as at 1 April 2015	-
Balance as at 31 March 2016	-
Depreciation for the year ended 31 March 2017	0.26
Balance as at 31 March 2017	**0.26**
Carrying amounts	
At 1 April 2015	-
At 31 March 2016	-
At 31 March 2017	**15.25**

The fair value of investment property is ₹ 22.09 and the same has been determined by external independent property valuer having appropriate recognised professional qualifications. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used [Refer Note 2(E)]. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality.

Note 6 - Intangible assets

Reconciliation of carrying amount

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	As at 1 April 2016	Additions	Disposals	As at 31 March 2017	As at 1 April 2016	Amortisation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Own assets									
Trademarks	0.03	-	-	0.03	-	-	-	-	0.03
Designs	0.01	-	-	0.01	-	-	-	-	0.01
Computer software	17.28	2.72	-	20.00	4.00	4.44	-	8.44	11.56
Total	**17.32**	**2.72**	**-**	**20.04**	**4.00**	**4.44**	**-**	**8.44**	**11.60**

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	As at 1 April 2015	Additions	Disposals	As at 31 March 2016	As at 1 April 2015	Amortisation for the year	Disposals	As at 31 March 2016	As at 31 March 2016
Own assets									
Trademarks	0.03	-	-	0.03	-	-	-	-	0.03
Designs	0.01	-	-	0.01	-	-	-	-	0.01
Computer software	12.69	4.59		17.28	-	4.00	-	4.00	13.28
Total	**(a)12.73**	**4.59**	**-**	**17.32**	**-**	**4.00**	**-**	**4.00**	**13.32**

(a) Includes assets acquired through business combination aggregating ₹ 0.03. Also refer note 50

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 7 - Non-current investments

	Face value per share / unit	Units/ Nos.			Amount		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
At cost less provision for other than temporary impairment							
Unquoted							
(i) Investments in equity instruments (fully paid)							
Subsidiaries							
Sunrise Biscuit Company Private Limited	₹10	14,049,650	14,049,650	14,049,650	14.03	14.03	14.03
Ganges Vally Foods Private Limited	₹10	252,000	252,000	252,000	0.72	0.72	0.72
J B Mangharam Foods Private Limited	₹10	354,136	354,136	354,136	0.54	0.54	0.54
International Bakery Products Limited	₹10	1,320,009	1,320,009	370,009	1.75	1.75	0.80
Manna Foods Private Limited	₹10	4,875,001	4,875,001	4,875,001	4.67	4.67	4.67
Britannia Dairy Private Limited	₹10	5,779,999	5,779,999	5,779,999	70.02	70.02	70.02
Boribunder Finance and Investments Private Limited	₹10	2,670,999	2,670,999	2,670,999	2.58	2.58	2.58
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	2,000	2,000	2,000	0.01	0.01	0.01
					94.32	94.32	93.37
Daily Bread Gourmet Foods (India) Private Limited	₹4	79,181,417	79,181,417	69,181,417	31.67	31.67	27.67
Less: Provision for impairment in value of investments					(26.69)	(24.00)	(24.00)
Less: Reduction in carrying value of investments due to business combination					(2.98)	(2.98)	(2.98)
					2.00	4.69	0.69
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	24,372,087	24,372,087	24,372,087	121.69	121.69	121.69
Less: Provision for impairment in value of investments					(35.00)	(35.00)	(35.00)
					86.69	86.69	86.69
Associates							
Klassik Foods Private Limited	₹100	3,260	3,260	3,260	0.32	0.32	0.32
Nalanda Biscuits Company Limited	₹10	87,500	87,500	87,500	0.28	0.28	0.28
Sunandaram Foods Private Limited*	₹10	459,800	-	-	14.50	-	-
					15.10	0.60	0.60
				(a)	198.11	186.30	181.35
(ii) Investments in preference shares (fully paid)							
Subsidiaries							
Britannia Dairy Private Limited - 10% Non-cumulative Redeemable preference shares	₹10	6,000,000	6,000,000	6,000,000	6.00	6.00	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - preference shares	USD 1	7,411,000	7,411,000	7,411,000	0.05	0.05	0.05
				(b)	6.05	6.05	6.05
				(a)+(b)	204.16	192.35	187.40
(iii) Investments in debentures / bonds							
Subsidiaries							
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹100,000	582	582	677	5.82	5.82	6.77
At fair value through profit and loss							
(iv) Investments in mutual funds							
ICICI Prudential Fixed Maturity Plan - Series 76 - 1100 days - Plan T - Direct Plan - Cumulative	₹10	-	9,000,000	9,000,000	-	9.82	9.03
ICICI Prudential Fixed Maturity Plan - Series 76 - 1155 days - Plan K - Direct Plan - Cumulative	₹10	15,000,000	15,000,000	15,000,000	18.04	16.53	15.20
HDFC Fixed Maturity Plan - 1157 days - February 2015 (1) - Direct - Growth - Series 33	₹10	15,000,000	15,000,000	15,000,000	18.02	16.47	15.16
HDFC Fixed Maturity Plan - 1135 days - March 2015 (1) - Direct - Growth - Series 33	₹10	6,000,000	6,000,000	6,000,000	7.17	6.55	6.02

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per share / unit	Units/ Nos.			Amount		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
HDFC Fixed Maturity Plan - 1112 days - June 2015 (1) - Direct - Growth - Series 33	₹10	10,000,000	10,000,000	-	11.67	10.67	-
ICICI Prudential Fixed Maturity Plan - Series 77 - 1132 days - Plan A - Direct Plan - Cumulative	₹10	10,000,000	10,000,000	-	11.79	10.80	-
ICICI Prudential Fixed Maturity Plan - Series 77 - 1473 days - Plan C - Direct Plan - Cumulative	₹10	10,000,000	10,000,000	-	11.89	10.83	-
ICICI Prudential Fixed Maturity Plan - Series 77 - 1134 days - Plan H - Direct Plan - Cumulative	₹10	10,000,000	10,000,000	-	11.61	10.71	-
UTI Fixed Term Income Fund - Series XXII - IX - 1098 days - Direct Growth Plan	₹10	5,000,000	5,000,000	-	5.84	5.34	-
UTI Fixed Term Income Fund - Series XXII - X - 1098 days - Direct Growth Plan	₹10	10,000,000	10,000,000	-	11.66	10.66	-
UTI Fixed Term Income Fund - Series XXII - XIV - 1100 days - Direct Growth Plan	₹10	10,000,000	10,000,000	-	11.52	10.52	-
Sundaram Fixed Term Plan HB - Direct Growth	₹10	10,000,000	10,000,000	-	11.22	10.24	-
ICICI Prudential Fixed Maturity Plan - Series 78 - 1212 days - Plan A - Direct Plan - Cumulative	₹10	15,000,000	15,000,000	-	16.79	15.38	-
Birla Fixed Term Plan - 1099 Days - Series NB - Direct Plan - Growth	₹10	10,000,000	10,000,000	-	11.23	10.25	-
Sundaram Fixed Term Plan HC - Direct - Growth	₹10	10,000,000	10,000,000	-	11.20	10.23	-
Birla Fixed Term Plan - 1109 Days - Series ND - Direct Plan - Growth	₹10	10,000,000	10,000,000	-	11.19	10.21	-
ICICI Prudential Fixed Maturity Plan - Series 78 - 1190 days - Plan C - Direct Plan - Cumulative	₹10	10,000,000	10,000,000	-	11.14	10.21	-
HDFC Fixed Maturity Plan - 1105 Days - Dec 2015 (1) - Direct - Growth	₹10	10,000,000	10,000,000	-	11.21	10.22	-
HDFC Fixed Maturity Plan - 1167 Days - January 2016 (1) - Series 35 -Direct - Growth	₹10	20,000,000	20,000,000	-	22.30	20.35	-
Birla Fixed Term Plan - 1169 Days - Series NG - Direct Plan - Growth	₹10	10,000,000	10,000,000	-	11.16	10.17	-
UTI Fixed Term Income Fund - Series XXIII - XV - 1176 Days - Direct Growth Plan	₹10	15,000,000	15,000,000	-	16.71	15.26	-
(v) Investments with insurance companies							
HDFC Standard Life Insurance Company Limited - Group Leave Encashment	₹10	1,018,172	1,014,874	1,011,586	5.45	5.09	4.72
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment	₹10	3,061,649	3,034,827	3,008,383	6.28	5.58	5.21
At amortised cost							
Quoted							
(i) Investments in debentures / bonds							
Tata Capital 10.25% Secured Redeemable NCD	₹ 500,000	500	500	500	25.00	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	-
(ii) Investments in Tax free bonds							
National Highway Authority of India - 7.11% - 18 Sep 2025	₹ 1,000,000	100	100	-	10.00	10.00	-
National Highway Authority of India - 7.14% - 11 Jan 2026	₹1,000	28,570	28,570	-	2.86	2.86	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per share / unit	Units/ Nos.			Amount		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
National Thermal Power Corporation Limited - 7.11% 05 Oct 2025	₹1,000	12,491	12,491	-	1.25	1.25	-
Total long-term investments					514.18	564.37	274.51
Total quoted non-current investments					39.11	114.11	25.00
Total unquoted non-current investments					475.07	450.26	249.51
					514.18	564.37	274.51
Aggregate provision for impairment in value of investments					61.69	59.00	59.00
Aggregate market value of quoted non-current investments					39.11	114.11	25.00

* During the year ended 31 March 2017, the Company has acquired 26% of the voting shares of Sunandaram Foods Private Limited, a manufacturer of cake for a total consideration of ₹14.50.

As at	31 March 2017	31 March 2016	1 April 2015
Note 8 - Loans			
Unsecured			
Considered good:			
Loans to related parties *	75.66	76.10	68.12
Inter-corporate deposits [Refer note 38 (b)]	30.79	171.00	-
Security deposits	8.68	8.51	7.98
Other loans	1.39	2.40	3.44
Considered doubtful:			
Loan to related parties*	1.04	1.04	1.04
Less: Allowance for doubtful loans	1.04	1.04	1.04
	116.52	258.01	79.54
* Forms a part of outstanding balances as disclosed under note 44.			
Note 9 - Other financial assets			
Fixed deposits with banks	-	25.45	25.00
Other deposits [Refer note 41]	12.12	12.12	12.12
	12.12	37.57	37.12
Note 10 - Other non-current assets			
Unsecured			
Considered good:			
Capital advances	117.71	19.81	21.79
Advances other than capital advances			
- Advances to statutory authorities	16.83	24.45	11.57
Others			
- Prepaid rent	15.50	0.53	0.71
- Receivable from others	6.30	6.61	5.10
Considered doubtful:			
Advances to statutory authorities and others	8.93	8.98	8.68
Less: Allowance for doubtful advances	8.93	8.98	8.68
	156.34	51.40	39.17

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 11 - Inventories*			
Raw materials	280.65	129.74	105.80
Packing materials	55.82	44.40	43.58
Work- in- progress	1.81	0.28	0.29
Finished goods	212.51	167.36	162.46
Goods-in-transit (Finished goods)	4.45	2.69	2.00
Stock-in-trade	23.37	20.25	15.83
Stores and spare parts	24.00	19.48	16.12
	602.61	384.20	346.08

* Refer note 3 (f) for mode of valuation for inventories.

The write down of inventories to net realisable value during the year amounted to ₹2.01 (31 March 2016: ₹1.12, 1 April 2015: ₹0.75). The write down are included in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress.

Note 12 - Current investments

	Face value per share / unit	Units/ Nos.			Amount		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
At fair value through profit and loss							
Unquoted							
(i) **Investments in mutual funds**							
IDFC Money Manager Fund - Treasury Plan - Growth - Direct Plan	₹10	-	22,541,730	-	-	54.47	-
ICICI Prudential Liquid - Direct Plan - Growth	₹100	-	-	27,427	-	-	0.57
L&T Ultra Short Term Fund - Direct Plan - Growth	₹10	-	2,557,272	-	-	6.35	-
ICICI Prudential Money Market Fund - Direct Plan - Growth	₹100	-	-	297,744	-	-	5.77
Tata Liquid Fund - Direct Plan - Growth	₹1,000	-	-	23,301	-	-	6.02
Tata Floater Fund - Direct Plan - Growth	₹1,000	-	130,956	-	-	29.97	-
J.P Morgan India Active Bond Fund - Direct Plan - Growth	₹10	-	-	32,506,651	-	-	50.45
DSP Black Rock Banking and PSU Debt Fund - Direct - Growth	₹10	-	-	21,437,146	-	-	25.24
DSP Ultra Short Term Fund - Direct Plan - Growth	₹10	-	80,529,302	-	-	88.46	-
ICICI Prudential Ultra Short Term Direct Plan - Growth	₹10	-	52,760,808	833,182	-	82.34	1.19
ICICI Prudential Income Opportunities Fund - Direct Plan - Growth	₹10	-	-	25,849,722	-	-	50.53
Birla Sunlife Savings Fund - Direct Plan - Growth	₹100	-	340,347	601,128	-	10.00	16.21
Birla Sunlife Income Plus - Direct Plan -Growth	₹10	-	-	7,854,645	-	-	50.20
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Growth Plan	₹10	-	-	5,469,341	-	-	10.15

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per share / unit	Units/ Nos.			Amount		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Franklin India Ultra Short Bond Fund - Super Institutional Plan - Direct - Growth Plan	₹10	-	-	11,446,817	-	-	21.22
Franklin India Banking and PSU Debt Fund - Direct - Growth	₹10	-	-	9,138,763	-	-	10.13
Birla Sunlife Dynamic Bond Fund - Retail - Direct Plan -Growth	₹10	-	-	20,490,740	-	-	50.55
Birla Sunlife Floating Rate Fund - Long Term - Direct Plan - Growth	₹100	-	-	607,332	-	-	10.22
Birla Sunlife Cash Manager Direct Plan - Growth	₹100	-	-	384	-	-	0.01
ICICI Prudential Flexible Income Direct Plan - Growth	₹100	-	962,048	1,891	-	27.61	0.05
ICICI Prudential Savings Fund - Direct Plan -Growth	₹100	-	-	246,917	-	-	5.19
SBI Magnum Insta Cash Fund - Direct Plan - Growth	₹1,000	-	-	21,036	-	-	6.51
SBI Ultra Short Term Direct Fund - Direct Plan - Growth	₹1,000	-	33,075	-	-	6.46	-
Sundaram Flexible Fund - Short Term Plan - Direct Plan - Growth	₹10	-	2,197,935	-	-	5.27	-
UTI Short Term Income Fund - Institutional Option - Direct Plan - Growth	₹10	-	-	5,934,542	-	-	10.07
UTI Treasury Advantage Fund - Institutional Plan - Direct Plan - Growth	₹1,000	-	14,008	79,975	-	2.91	15.17
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	-	-	21.12	-
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option -Growth	₹10	-	-	2,554,422	-	-	6.13
HDFC Floating Rate Income Fund Short Term Plan - Direct Plan - Wholesale Option - Growth Option	₹10	-	3,831,388	1,714,291	-	10.00	4.11
Tata Money Market Fund - Direct Plan - Growth	₹1,000	-	-	2,271	-	-	0.50
Tata Income Fund - Direct Plan - Appreciation Option - Growth	₹10	-	-	6,913,542	-	-	30.21
Tata Treasury Manager Fund - Direct Plan - Growth	₹1,000	-	-	218	-	-	0.04
Tata Dynamic Bond Fund - Direct Plan - Growth	₹10	-	-	2,279,452	-	-	5.04
ICICI Prudential Fixed Maturity Plan - Series 76 - 1100 days - Plan T - Direct Plan - Cumulative	₹ 10,00,000	9,000,000	-	-	10.73	-	-
Quoted							
At amortised cost							
Investments in debentures / bonds							
Kotak Mahindra Investments Limited 08 Sep 2017- 8.70%	₹ 10,00,000	100	-	-	10.00	-	-
Kotak Mahindra Investments Limited 11 Sep 2017- 8.90%	₹ 10,00,000	150	-	-	15.00	-	-
Kotak Mahindra Investments Limited 03 May 2017- 8.41%	₹ 10,00,000	250	-	-	25.00	-	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per share / unit	Units/ Nos.			Amount		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Mahindra & Mahindra Financial Services Limited 03 Nov 2017-8.48%	₹ 10,00,000	250	-	-	25.00	-	-
					85.73	356.96	391.48
Total current investments					85.73	356.96	391.48
Total quoted current investments					75.00	-	-
Total unquoted current investments					10.73	356.96	391.48
					85.73	356.96	391.48
Aggregate market value of quoted current investments					75.00	-	-
Aggregate value of current investments					85.73	356.96	391.48

As at	31 March 2017	31 March 2016	1 April 2015
Note 13 - Trade receivables			
Unsecured			
*Considered good**	126.41	106.88	71.14
Considered doubtful	5.95	5.68	4.93
	132.36	112.56	76.07
Less: Allowance for doubtful debts	5.95	5.68	4.93
	126.41	106.88	71.14

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 54 .

* Includes receivable from related parties [refer note 44].

Note 14 - Cash and bank balances			
Cash and cash equivalents:			
- Cash on hand	0.03	0.03	0.04
- Cheques on hand	17.99	15.90	26.74
- Current accounts	3.21	4.03	4.24
	21.23	19.96	31.02
Other bank balances:			
- Unpaid dividend accounts #	3.37	2.99	2.73
- Unclaimed debenture interest #	0.44	0.44	0.46
- Unclaimed debenture redemption proceeds #	1.11	1.12	1.16
- Deposit accounts [Refer note below]	27.40	1.30	151.75
	32.32	5.85	156.10

Refer Note 49

Note:

Deposit accounts include bank deposits held against bank guarantees with more than 12 months maturity amounting to ₹ Nil (31 March 2016: Nil, 1 April 2015: Nil).

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 15 - Loans			
Unsecured			
Considered good:			
Loan to related parties *	13.39	7.47	6.14
Inter-corporate deposits [Refer note 38 (b)]	770.00	414.00	300.00
Security deposits	7.50	3.60	3.61
Others loans:			
Loans to Others	1.05	1.05	0.96
	791.94	**426.12**	**310.71**
* Forms a part of outstanding balances as disclosed under note 44.			
Note 16 - Other financial assets			
Interest accrued but not due	31.07	17.78	10.66
	31.07	**17.78**	**10.66**
Note 17 - Other current assets			
Unsecured, considered good			
Advances other than capital advances			
- Advances to related parties *	9.05	7.71	11.19
- Advance for supply of goods	188.03	1.46	1.23
- Advances to contract packers	20.99	26.85	38.37
- Employee benefits - gratuity, net [Refer note 45 (b)]	1.68	0.88	0.60
Others			
- Prepayments	9.66	8.54	6.87
- VAT incentive recoverable	47.21	30.39	17.75
- Balance with Government authorities	26.02	28.86	23.88
- Other advances	10.93	9.79	16.89
	313.57	**114.48**	**116.78**
* Forms a part of outstanding balances as disclosed under note 44.			

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 18 - Share capital			
Equity shares	50.00	50.00	50.00
[250,000,000 equity shares of ₹ 2/- each (31 March 2016: 250,000,000, 1 April 2015: 250,000,000, equity shares of ₹ 2/- each)]			
Issued, subscribed and paid up			
Equity shares fully paid up	24.00	24.00	23.99
[120,000,815 equity shares of ₹ 2/- each (31 March 2016: 119,975,815, 1 April 2015: 119,925,815, equity shares of ₹ 2/- each)]*			
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (31 March 2016: 60,866,095, 1 April 2015: 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/- per share. 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.			
- 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 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, 700,000 options have been granted and 550,000 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/-;50,000 shares were allotted on 10 June 2015 at an exercise price of ₹ 870.35/- and 25,000 shares were allotted on 22 August 2016 at an exercise price of ₹ 2,332.05/- [Refer note (d) below]			
Also Refer note 49			
	24.00	24.00	23.99

NOTES TO STANDALONE 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 2017		31 March 2016		1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Holding Company						
Associated Biscuits International Limited (ABIL), UK	53,904,500	10.78	53,904,500	10.78	53,904,500	10.78
Subsidiaries of holding Company						
Bannatyne Enterprises Pte Limited, Singapore	1,391,555	0.28	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	1,392,510	0.28
Nacupa Enterprises Pte Limited, Singapore	1,392,510	0.28	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	1,392,510	0.28
Valletort Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28	1,392,510	0.28
	60,866,095	**12.18**	**60,866,095**	**12.18**	**60,866,095**	**12.18**

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

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	44.92%	53,904,500	44.93%	53,904,500	44.95%

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

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	119,975,815	24.00	119,925,815	23.99	119,925,815	23.99
Shares issued on exercise of Employee Stock Option Scheme	25,000	0.00	50,000	0.01	-	-
Closing balance at the end of the reporting year	**120,000,815**	**24.00**	**119,975,815**	**24.00**	**119,925,815**	**23.99**

(d) **Share based payments**

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/-, 75,000 options on 21 May 2015 at an exercise price of ₹ 2,332.05/- and 100,000 options on 30 June 2016 at an exercise price of ₹ 2,771.40/- 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

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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].

	31 March 2017	31 March 2016
Movement in the options under the scheme:		
Options outstanding at the beginning of the year	75,000	50,000
Options granted during the year	100,000	75,000
Options vested during the year	25,000	50,000
Options exercised during the year	25,000	50,000
Shares allotted against options exercised during the year	25,000	50,000
Options lapsed during the year	-	-
Shares under option at the end of the year	150,000	75,000
Options exercisable at the end of the year	-	-
Weighted average price per option (₹)	2,583.11	1,747.37

Fair Value Measurement:

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The key inputs 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 2017	31 March 2016
No. of options granted	100,000	75,000
Date of grant	30-Jun-16	21-May-15
Vesting period (years)	1 to 3	1 to 3
Expected life of option (years)	3	3
Expected volatility	23.63%	19.91%
Risk free rate	7.45%	7.76%
Expected dividends expressed as a dividend yield	0.72%	0.69%
Weighted-average fair values of options per share (₹)	617.19	524.96

(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 STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 19 - Other equity

Particulars	Share options outstanding account	Capital redemption reserve	Capital reserve	General reserve	Securities premium	Retained earnings	Other Items of OCI	Total
Balance as at 1 April 2015	0.88	3.96	0.43	379.02	17.15	1,051.98	-	1453.42
Additions:								
Share based payment expense	2.25	-	-	-	-	-	-	2.25
Transfer from Share options outstanding account	-	-	-	-	1.02	-	-	1.02
On issue of equity shares	-	-	-	-	4.34	-	-	4.34
Transfer from retained earnings	-	-	-	74.91	-	-	-	74.91
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(0.25)	(0.25)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	763.31	-	763.31
	3.13	**3.96**	**0.43**	**453.93**	**22.51**	**1,815.29**	**(0.25)**	**2,299.00**
Deductions:								
Transfer to general reserve	-	-	-	-	-	74.91	-	74.91
Transfer to securities premiunm	1.02	-	-	-	-	-	-	1.02
Dividends	-	-	-	-	-	191.96	-	191.96
Tax on dividend	-	-	-	-	-	39.08	-	39.08
Balance as at 31 March 2016	**2.11**	**3.96**	**0.43**	**453.93**	**22.51**	**1,509.34**	**(0.25)**	**1992.03**

Particulars	Share options outstanding account	Capital redemption reserve	Capital reserve	General reserve	Securities premium	Retained earnings	Other Items of OCI	Total
Balance as at 1 April 2016	2.11	3.96	0.43	453.93	22.51	1,509.34	(0.25)	1,992.03
Additions:								
Share based payment expense	5.47	-	-	-	-	-	-	5.47
Transfer from Share options outstanding account	-	-	-	-	1.66	-	-	1.66
On issue of equity shares	-	-	-	-	5.83	-	-	5.83
Transfer from retained earnings	-	-	-	84.37	-	-	-	84.37
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(0.24)	(0.24)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	843.69	-	843.69
	7.58	**3.96**	**0.43**	**538.30**	**30.00**	**2,353.03**	**(0.49)**	**2,932.81**
Deductions:								
Transfer to general reserve	-	-	-	-	-	84.37	-	84.37
Transfer to securities premiunm	1.66	-	-	-	-	-	-	1.66
Dividends	-	-	-	-	-	239.95	-	239.95
Tax on dividend	-	-	-	-	-	48.85	-	48.85
Balance as at 31 March 2017	**5.92**	**3.96**	**0.43**	**538.30**	**30.00**	**1,979.86**	**(0.49)**	**2,557.98**

Nature and purpose of other reserves

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued under Britannia Industries Limited Employee Stock Option Scheme.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Capital redemption reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Capital reserve

Capital reserve represents subsidy received for industrial undertaking under Central Capital Investment Subsidy Scheme, 2003.

Dividends

The following dividends were declared and paid by the Company during the year.

As at	31 March 2017	31 March 2016
₹ 20 per equity share (31 March 2016: ₹16) to equity shareholders	239.95	191.88
₹ 20 per equity share (31 March 2016: ₹ Nil) issued under ESOS	-	0.08
Dividend distribution tax (DDT) on dividend to equity shareholders	48.85	39.06
Dividend distribution tax (DDT) on dividend on equity shares issued under ESOS	-	0.02
	288.80	231.04

After the reporting dates, dividend of ₹22 (31 March 2016: ₹20) per equity share were proposed by the directors subject to the approval at the annual general meeting ; the dividends have not been recognised as liabilities. Dividends would attract dividend distibution tax when declared or paid.

As at	31 March 2017	31 March 2016	1 April 2015
Note 20 - Borrowings			
Secured			
Long-term maturities of finance lease obligations	0.44	0.49	0.73
[Refer note 23 (a) for details of maturity period, repayment terms and rate of interest]			
[Secured by hypothecation of assets (vehicles) taken on lease]			
	0.44	0.49	0.73
Note 21 - Other financial liabilities			
Deposits from customers	22.86	21.09	19.68
	22.86	21.09	19.68
Note 22 - Trade payables			
Total outstanding dues of micro and small enterprises [Refer note below]	2.69	4.00	5.19
Total outstanding dues of other than micro and small enterprises*	641.13	640.72	593.10
	643.82	644.72	598.29

Note:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2017. 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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

As at	31 March 2017	31 March 2016	1 April 2015
- Principal	2.69	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 the payments made to micro and small suppliers beyond the appointed day during each accounting 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 deductable expenditure under the MSMED Act, 2006	-	-	-
*Includes dues to related party (refer note 44)			
The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 54.			

Note 23 - Other financial liabilities

Current maturities of finance lease obligations (refer note (a) below)	0.18	0.19	0.24
Unpaid dividend *	3.37	2.99	2.73
Unclaimed debenture interest *	0.44	0.44	0.46
Unclaimed debenture redemption balance *	1.11	1.12	1.16
Interest accrued but not due	1.36	1.16	1.42
Creditors for capital goods	31.05	24.18	14.37
Book overdraft	9.92	11.30	12.95
Payroll related liabilities	42.33	38.09	25.68
Accrued expenses	33.43	32.07	31.12
Other payables	19.74	17.86	15.74
	142.93	**129.40**	**105.87**

* Investor Education and Protection Fund shall be credited when due.

[Refer note 49]

Note:

(a) Rate of interest for finance lease obligations ranges from 15.54% to 19.19% per annum. Number of repayment installments (quarterly) for lease obligations ranges from 3 to 12. Period of maturity for the lease obligations ranges from 8 months to 3 years [Refer note 36 (b)].

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 24 - Other current liabilities			
Advance from customers	14.18	14.18	13.46
Statutory liabilities (VAT, TDS, PF etc.)	60.84	52.80	58.03
Deferred revenue*	10.60	15.01	20.28
	85.62	**81.99**	**91.77**

* The deferred revenue relates to loyalty credit points granted to the customers as part of sales transactions and has been estimated with reference to the fair value of the products for which they could be redeemed. Closing balance represents the estimated liability towards unredeemed points. Refer below the reconciliation:

Opening balance	15.01	20.28	
Deferred during the year	15.15	15.80	
Released to the statement of profit and loss	19.56	21.07	
Closing balance	**10.60**	**15.01**	

Note 25 -Provisions			
Provision for compensated absences	10.82	8.58	7.86
Others:			
Excise and service tax related issues (a)	55.91	53.12	51.68
Sales tax and other issues (a)	86.44	83.42	61.67
Trade and other issues (a)	21.31	21.20	20.79
	174.48	**166.32**	**142.00**

(a) Refer note 40.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2017	31 March 2016
Note 26 - Revenue from operations		
Sale of goods	8,577.14	7,875.29
Customer loyalty programme	4.41	5.27
Total (a)	**8,581.55**	**7,880.56**
Other operating revenues		
Royalty income	16.10	16.45
Scrap sales	30.43	26.31
Other receipts [Refer note below]	51.04	34.22
Provisions and liabilities no longer required written back, net	5.27	3.08
Total (b)	**102.84**	**80.06**
Total revenue from operations (a+b)	**8,684.39**	**7,960.62**

Note: Includes an amount of ₹ 35.30 (31 March 2016: ₹ 28.99) towards VAT incentive for the Hajipur Factory, Bihar and Khurda Factory, Orissa in accordance with the State Industrial Policy of Bihar and Orissa.

Note 27 - Other income		
Interest income from financial assets carried at amortised cost	92.86	75.30
Dividend income	0.02	0.02
Net gain on financial asset measured at fair value through profit and loss*	50.10	42.64
Other receipts	1.80	1.87
	144.78	**119.83**

*Includes unrealised gain amounting ₹ 23.72 (31 March 2016 ₹ 24.98)

Note 28 - Cost of materials consumed		
Inventory of materials at the beginning of the year	174.14	149.39
Add: Purchases	4,505.11	3,836.81
Less: Inventory of materials at the end of the year	336.47	174.14
	4,342.78	**3,812.06**

Note 29 - Purchase of stock-in-trade		
Biscuits and high protein food	512.57	488.46
Bread, bread toast and rusk	70.51	64.40
Cake	291.00	249.84
Others	30.70	30.31
	904.78	**833.01**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2017	31 March 2016
Note 30 - Changes in inventories of finished goods, work-in-progress and stock- in-trade		
Opening inventory:		
- Finished goods	170.05	164.46
- Stock-in-trade	20.25	15.83
- Work-in-progress	0.28	0.29
Closing inventory:		
- Finished goods	216.96	170.05
- Stock-in-trade	23.37	20.25
- Work-in-progress	1.81	0.28
(Increase) / decrease in inventory	(51.56)	(10.00)
Less: Excise duty on opening stock of finished goods	(10.06)	(7.18)
Add: Excise duty on closing stock of finished goods	12.37	10.06
	2.31	2.88
	(49.25)	(7.12)
Note 31 - Employee benefits expense		
Salaries, wages and bonus	216.46	197.19
Contribution to provident and other funds [Refer note 45 (a)]	8.88	7.59
Share based payment expense	5.47	2.25
Staff welfare expenses	10.87	9.21
	241.68	**216.24**
Note 32 - Finance costs		
Finance cost on finance lease obligation	0.07	0.12
Others	1.27	1.13
	1.34	**1.25**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2017	31 March 2016
Note 33 - Other expenses		
Consumption of stores and spares	15.68	13.65
Power and fuel	75.04	57.50
Rent [Refer note 36 (a)]	56.37	50.71
Repairs and maintenance:		
- Plant and equipment (a)	9.16	8.36
- Buildings (a)	2.15	2.02
- Others	24.95	22.11
Insurance	2.14	1.92
Rates and taxes, net	29.57	25.25
Carriage, freight and distribution	426.30	406.85
Auditors' remuneration (b):		
- Audit fees	1.19	1.01
- Other services	0.09	0.13
- Expenses reimbursed	0.08	0.08
Corporate social responsibility [Refer note 48]	15.80	10.46
Allowance for doubtful receivables and loans, net	0.22	1.05
Provision for impairment in value of investments in subsidiaries	2.69	-
Advertising and sales promotion	322.07	384.25
Conversion charges	557.97	557.39
Foreign exchange loss, net	0.75	0.30
Loss on sale/ write off of property, plant and equipment, net	1.71	5.19
Miscellaneous	226.30	210.94
	1,770.23	**1,759.17**
(a) Includes stores and spares consumed	3.86	3.91
(b) Exculding service tax		

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 34 - Income tax

(a) Amounts recognised in Statement of Profit and Loss

For the year ended	31 March 2017	31 March 2016
Current tax	390.20	384.22
Deferred tax		
Attributable to origination and reversal of temporary differences	17.27	1.60
Tax expense for the year	**407.47**	**385.82**

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2017			31 March 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to statement of profit and loss						
Remeasurements of the defined benefit plans	(0.37)	0.13	(0.24)	(0.38)	0.13	(0.25)
	(0.37)	**0.13**	**(0.24)**	**(0.38)**	**0.13**	**(0.25)**

(c) Reconciliation of effective tax rate

For the year ended	31 March 2017		31 March 2016	
Profit before tax		**1,251.16**		**1,149.13**
Tax using the Company's domestic tax rate (31 March 2017: 34.61% and 31 March 2016: 34.61%)	34.61%	433.03	34.61%	397.72
Tax effect of:				
Tax exempt income	(0.03%)	(0.35)	(0.03%)	(0.35)
Weighted deduction on research and development expenditure	(0.96%)	(12.05)	0.00%	-
Investment allowance deduction	(0.83%)	(10.35)	(0.51%)	(5.91)
Others	(0.22%)	(2.81)	(0.49%)	(5.64)
	32.57%	**407.47**	**33.58%**	**385.82**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities) / asset, net	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Property, plant and equipment	-	-	43.52	22.18	(43.52)	(22.18)
Investment at fair value through profit and loss	-	-	4.59	6.46	(4.59)	(6.46)
Employee benefits, net	1.32	1.99	-	-	1.32	1.99
Statutory dues	44.13	42.10	-	-	44.13	42.10
Provisions	7.57	7.48	-	-	7.57	7.48
Other items	1.52	0.77	-	-	1.52	0.77
	54.54	**52.34**	**48.11**	**28.64**	**6.43**	**23.70**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(e) Movement in temporary differences

	As at 1 April 2015	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2016
Property, plant and equipment	(15.69)	(6.49)	-	-	-	(22.18)
Investment at fair value through profit and loss	(1.72)	(4.74)	-	-	-	(6.46)
Employee benefits, net	3.73	(1.74)	-	-	-	1.99
Statutory dues	31.46	10.64	-	-	-	42.10
Provisions	7.20	0.28	-	-	-	7.48
Other items	0.32	0.45	-	-	-	0.77
	25.30	**(1.60)**	**-**	**-**	**-**	**23.70**

	As at 1 April 2016	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2017
Property, plant and equipment	(22.18)	(21.34)	-	-	-	(43.52)
Investment at fair value through profit and loss	(6.46)	1.87	-	-	-	(4.59)
Employee benefits, net	1.99	(0.67)	-	-	-	1.32
Statutory dues	42.10	2.03	-	-	-	44.13
Provisions	7.48	0.09	-	-	-	7.57
Other items	0.77	0.75	-	-	-	1.52
	23.70	**(17.27)**	**-**	**-**	**-**	**6.43**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2017, 31 March 2016 and 1 April 2015

As at	31 March 2017	31 March 2016	1 April 2015
Income tax assets (net)	16.58	16.40	10.00
Current tax liabilities (net)	41.86	37.07	38.17
Net current income tax asset / (liability) at the end of the year	**(25.28)**	**(20.67)**	**(28.17)**

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2017 and 31 March 2016 is as follows.

For the year ended	31 March 2017	31 March 2016
Net current income tax asset / (liability) at the beginning of the year	(20.67)	(28.17)
Income tax paid	385.49	391.57
Current income tax expense	(390.20)	(384.22)
Income tax on other comprehensive income and others	0.13	0.13
Net current income tax asset / (liability) at the end of the year	**(25.28)**	**(20.67)**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 35 Contingent liabilities and commitments: (to the extent not provided for) :

(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 ₹ 60.08 (31 March 2016: ₹ 146.82, 1 April 2015: ₹44.49)

(b) Bank guarantees and letters of credit for ₹ 43.75 (31 March 2016: ₹ 25.12, 1 April 2015: ₹22.46)

(c) Discounted cheques ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹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 40,41 and 49].

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 167.44 (31 March 2016: ₹ 131.78, 1 April 2015: ₹ 106.82).

(b) The Company has furnished the following corporate guarantees:

	Banking facilities given to	Name of the bank	31 March 2017	31 March 2016	1 April 2015
(i)	Britannia and Associates (Mauritius) Private Limited, Mauritius * [Refer note 38]	Bank of Tokyo	84.31	-	-
		Mizuho Bank	-	86.15	-
		Bank of America	-	-	103.12

* These are the loan balances outstanding against the corporate guarantees mentioned above : Bank of Tokyo: ₹ 84.31 (USD 1.3), [31 March 2016: Mizuho Bank: ₹ 86.15 (USD 1.3), 1 April 2015 : ₹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 judgements 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 2017	31 March 2016	1 April 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	8.83	41.49	30.62
(iii)	Al Sallan Food Industries Co. SAOC	Royal Bank of Scotland	-	12.63	11.91
	Al Sallan Food Industries Co. SAOC	Standard Chartered Bank	8.42	-	-
(iv)	J B Mangharam Foods Private Limited	ICICI Bank	-	24.00	-
	J B Mangharam Foods Private Limited	HSBC Bank	25.00	-	-
(v)	Manna Foods Private Limited	ICICI Bank	3.50	3.50	-

These letters are not to be construed as a guarantee issued by the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 36 **(a) Operating leases**

(i) 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 ₹ 8.89 (31 March 2016: ₹ 6.76) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

(ii) The Company has certain cancellable arrangements with contract packers (which conveys a right to use an asset in return for a payment or a series of payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 47.48 (31 March 2016: ₹ 43.95) 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 2017		31 March 2016		1April 2015	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.24	0.18	0.28	0.19	0.37	0.24
Later than 1 year and not later than 5 years	0.46	0.44	0.52	0.49	0.85	0.73
	0.70	0.62	0.80	0.68	1.22	0.97

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.08 (31 March 2016: ₹ 0.12, 1 April 2015: ₹0.25) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

Note 37 **(i) Details of Non-current investments purchased and sold during the year:**

	Face value per unit	As at 1 April 2016	Purchase during the year	Sold during the year	As at 31 March 2017
Trade investments - Unquoted					
(a) Investments in equity instruments (fully paid)					
Subsidiaries					
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	1.75	-	-	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	28.69	-	-	28.69
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	121.69	-	-	121.69

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

		Face value per unit	As at 1 April 2016	Purchase during the year	Sold during the year	As at 31 March 2017
	Less: Provision for diminution in value of investments		(59.00)	-	-	(59.00)
	Less: Provision made during the year		-	-	-	(2.69)
			185.70	-	-	183.01
	Associates					
	Klassik Foods Private Limited	₹ 100	0.32	-	-	0.32
	Nalanda Biscuits Company Limited	₹ 10	0.28	-	-	0.28
	Sunandaram Foods Private Limited	₹ 10	-	14.50	-	14.50
			0.60	14.50	-	15.10
(b)	**Investments in preference shares (fully paid)**					
	Subsidiaries					
	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
(c)	**Investments in debentures / bonds**					
	Subsidiaries					
	International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹ 100,000	5.82	-	-	5.82
			5.82	-	-	5.82
	Non-Trade investments - Quoted					
(a)	**Investments with insurance companies**					
	HDFC Standard Life Insurance Company Limited - Group Leave Encashment *	₹ 10	5.09	0.36	-	5.45
	ICICI Prudential Life Insurance Company Limited - Group Leave Encashment *	₹ 10	5.58	0.70	-	6.28
			10.67	1.06	-	11.73
	* The movement is on account of fair valuation through profit and loss.					
(b)	**Investments in debentures / bonds**					
	Tata Capital 10.25% Secured Redeemable Non Convertible Debentures	₹ 500,000	25.00	-	-	25.00
			25.00	-	-	25.00
(c)	**Investments in Tax free bonds**					
	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
			247.95	15.56	-	260.82

NOTES TO STANDALONE 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 2015	Purchase during the year	Sold during the year	As at 31 March 2016
Trade investments - Unquoted					
(a) Investments in equity instruments (fully paid)					
Subsidiaries					
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
Less: Reduction in carrying value of investments due to business combination		(2.98)	-	-	(2.98)
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)
		180.75	4.95	-	185.70
Associates					
Klassik Foods Private Limited	₹ 100	0.32	-	-	0.32
Nalanda Biscuits Company Limited	₹ 10	0.28	-	-	0.28
		0.60	-	-	0.60
(b) Investments in preference shares (fully paid)					
Subsidiaries					
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
(c) Investments in debentures / bonds					
Subsidiaries					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹ 100,000	6.77	-	0.95	5.82
		6.77	-	0.95	5.82

NOTES TO STANDALONE 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
Non - Trade investments - Quoted					
(a) **Investments with insurance companies**					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment *	₹10	4.72	0.37	-	5.09
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment *	₹10	5.21	0.37	-	5.58
		9.93	0.74	-	10.67
* The movement is on account of fair valuation through profit and loss.					
(b) **Investments in debentures / bonds**					
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
(c) **Investments in tax free bonds**					
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
		229.10	94.80	0.95	322.95

(iii) **Details of Current investments purchased and sold during the current year:**

	Face value per unit	As at 1 April 2016	Purchase during the year	Sold during the year	As at 31 March 2017
Investments in debentures / bonds					
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
		75.00	-	-	75.00

₹ in Crores

Note 38 (a) Details of loans during the year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2016	Given during the year	Repayment during the year	As at 31 March 2017
Manna Foods Private Limited	Subsidiary	Unsecured	10%	10 years	58.98	6.65	3.32	62.31
International Bakery Products Limited	Subsidiary	Unsecured	10%	8 - 10 years	24.49	4.06	1.91	26.64
Purbasha Properties Private Limited	Others	Unsecured	10%	10 years	2.48	-	0.56	1.92
Real Agro Industries Private Limited	Others	Unsecured	10%	5 years	0.81	-	0.45	0.36
Super Dairy Farm	Others	Unsecured	10%	5 years	2.20	-	-	2.20
					88.96	10.71	6.24	93.43

Details of loans during the previous year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2015	Given during the year	Repayment/ conversion 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
					80.49	15.85	7.38	88.96

The loans have been given for capital expansion

(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 2016	Placed during the year	Refunded during the year	As at 31 March 2017
Bajaj Finance Limited	Others	Unsecured	8.00 - 9.25.%	1 to 3 years	80.00	20.79	30.00	70.79
Kotak Mahindra Prime Limited	Others	Unsecured	8.46%	1 year 6 months	10.00	-	-	10.00
Kotak Mahindra Investments Limited	Others	Unsecured	8.51 - 8.97%	15 to 18 months	75.00	-	40.00	35.00
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	9.45%	6 months	10.00	25.00	35.00	-

₹ in Crores

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2016	Placed during the year	Refunded during the year	As at 31 March 2017
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	12.0%	1 year	100.00	250.00	-	350.00
Scal Services Limited (Based on comfort letter from Bombay Dyeing & Manufacturing Co. Ltd.)	Others	Unsecured	12.25%	1 year	125.00	-	125.00	-
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
PNB Houisng Finance Limited	Others	Unsecured	8.10%	1 year	-	25.00	-	25.00
HDFC Limited	Others	Unsecured	7.60%	1 year	-	150.00	-	150.00
					585.00	470.79	255.00	800.79

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 2015	Placed during the year	Refunded during the year	As at 31 March 2016
Bajaj Finance Limited	Others	Unsecured	8.70 - 9.90.%	1 to 3 years	25.00	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 (Based on comfort letter from Bombay Dyeing & Manufacturing Co. Ltd.)	Others	Unsecured	12.25%	1 year	175.00	-	50.00	125.00
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
					300.00	360.00	75.00	585.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 39 **Details of corporate guarantee:**

	As at 1 April 2016	Given during the year	Withdrawn during the year	Adjustments *	As at 31 March 2017
Britannia and Associates (Mauritius) Private Limited - Mizuho Bank	86.15	-	(86.81)	0.66	-
Britannia and Associates (Mauritius) Private Limited - The Bank of Tokyo - Mitsubishi UFJ, Ltd.	-	86.81	-	(2.50)	84.31

	As at 1 April 2015	Given during the year	Withdrawn during the year	Adjustments *	As at 31 March 2016
Britannia and Associates (Maurutius) 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

* 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 Mizuho Bank -USD 1.3 was repaid on 13 October 2016 and fresh loan was availed from The Bank of Tokyo - Mitsubishi UFJ, Ltd. outstanding USD 1.3 for which Britannia Industries Limited has given Corporate Guarantee of USD 1.3. This loan is towards working capital facilities for Al Sallan Food Industries Co. SAOC/ Strategic Food International Co. LLC, Dubai.

Note 40 In accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Act, certain classes of liabilities have been identified as provisions which have been disclosed as under:

		1 April 2016	Additions *	Utilisation *	Reversals / adjustments *	31 March 2017
(a)	Excise and service tax related issues	53.12	2.79	-	-	55.91
(b)	Sales tax and other issues	83.42	14.33	(2.14)	(9.17)	86.44
(c)	Trade and other issues	21.20	0.11	-	-	21.31

		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

(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 Ind AS 37 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 41

With respect to the matter related to the refund of excess contribution by the Britannia Industries Covenanted Staff Pension Fund ("CSPF") 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 the suit filed by the Britannia Industries Limited Pensioners Welfare Association (PWA), 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 of the Company 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 as well as CSPF appealed against the Honourable City Civil Court's judgement in the Honourable High Court of Karnataka. In response to the appeals 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 PWA through their legal counsel had submitted that they will not precipitate execution before the trial court during mediation.

As a result of the mediation process, a Memorandum of Settlement ('MoS') dated 29 August 2016 was entered into between the PWA, the Company and Trust funds. As per the terms of the MoS and the Decree passed by the Honourable High Court of Karnataka dated 18 October 2016, the Company, inter alia, filed an application with the Honourable High Court at Calcutta for obtaining approval to use the fixed deposit held in the name of the Trust and interest thereon. In response to the petition filed by the CSPF, the Honourable High Court of Calcutta passed an order wherein it directed the CIT, calcutta to consider the representations made by the PWA and the Company. On 9 January 2017, the CIT passed an order wherein, in continuation to the show cause notice dated 11 April 2007, the approval accorded to the CSPF was withdrawn w.e.f. AY 2003-04 in view of Rule 91(2) of the Income Tax Rules, 1962. The CSPF filed a Writ petition with the Honourable High Court at Calcutta against the said order of CIT, Kolkata. On 3rd February 2017, while admitting the writ, the Honourable High Court of Calcutta did not pass any interim order or grant stay against the order of the CIT. Aggrieved by the same, the CSPF filed an appeal in the Division Bench of Calcutta High Court which was heard on 10 March 2017 and the Calcutta High Court granted the stay. However it restrained the Company from encashing the fixed deposit of ₹ 12.12 It also directed the single bench of the Calcutta High Court to dispose of the writ petition as expeditiously as possible. The matter before the single bench is yet to be listed for hearing.

In the meanwhile, 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 42 **Earnings per equity share**

		31 March 2017	31 March 2016
(a)	Net profit attributable to the equity shareholders	843.69	763.31
(b)	Weighted average number of equity shares outstanding during the year	119,991,020	119,966,116
(c)	Effect of potential equity shares on employee stock option outstanding	20,588	31,973
(d)	Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	120,011,608	119,998,089
	Nominal value of equity shares (₹)	2	2
	Basic earnings per share (₹)	70.31	63.63
	Diluted earnings per share (₹)	70.30	63.61

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 43 Segmental information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

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

Note 44 Related parties

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
	Britchip Foods 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
	Sunandaram Foods Private Limited*
5. Other related party	Bombay Dyeing & Manufacturing Co. Ltd. (w.e.f 20 March 2017)

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

6. Post employment-benefit plan entities	Britannia Industries Limited Management Staff Provident Fund Britannia Industries Limited Covenated Staff Gratuity Fund Britannia Industries Limited Non Covenated Staff Gratuity Fund Britannia Industries Limited Covenated Staff Pension Fund Britannia Industries Limited Officers Pension Fund
7. Key Management Personnel (KMP)	
Managing Director	Mr. Varun Berry
Chief Financial Officer	Mr. N.Venkataraman# Mr. Amlan Datta Majumdar##
Company Secretary	Mr. Rajesh Arora
Non-Executive Directors	Mr. Nusli N Wadia Mr. Ness N Wadia Mr. A K Hirjee Mr. Nimesh N Kampani Mr. S S Kelkar Mr. Avijit Deb Dr. Ajai Puri Mr. Jeh N Wadia Mr. Keki Dadiseth Mr. Nasser Munjee Mrs. Ranjana Kumar Dr. Y.S.P.Thorat ^ Mr. Ajay Shah ^

* On 9 March 2017 , the Company has acquired 26% of the voting shares of Sunandaram Foods Private Limited.

Mr. N.Venkataraman appointed as Chief Financial Officer on 1 December 2016

Mr. Amlan Datta Majumdar relinquished office on 30 November 2016

^ Dr. Y.S.P. Thorat & Mr. Ajay Shah were appointed as additional directors of the Company on 13 February 2017.

	Relationship	31 March 2017	31 March 2016
Related party transactions during the year:			
Investments made			
Equity shares:			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	-	4.00
Sunandaram Foods Private Limited	Associate	14.50	-
Total		14.50	4.00
Conversion of Debentures to equity shares			
International Bakery Products Limited	Subsidiary	-	0.95
Advance for purchase of shares			
Boribunder Finance and Investments Private Limited	Subsidiary	0.05	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2017	31 March 2016
Purchase of property			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	9.40	-
Contributions during the year (includes Employees' share and contribution)			
Britannia Industries Limited Management Staff Provident Fund	Post employment-benefit plan entities	7.65	7.04
Britannia Industries Limited Covenated Staff Gratuity Fund		1.11	0.96
Britannia Industries Limited Non Covenated Staff Gratuity Fund		1.66	0.74
Britannia Industries Limited Covenated Staff Pension Fund		0.28	0.29
Britannia Industries Limited Officers Pension Fund		0.32	0.34
Total		11.02	9.37
Shared service income			
Britannia Dairy Private Limited	Subsidiary	1.60	1.60
Sales promotion expenses			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	-	0.71
Rental income			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.02	0.03
Remittance of dividend			
Associated Biscuits International Limited (ABIL), UK	Holding Company	107.81	86.25
Others	Fellow subsidiary companies	13.95	11.14
Total		121.76	97.39
SAP license fee recovered from			
J B Mangharam Foods Private Limited	Subsidiary	0.02	0.01
International Bakery Products Limited	Subsidiary	0.04	0.03
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	0.04	0.03
Strategic Food International Co. LLC, Dubai	Subsidiary	0.11	0.06
Al Sallan Food Industries Co. SAOC	Subsidiary	0.07	0.04
Total		0.32	0.21
Purchase of finished goods / consumables and ingredients			
Sunrise Biscuit Company Private Limited	Subsidiary	122.65	178.75
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	-	0.05
Nalanda Biscuits Company Limited	Associate	85.85	69.09
Sunandaram Foods Private Limited	Associate	19.93	-
Total		228.43	247.89
Conversion and rental charges			
International Bakery Products Limited	Subsidiary	34.32	36.45
J B Mangharam Foods Private Limited	Subsidiary	37.29	35.97
Ganges Vally Foods Private Limited	Subsidiary	18.11	19.82
Manna Foods Private Limited	Subsidiary	38.99	37.11
Klassik Foods Private Limited	Associate	4.60	4.46
Total		133.31	133.81

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2017	31 March 2016
Sale of goods / consumables and ingredients			
Sunrise Biscuit Company Private Limited	Subsidiary	1.52	1.28
Strategic Food International Co. LLC, Dubai	Subsidiary	30.11	25.57
Britannia Dairy Private Limited	Subsidiary	0.28	0.50
Nalanda Biscuits Company Limited	Associate	1.23	0.74
Sunandaram Foods Private Limited	Associate	0.58	-
Total		33.72	28.09
Interest, corporate guarantee fees and dividend income			
Manna Foods Private Limited	Subsidiary	6.27	5.55
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.23	0.24
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	4.80	4.81
International Bakery Products Limited	Subsidiary	2.68	2.21
Klassik Foods Private Limited	Associate	0.02	0.02
Total		14.00	12.83
Reimbursement of expenses			
Strategic Food International Co. LLC, Dubai	Subsidiary	-	0.04
Royalty income			
Strategic Food International Co. LLC, Dubai	Subsidiary	13.58	13.69
Key management personnel compensation			
Short-term employee benefits		9.11	8.86
Post-employment defined benefits		0.36	0.35
Other long term benefits		0.11	0.07
Share-based payments		5.47	2.25
Sitting fees		0.32	0.33
Commission		7.66	7.04
Travelling expenses		0.15	0.13
Shares allotted under employee stock option scheme for consideration received during the year			
Mr. Varun Berry	KMP		
Equity shares		0.01	0.01
Securities premium		7.49	5.36
Total		7.50	5.37
Loan given to			
Manna Foods Private Limited	Subsidiary	6.65	10.15
International Bakery Products Limited	Subsidiary	4.06	5.70
Total		10.71	15.85
Loan repaid by			
Manna Foods Private Limited	Subsidiary	3.32	4.58
International Bakery Products Limited	Subsidiary	1.91	1.94
Total		5.23	6.52

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Related party closing balances as on balance sheet date:

	Relationship	31 March 2017	31 March 2016	1 April 2015
Outstanding - net receivables / (payables)				
Ganges Vally Foods Private Limited	Subsidiary	(0.34)	(1.81)	(0.45)
J B Mangharam Foods Private Limited	Subsidiary	(2.44)	(3.48)	(0.41)
International Bakery Products Limited	Subsidiary	30.05	25.74	22.63
Sunrise Biscuit Company Private Limited	Subsidiary	0.97	3.56	8.30
Manna Foods Private Limited	Subsidiary	67.34	61.53	56.24
Al Sallan Food Industries Co. SAOC	Subsidiary	0.06	0.04	0.30
Strategic Food International Co. LLC, Dubai	Subsidiary	4.58	4.71	4.00
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.01	0.12	0.06
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.43	0.44	0.43
Britannia Dairy Private Limited	Subsidiary	0.70	0.42	0.42
Boribunder Finance and Investments Private Limited	Subsidiary	0.05	-	-
Nalanda Biscuits Company Limited	Associate	0.87	1.41	(0.56)
Klassik Foods Private Limited	Associate	0.08	0.04	(0.12)
Sunandaram Foods Private Limited	Associate	2.35	-	-
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	40.00	40.00	40.00
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	440.63	100.00	-
Total		585.34	232.72	130.84
Provision for doubtful loans / advances				
Manna Foods Private Limited	Subsidiary	**1.04**	**1.04**	**1.04**
Investment in debentures held				
International Bakery Products Limited	Subsidiary	**5.82**	**5.82**	**6.77**
Investment in shares held				
Britannia Dairy Private Limited	Subsidiary	76.02	76.02	76.02
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	121.69	121.69	121.69
Sunrise Biscuit Company Private Limited	Subsidiary	14.03	14.03	14.03
Ganges Vally Foods Private Limited	Subsidiary	0.72	0.72	0.72
J B Mangharam Foods Private Limited	Subsidiary	0.54	0.54	0.54
International Bakery Products Limited	Subsidiary	1.75	1.75	0.80
Boribunder Finance and Investments Private Limited	Subsidiary	2.58	2.58	2.58
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	28.69	28.69	24.69

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2017	31 March 2016	1 April 2015
Manna Foods Private Limited	Subsidiary	4.67	4.67	4.67
Britannia Dairy Holdings Private Limited, Mauritius	Subsidiary	0.06	0.06	0.06
Klassik Foods Private Limited	Associate	0.32	0.32	0.32
Nalanda Biscuits Company Limited	Associate	0.28	0.28	0.28
Sunandaram Foods Private Limited	Associate	14.50	-	-
Total		265.85	251.35	246.40
Provision for diminution in value of investment				
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	35.00	35.00	35.00
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	26.69	24.00	24.00
Total		61.69	59.00	59.00
Corporate Guarantee				
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	**84.31**	**86.15**	**103.12**
Letter of awareness / comfort				
Strategic Food International Co. LLC, Dubai	Subsidiary	8.83	41.49	30.62
Al Sallan Food Industries Co. SAOC	Subsidiary	8.42	12.63	11.91
Britannia Dairy Private Limited	Subsidiary	-	4.50	4.50
J B Mangharam Foods Private Limited	Subsidiary	25.00	24.00	-
Manna Foods Private Limited	Subsidiary	3.50	3.50	-
Total		45.75	86.12	47.03
Letter of financial and operational support given to the following subsidiaries:				
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			
Sunrise Biscuit Company Private Limited	Subsidiary			

Notes:

(i) 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 45 Employee benefits

(a) Post retirement benefit - Defined contribution plans

The Company has recognised an amount of ₹ 7.43 (31 March 2016: ₹ 6.54) as expenses under the defined contribution plans in the statement of profit and loss for the year:

	31 March 2017	31 March 2016
Benefit (Contribution to)		
Provident Fund *	4.95	4.42
Family Pension Scheme	1.90	1.52
Pension Fund	0.58	0.60
Total	7.43	6.54

* 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.

(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 2017	31 March 2016
1.	Reconciliation of net defined benefit asset / (liability)		
(i)	Reconciliation of present value of defined benefit obligation		
	Obligations as at 1 April	13.25	11.86
	Service cost	1.55	1.10
	Interest cost	0.94	0.94
	Benefits settled	(0.98)	(1.18)
	Actuarial loss due to financial assumptions	0.67	0.29
	Actuarial (gain) / loss due to experience adjustments	(0.04)	0.24
	Obligations as at year end 31 March	15.39	13.25
(ii)	Reconciliation of present value of plan asset:		
	Plan assets as at 1 April at fair value	14.13	12.46
	Expected return on plan assets	1.04	0.99
	Return on assets excluding interest income	0.26	0.15
	Contributions	2.62	1.71
	Benefits settled	(0.98)	(1.18)
	Plan assets as at 31 March at fair value	17.07	14.13

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

		31 March 2017	31 March 2016
(iii)	Reconciliation of net defined benefit asset:		
	Present value of obligation as at 31 March	15.39	13.25
	Plan assets as at 31 March at fair value	17.07	14.13
	Amount recognised in balance sheet asset	1.68	0.88
2.	Expenses recognised in the statement of profit and loss under Employee benefit expense:		
	Current service cost	1.55	1.10
	Interest cost	0.94	0.94
	Interst income	(1.04)	(0.99)
	Net cost	1.45	1.05
3.	Remeasurements recognised in statement of Other comprehensive income		
	Actuarial loss on defined benefit obligation	0.63	0.53
	Return on plan assets excluding interest income	(0.26)	(0.15)
	Loss recognised in statement of other comprehensive income	0.37	0.38
4.	Amount recognised in the balance sheet:		
	Opening asset	(0.88)	(0.60)
	Expense as above	1.82	1.43
	Employers' contribution paid	(2.62)	(1.71)
	Closing asset	(1.68)	(0.88)
5.	Experience adjustment:		
	On plan liabilities (gain) / loss	(0.04)	0.24
	On plan assets gain	0.26	0.15
6.	Investment details:	% Invested	% Invested
	Government of India securities	4.15	5.11
	State Government securities	36.07	33.08
	Public sector securities	51.17	53.76
	Mutual funds	4.45	3.80
	Special deposit scheme	3.45	4.25
	Short term deposit	0.71	-
		100.00	100.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

		31 March 2017	31 March 2016	1 April 2015
7.	Principal actuarial assumptions:			
	Discount factor [Refer note (i) below]	6.90%	7.56%	7.92%
	Estimated rate of return on plan assets [Refer note (ii) below]	6.90%	7.56%	7.92%
	Attrition rate:			
	Age related (Service related):			
	5 years and above	4%	4%	4%
	Below 5 years	16%	16%	16%
	Salary escalation rate [Refer note (iii) below]	5%	5%	5%
	Retirement age (in years)	58	58	58
8.	Maturity profile of defined benefit obligation:			
	Within 1 year	2.04		
	1-2 year	1.59		
	2-3 year	2.44		
	3-4 year	1.74		
	4-5 year	1.82		
	5- 10 year	11.53		

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.

Sensitivity analysis

The sensitivity analysis of significant actuarial assumption as at end of reporting period is shown below.

		31 March 2017	31 March 2016
A.	Discount rate		
	Discount rate -50 basis points	15.93	13.70
	Assumptions	6.40%	7.06%
	Discount rate +50 basis points	14.87	12.83
	Assumptions	7.40%	8.06%
B.	Salary escalation rate		
	Salary rate -50 basis points	14.89	12.84
	Assumptions	4.50%	4.50%
	Salary rate +50 basis points	15.90	13.68
	Assumptions	5.50%	5.50%
C.	Withdrawal rate		
	Withdrawal rate -50 basis points	15.29	13.13
	Withdrawal rate +50 basis points	15.46	13.35

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Subsidiaries						
Manna Foods Private Limited	62.31	58.98	53.41	64.41	60.17	58.67
International Bakery Products Limited	26.64	24.49	20.73	28.01	25.14	21.06

Note 47 **Government grant**

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 (31 March 2016: ₹ 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 ₹ 2.15 (31 March 2016: ₹ 2.86, 1 April 2015: ₹ 3.57) has been classified as government grant in the balance sheet [Refer note 3 (k)].

Note 48 **Corporate Social Responsibility**

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 15.80 (31 March 2016: ₹ 10.46) in accordance with Section 135 of the Companies Act, 2013.The following amounts were spent during the current & previous years:

For the year ended		31 March 2017	31 March 2016
(i)	Amount spent other than for construction/ acquistion of any asset	15.80	10.46
(ii)	Amount accrued and spent	-	-
	Total	15.80	10.46

Note 49 During the previous year ended 31 March 2016, 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 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 appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to past transactions.The report of the external agency was submitted with SEBI by the Comapny vide its letter dated 12 July 2016. The Company will evaluate additional steps, if any, based on 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 devolve 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 50 During the year ended 31 March 2016, the Board of Directors in its meeting dated 9 February 2016 had 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 relevant petition has been filed before the respective jurisdictional High courts has been sanctioned on dated 7 October 2016. Upon necessary filings with the respective Registrars of Companies, the scheme has become effective from 1 April 2015 (Ápointed date") and effect thereof have been given in these financial statements. Consequently, all assets and liabilities of manufacturing and Retail sales businesses consisting of the manufacturing facility, retail outlets/ stores and the brand/ trademark of Daily Bread, as a going concern transferred to and vested in the Company in accordance with the provisions of the scheme with effect from the appointed date.

The Company has given effect to the Scheme in the accounts with effect from 1 April 2015, being the appointed date. As stipulated in the Scheme:

- Assets and liabilities comprised in the manufacturing and Retail sales businesses consisting of the manufacturing facility, retail outlets/ stores and the brand/ trademark of Daily Bread has been recorded at the same value as appearing in the books of the Daily Bread at the close of the business of day immediately preceding the appointed date.
- Difference between the value of net assets of Daily Bread transferred to the Company after reduction in value of investment held by the Company in Daily Bread has been debited to accumulated balance of Profit and loss in the balance sheet of the Company.

The aforementioned has resulted in decrease in other equity by ₹ 1.25 as at 1 April 2015, and decrease in net profit for the year ended 31 March 2016 by ₹ 1.67.

Statement of profit and loss

For the year ended	31 March 2016
Total revenue	4.93
Total expenses	6.60
Loss for the period	(1.67)

Statement of assets and liabilities

As at	1 April 2015
Total assets	3.40
Total liabilities	4.65
Net liabilities	(1.25)

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 51 Disclosure on Specified bank notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

in ₹

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	225,000	300,757	525,757
Add: Permitted receipts	-	443,207	443,207
Less: Permitted payments	-	535,194	535,194
Less: Amount deposited in banks	225,000	410	225,410
Closing cash in hand as on 30 December 2016	-	**208,360**	**208,360**

* For the purposes of this clause, the term 'Specified bank notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8 November 2016.

Note 52 Research and Development expenses

For the year ended	31 March 2017	31 March 2016
Capital expenditure	21.70	21.85
Revenue expenditure	26.14	21.95
Total	47.84	43.80

Note 53 Capital management

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Company monitors the return on capital, as well as the level of dividends to equity shareholders.The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves and debt includes maturities of finance lease obligations.

The Company monitors capital on the basis of the following gearing ratio.

As at	31 March 2017	31 March 2016	1 April 2015
Total debt	0.62	0.68	0.97
Total equity	2,581.98	2,016.03	1,477.41
Debt to equity ratio	0.02%	0.03%	0.07%

₹ in Crores

Note 54 Financial instruments - fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017, including their levels in the fair value hierarchy.

Particulars		Carrying amount					Fair value			
	Note	FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in mutual funds	7 & 12	264.09	-	-	-	264.09	264.09	-	-	**264.09**
Investments with insurance companies	7	11.73	-	-	-	11.73	11.73	-	-	**11.73**
		275.82	-	-	-	**275.82**				
Financial assets not measured at fair value										
Investments in debentures / bonds (Unquoted)	7	-	-	5.82	-	5.82				
Investments in debentures / bonds	7 & 12	-	-	100.00	-	100.00				
Investments in tax free bonds	7	-	-	14.11	-	14.11				
Loans	8 & 15	-	-	908.46	-	908.46				
Other financial assets	9	-	-	43.19	-	43.19				
Trade receivables	13	-	-	126.41	-	126.41				
Cash and cash equivalents	14	-	-	21.23	-	21.23				
Bank balances	14	-	-	32.32	-	32.32				
		-	-	**1,251.54**	-	**1,251.54**				
Financial liabilities not measured at fair value										
Borrowings	20	-	-	-	0.44	0.44				
Trade payables	22	-	-	-	643.82	643.82				
Other financial liabilities	21 & 23	-	-	-	165.79	165.79				
		-	-	-	**810.05**	**810.05**				

₹ in Crores

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2016, including their levels in the fair value hierarchy.

Particulars		Carrying amount					Fair value			
	Note	FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments in mutual funds	7 & 12	598.38	-	-	-	598.38	598.38	-	-	598.38
Investments with insurance companies	7	10.67	-	-	-	10.67	10.67	-	-	10.67
		609.05	-	-	-	609.05				
Financial assets not measured at fair value										
Investments in debentures / bonds (Unquoted)	7	-	-	5.82	-	5.82				
Investments in debentures / bonds	7 & 12	-	-	100.00	-	100.00				
Investments in tax free bonds	7	-	-	14.11	-	14.11				
Loans	8 & 15	-	-	684.13	-	684.13				
Other financial assets	9	-	-	55.35	-	55.35				
Trade receivables	13	-	-	106.88	-	106.88				
Cash and cash equivalents	14	-	-	19.96	-	19.96				
Bank balances	14	-	-	5.85	-	5.85				
		-	-	992.10	-	992.10				
Financial liabilities not measured at fair value										
Borrowings	20	-	-	-	0.49	0.49				
Trade payables	22	-	-	-	644.72	644.72				
Other financial liabilities	21& 23	-	-	-	150.49	150.49				
		-	-	-	795.70	795.70				

₹ in Crores

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April 2015, including their levels in the fair value hierarchy.

Particulars		Carrying amount					Fair value			
	Note	FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments in mutual funds	7 & 12	436.89	-	-	-	436.89	436.89	-	-	436.89
Investments with insurance companies	7	9.93	-	-	-	9.93	9.93	-	-	9.93
		446.82	-	-	-	446.82				
Financial assets not measured at fair value										
Investments in debentures / bonds (Unquoted)	7	-	-	6.77	-	6.77				
Investments in debentures / bonds	7	-	-	25.00	-	25.00				
Loans	8 & 15	-	-	390.25	-	390.25				
Other financial assets	9	-	-	47.78	-	47.78				
Trade receivables	13	-	-	71.14	-	71.14				
Cash and cash equivalents	14	-	-	31.02	-	31.02				
Bank balances	14	-	-	156.10	-	156.10				
		-	-	728.06	-	728.06				
Financial liabilities not measured at fair value										
Borrowings	20	-	-	-	0.73	0.73				
Trade payables	22	-	-	-	598.29	598.29				
Other financial liabilities	21& 23	-	-	-	125.54	125.54				
		-	-	-	724.56	724.56				

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in tax-free bonds, investments in debentures/ bonds, borrowings, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

Investments in liquid and short- term mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Managing Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity and risk market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

Credit risk

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

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customer respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

The Company's exposure to credit risk for trade receivables and loans by geographic region is as follows:

	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
India	111.25	87.57	58.41
Others	21.11	24.99	17.66
	132.36	112.56	76.07

The Company exposure to credit risk for trade receivables by type of counterparty is as follows:

	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
Institutional	64.71	52.58	34.54
Authorised wholesaler	56.94	54.27	39.66
Others	10.71	5.71	1.87
	132.36	112.56	76.07

Movement in the allowance for impairment in trade receivables

	31 March 2017	31 March 2016	1 April 2015
Opening balance	5.68	4.93	4.77
Amount written off	0.27	0.75	0.16
Net remeasurement of loss allowance	5.95	5.68	4.93

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Liquidity risk

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

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. At 31 March 2017, the expected cash flows from trade receivables is ₹ 126.41 (31 March 2016: ₹ 106.88 , 1 April 2015: ₹ 71.14). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company maintains the following lines of credit, ₹ 227 (31 March 2016: 252, 1 April 2015: 307) overdraft facility with various banks that is unsecured. Interest would be payable basis prevailing MCLR (31 March 2016: prevailing base rate , 1 April 2015: prevailing base rate)

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March, 2017, 31 March, 2016 and 1 April, 2015:

Particulars	As at 31 March 2017		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	643.82	-	-
Other financial liabilities (refer note 21 and 23)	142.75	-	22.86
Finance lease obligations	0.18	0.19	0.25
	786.75	**0.19**	**23.11**

Particulars	As at 31 March 2016		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	644.72	-	-
Other financial liabilities (refer note 21 and 23)	129.21	-	21.09
Finance lease obligations	0.19	0.18	0.31
	774.12	**0.18**	**21.40**

Particulars	As at 1 April 2015		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	598.29	-	-
Other financial liabilities (refer note 21 and 23)	105.63	-	19.68
Finance lease obligations	0.24	0.22	0.51
Derivative financial liabilities			
	704.16	**0.22**	**20.19**

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales (2% of total sales) primarily denominated in US dollars and Euro. At any point in time, the Company hedges 95% to 100% of its estimated foreign currency exposure in respect of sales and purchases over the following 12 months. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management is as follows:

	31 March 2017		31 March 2016		1 April 2015	
	Euro	USD	Euro	USD	Euro	USD
Export receivables	-	0.25	-	0.33	-	0.16
Overseas payables	(0.25)	-	(0.05)	(0.07)	(0.21)	-

The Company has used forward exchange contracts to hedge the currency exposure and therefore, not exposed to significant currency risk at the respective reporting dates.

Sensitivity analysis

The impact of strengthening/weakening of currency on the Company is not material as Company hedges 95% to 100% of the foreign currency exposure.

Note 55 Explanation of transition to Ind AS

As stated in Note 2A, the Company has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1 Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

2 Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement exisiting at the date of transition contains a lease by considering the facts and circumstances exisiting at the date of transition (rather than at the inception of the arrangement).

The Company has elected to avail of the above exemption.

3 Investment in subsidiaries, joint venture and associates

As permitted by Ind AS 101, the Company has elected to carry all investments in subsidiaries and associates at cost as determined in accordance with Ind AS 27.

4 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The Company has applied same exemption for investment in subsidiaries and associates.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

B. Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements , as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transitition (for preparing Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL/ FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability for decommissioning cost.

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if restrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

₹ in Crores

Reconciliation of Equity

	Note	As at date of transition 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I Assets							
(1) Non-current Assets							
(a) Property, plant and equipment		516.93	-	516.93	628.47	-	628.47
(b) Capital work-in-progress		48.22	-	48.22	74.50	-	74.50
(c) Intangible assets		12.73	-	12.73	13.32	-	13.32
(d) Financial assets							
(i) Investments	a	270.16	4.35	274.51	548.27	16.10	564.37
(ii) Loans	b	80.27	(0.73)	79.54	258.58	(0.57)	258.01
(iii) Other financial assets		37.12	-	37.12	37.57	-	37.57
(e) Deferred tax assets, (net)	c	21.11	4.19	25.30	22.73	0.97	23.70
(f) Other non-current assets	b	38.46	0.71	39.17	50.87	0.53	51.40
(g) Income tax assets, (net)		10.00	-	10.00	16.40	-	16.40
Total non-current assets		1,035.00	8.52	1,043.52	1,650.71	17.03	1,667.74
(2) Current Assets							
(a) Inventories		346.08	-	346.08	384.20	-	384.20
(b) Financial assets							
(i) Investments	a	387.90	3.58	391.48	343.65	13.31	356.96
(ii) Trade receivables		71.14	-	71.14	106.88	-	106.88
(iii) Cash and cash equivalents		31.02	-	31.02	19.96	-	19.96
(iv) Bank balances other than (iii) above		156.10	-	156.10	5.85	-	5.85
(v) Loans		310.71	-	310.71	426.12	-	426.12
(vi) Other financial assets		10.66	-	10.66	17.78	-	17.78
(c) Other current assets		116.78	-	116.78	114.48	-	114.48
Total current assets		1,430.39	3.58	1,433.97	1,418.92	13.31	1,432.23
Total Assets		2,465.39	12.10	2,477.49	3,069.63	30.34	3,099.97

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

₹ in Crores

	Note	As at date of transition 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
II Equity and Liabilities							
Equity							
(a) Equity share capital		23.99	-	23.99	24.00	-	24.00
(b) Other equity	d	1,210.38	243.04	1,453.42	1,673.24	318.79	1,992.03
Total equity		1,234.37	243.04	1,477.41	1,697.24	318.79	2,016.03
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		0.73	-	0.73	0.49	-	0.49
(ii) Other financial liabilities		19.68	-	19.68	21.09	-	21.09
(b) Government grant		2.86	-	2.86	2.15	-	2.15
Total non-current liabilities		23.27	-	23.27	23.73	-	23.73
(2) Current liabilities							
(a) Financial liabilities							
(i) Trade payables		598.29	-	598.29	644.72	-	644.72
(ii) Other financial liabilities		105.87	-	105.87	129.05	0.35	129.40
(b) Other current liabilities		91.77	-	91.77	81.99	-	81.99
(c) Government grant		0.71	-	0.71	0.71	-	0.71
(d) Provisions	f	372.94	(230.94)	142.00	455.12	(288.80)	166.32
(e) Current tax liabilities, (net)		38.17	-	38.17	37.07	-	37.07
Total current liabilities		1,207.75	(230.94)	976.81	1,348.66	(288.45)	1,060.21
Total equity and liabilities		2,465.39	12.10	2,477.49	3,069.63	30.34	3,099.97

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Reconciliation of total comprehensive income for the year ended 31 March 2016

			Year ended 31 March 2016		
		Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I.	Revenue from operations				
	Sale of goods / Income from operations	g, h, i	7,872.74	7.82	7,880.56
	Other operating income		80.06	-	80.06
			7,952.80	7.82	7,960.62
II.	Other income		98.24	21.59	119.83
III.	Total Income (I+II)		8,051.04	29.41	8,080.45
IV.	Expenses:				
	Cost of materials consumed		3,798.29	13.77	3,812.06
	Purchases of stock- in-trade		833.01	-	833.01
	Changes in inventories of finished goods, work-in- progress and stock- in-trade		(7.12)	-	(7.12)
	Excise duty	i	-	228.92	228.92
	Employee benefits expense	j, k	214.37	1.87	216.24
	Finance costs		1.25	-	1.25
	Depreciation and amortisation expense		87.79	-	87.79
	Other expenses	g , l	1,993.56	(234.39)	1,759.17
	Total expenses		6,921.15	10.17	6,931.32
V.	Profit before tax (III-IV)		1,129.89	19.24	1,149.13
VI.	Tax expense:				
	(i) Current tax		384.09	0.13	384.22
	(ii) Deferred tax		(1.62)	3.22	1.60
			382.47	3.35	385.82
VII.	Profit for the year (V-VI)		747.42	15.89	763.31
VIII.	Other comprehensive income	k			
	Items that will not be reclassified subsequently to statement of profit or loss				
	Remeasurements of the net defined benefit liability/asset		-	(0.38)	(0.38)
	Income tax relating to items not to be reclassified subsequently to statement of profit or loss		-	0.13	0.13
	Other comprehensive income, net of tax		-	(0.25)	(0.25)
IX.	Total comprehensive income for the year (VII-VIII)		747.42	15.64	763.06

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

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Notes to the reconciliation

a. Investments:

Under the previous GAAP, investments in mutual funds were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition 1 April 2015 and subsequently in the profit or loss for the year ended 31 March 2016.

b. Loans

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

c. Deferred tax assets (net)

The (decreased) / increased in the deferred tax assets are on account of adjustments made on transition to Ind AS.

d. Reconciliation of total equity as at 31 March 2016 and 1 April 2015

	Note	1 April 2015	31 March 2016
Total equity as per previous GAAP		**1,234.37**	**1,697.24**
Proposed dividend	f	230.94	288.80
Fair valuation of investments	a	7.93	29.41
Others		(0.02)	(0.39)
Tax effects on Ind AS adjustments	c	4.19	0.97
Total equity		**1,477.41**	**2,016.03**

e. Reconciliation of total comprehensive income for the year ended 31 March 2016

	Note	For the year ended 31 March 2016
Profit after tax as per previous GAAP		**747.42**
Fair valuation of investments	a	21.48
Share based payment expense	j	(2.25)
Others		(0.37)
Tax effects on Ind AS adjustments	c	(3.22)
Total comprehensive income		**763.06**

f. Proposed dividend

Under the previous GAAP, dividends proposed by the Board of Directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

g. Sale of goods

Under the previous GAAP scheme based discounts were grouped under other expenses, however, under Ind AS, these expenses are netted off against sale of goods.

h. Deferred revenue- Customer loyalty program

The Company grants credit points to the customers as part of a sales transactions which allows customers to accumulate the credit points and these points can be redeemed by the customers. Under the previous GAAP, the Company had created a provision towards its liability under the programme. Under Ind AS, sales consideration received has been allocated between the goods sold and the credit points granted. The consideration allocated to the customer credit points has been deferred and will be recognised as revenue when the reward points are redeemed or lapsed. Accordingly, the Company has recognised deferred revenue with corresponding adjustment to retained earnings.

i. Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.This change has resulted in an increase in the revenue from operation and expenses for the year ended 31 March 2016. There is no impact on the total equity and profit.

j. Share based payment

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. There is no impact on total equity.

k. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

l Lease arrangement

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

The Company has certain arrangements with contract packers which have been identified to be in the nature of lease and have been classified as operating lease arrangements.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

Note 56 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:

₹ in '000

Note No.			31 March 2017	31 March 2016
7	**Non-current investments:**			
	(a) Unquoted - Investments in debentures / bonds		4	4
	The Bengal Chamber of Commerce and Industry 6 1/2 % Non-redeemable registered debentures 1962			
18	**Equity**			
	Equity share capital			
	Increase in share capital on issue of shares (on exercise of employee stock option shares)		50	-
44.	**Related party disclosures under Ind AS 24:**	**Relationship**		
	(a) Outstanding as at year end - net receivables / (payables)			
	- Britannia Dairy Holdings Private Limited, Mauritius	Subsidiary	46	46

Note 57 During the year ended 31 March 2017 no material foreseeable loss (31 March 2016: 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
ICAI registration number: 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

for **and on behalf of the Board of Directors**

Chairman	:	Nusli N Wadia	
Managing Director	:	Varun Berry	
Directors	:	A K Hirjee	Keki Dadiseth
		S S Kelkar	Ajai Puri
		Nasser Munjee	Ness N Wadia
		Nimesh N Kampani	Ranjana Kumar
		Avijit Deb	Y.S.P.Thorat
		Jeh N Wadia	Ajay Shah
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Rajesh Arora	

Place : Mumbai
Date : 25 May 2017

INDEPENDENT AUDITOR'S REPORT

To the Members of Britannia Industries Limited

Report on the Consolidated Financial Statements

We have audited the acCompanying consolidated Ind AS financial statements of Britannia Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flow, the consolidated statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "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 (including other comprehensive income), consolidated statement of cash flows and consolidated statement of changes in equity of the Group including its Associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates 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 judgment, 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) and (b) 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, of the consolidated financial position of the Group and its associates as at 31 March 2017 and their consolidated financial performance including other comprehensive income, their consolidated statement of cash flows and consolidated changes in equity for the year ended on that date.

Other matters

a. We did not audit the financial statements and financial information of one subsidiary incorporated outside India, whose financial statements and financial information reflect total assets of INR 152.88 crores and net assets of INR 14.01 crores as at 31 March 2017, total revenues of INR 361.15 crores and cash outflow of INR 8.41 crores for the year ended on that date, as considered in the consolidated financial statements. The financial statement of the subsidiary incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective country ('the local GAAP') has been audited by other auditor duly qualified to act as auditor in that country. For the purpose of preparation of the financial statement, the aforesaid local GAAP financial statement has been restated by the Management of the said entity so that it confirms 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 package made for this purpose has been reviewed by the other auditor and the audit report and limited review report of the other auditor has been furnished to us. Our opinion on the consolidated financial statements, in so far as it relates to this entity, is based on the aforesaid audit report and limited review report of the other auditor.

b. We did not audit the financial statement and financial information of one subsidiary incorporated outside India, whose financial statements and financial information reflect total assets of INR 61.35 crores and net assets of INR (44.82) crores as at 31 March 2017, total revenues of INR 194.31 crores and cash outflow of INR 0.93 crores for the year ended on that date, as considered in the consolidated financial statement. The financial statement of this subsidiary incorporated outside India has been consolidated on the basis of a reporting package prepared by the Company which covers accounting and disclosure

requirements applicable to the consolidated financial statements under the generally accepted accounting principles in India. The reporting package has been audited by the other auditor duly qualified to act as auditor in that country and the audit report of the other auditor has been furnished to us. Our opinion on the consolidated financial statements, in so far as it relates to this entity, is based on the aforesaid audit report of the other auditor.

c. We did not audit the financial statement and financial information of four subsidiaries, whose financial statement and financial information reflect total assets of INR 5.37 crores and net assets of INR 4.46 crores as at 31 March 2017, total revenues of INR 1.76 crores and cash inflow of INR 0.05 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statement also includes the Group's share of net profit of INR 0.28 crores for the year ended 31 March 2017, in respect of three associates, whose financial statements and financial information have not been audited. 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 the subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 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 above 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, the consolidated statement of cash flows and consolidated statement of changes in equity 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 Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017, taken on record by the Board of Directors of the Holding Company and on the basis of the audit report of the standalone financial statements of each subsidiary Company incorporated in India, none of the directors of any such Company are disqualified as on 31 March 2017 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 reports of the other auditors on separate financial statements and other financial information of subsidiaries, as noted in the 'Other Matters' Paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 38 (i) (a), 42 and 43 to the consolidated financial statements.

      ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 59 to the consolidated financial statements;

      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; and

      iv. The Company has provided requisite disclosures in the consolidated financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 by the Holding Company and its subsidiary companies incorporated in India. Based on the audit procedures performed and relying on the management representation, we report that the disclosures are in accordance with the books of account maintained by the Holding Company and its subsidiary companies incorporated in India and as produced to us by the management. Refer Note 54 to the consolidated financial statements.

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

Supreet Sachdev
Partner
Membership Number: 205385

Place : Mumbai
Date : 25 May 2017

ANNEXURE – A TO THE AUDITOR'S REPORT

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 2017, 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 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 2017 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Supreet Sachdev
Partner
Membership Number: 205385

Place : Bangalore
Date : 25 May 2017

CONSOLIDATED BALANCE SHEET

₹ in Crores

As at	Note	31 March 2017	31 March 2016	1 April 2015
I. ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	4	1,005.29	821.00	720.63
(b) Capital work-in-progress	4	30.07	90.07	48.37
(c) Investment property	5	15.25	-	-
(d) Goodwill	6	127.84	115.91	110.68
(e) Other intangible assets	6	11.61	13.33	12.76
(f) Investment in associates	7	2.19	1.29	1.07
(g) Financial assets				
(i) Investments	8	309.81	371.35	80.36
(ii) Loans	9	45.92	195.22	13.80
(iii) Others financial assets	10	12.12	37.80	37.17
(h) Deferred tax assets, (net)	19	23.11	44.40	45.36
(i) Other non-current assets	11	160.99	56.22	43.88
(j) Income tax assets, (net)		25.36	23.20	15.74
Total non-current assets		1,769.56	1,769.79	1,129.82
(2) Current assets				
(a) Inventories	12	661.45	440.65	404.04
(b) Financial assets				
(i) Investments	13	174.85	415.74	447.77
(ii) Trade receivables	14	179.16	170.61	135.81
(iii) Cash and cash equivalents	15	56.16	64.71	57.07
(iv) Bank balances other than (iii) above	15	64.60	22.94	169.26
(v) Loans	16	829.10	459.28	328.68
(vi) Other financial assets	17	33.85	18.96	12.43
(c) Other current assets	18	340.07	131.23	124.81
Total current assets		2,339.24	1,724.12	1,679.87
Total assets		4,108.80	3,493.91	2,809.69
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	20	24.00	24.00	23.99
(b) Other equity	21	2,672.42	2,067.68	1,464.78
Equity attributable to equity holders of the parent		2,696.42	2,091.68	1,488.77
Non-controlling interests		2.60	2.46	2.43
Total equity		2,699.02	2,094.14	1,491.20
Liabilities				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	22	31.40	37.68	34.15
(ii) Other financial liabilities	23	23.09	21.34	19.96
(b) Government grant	24	2.27	4.08	5.29
(c) Provisions	25	7.62	6.83	5.65
Total non-current liabilities		64.38	69.93	65.05
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	26	84.31	86.13	96.88
(ii) Trade payables	27	757.31	769.08	683.18
(iii) Other financial liabilities	28	185.37	167.94	187.46
(b) Other current liabilities	29	91.57	90.95	97.56
(c) Government grant	24	1.96	2.16	2.18
(d) Provisions	30	182.46	175.03	147.10
(e) Current tax liabilities, (net)		42.42	38.55	39.08
Total current liabilities		1,345.40	1,329.84	1,253.44
Total liabilities		1,409.78	1,399.77	1,318.49
Total equity and liabilities		4,108.80	3,493.91	2,809.69
Significant accounting policies	3			

See accompanying notes to consolidated financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

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, Keki Dadiseth, Ajai Puri, Ness N Wadia, Ranjana Kumar, Y.S.P.Thorat, Ajay Shah

Chief Financial Officer : N.Venkataraman
Company Secretary : Rajesh Arora

Place : Mumbai
Date : 25 May 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Crores

For the year ended	Note	31 March 2017	31 March 2016
I. Revenue from operations			
Sale of goods / Income from operations	31	9,232.30	8,554.36
Other operating revenues	31	91.81	71.79
		9,324.11	8,626.15
II. Other income	32	150.54	124.35
III. Total Income (I+II)		9,474.65	8,750.50
IV. Expenses			
Cost of materials consumed		4,839.57	4,331.49
Purchase of stock-in-trade	33	803.31	685.50
Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	(54.20)	(4.27)
Excise duty		270.02	228.92
Employee benefits expense	35	352.61	341.36
Finance costs	36	5.45	4.87
Depreciation and amortisation expense	4, 5, 6	119.27	113.41
Other expenses	37	1,834.62	1,828.76
Total expenses		8,170.65	7,530.04
V. Profit before tax (III-IV)		1,304.00	1,220.46
VI. Tax expense:			
(i) Current tax	19	401.87	396.66
(ii) Deferred tax	19	17.80	(0.56)
		419.67	396.10
VII. Profit for the year before share of profits of associates (net) and non-controlling interest (V-VI)		884.33	824.36
Share of profit in associate accounted for using the equity method		0.28	0.22
VIII. **Share of profit of equity accounted investees (net of income tax)**		0.28	0.22
IX. Profit for the year (VII+VIII)		884.61	824.58
X Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurements of the net defined benefit liability / asset		(0.23)	(0.92)
Income tax relating to items not to be reclassified subsequently to statement of profit or loss		0.08	0.32
Items that will be reclassified subsequently to statement of profit or loss			
Foreign currency translation reserve		(2.08)	3.38
Other comprehensive income, net of tax		(2.23)	2.78
XI. **Total Comprehensive income for the year (IX+X)**		882.38	827.36
Profit attributable to:			
Owners of the Company		884.47	824.54
Non controlling interests		0.14	0.04
Profit for the year		884.61	824.58
Other comprehensive income attributable to:			
Owners of the Company		(2.23)	2.78
Non controlling interests		-	-
Other comprehensive income for the year		(2.23)	2.78
Total comprehensive income attributable to:			
Owners of the Company		882.24	827.32
Non controlling interests		0.14	0.04
Total comprehensive income for the year		882.38	827.36
Earnings per share (nominal value of ₹2 each)	44		
Basic [in ₹]		73.72	68.73
Diluted [in ₹]		73.71	68.72
Weighted average number of equity shares used in computing earnings per share:			
- Basic		119,991,020	119,966,116
- Diluted		120,011,608	119,998,089
Significant accounting policies	3		

See accompanying notes to consolidated financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

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, Keki Dadiseth, Ajai Puri, Ness N Wadia, Ranjana Kumar, Y.S.P.Thorat, Ajay Shah

Chief Financial Officer : N.Venkataraman
Company Secretary : Rajesh Arora

Place : Mumbai
Date : 25 May 2017

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

₹ in Crores

Particulars	Equity share capital	Other equity							Other comprehensive income		Total equity attributable to equity holders of the Company
		Reserves and surplus									
		Securities premium	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Share options outstanding account	Foreign curhrency translation reserve	Equity instruments through OCI	Other items of OCI	
Balance as at 1 April 2015	23.99	17.15	1,086.95	0.63	3.96	356.16	0.88	(0.95)	-	-	1,488.77
Changes in equity for the year ended 31 March 2016											
Increase in share capital on exercise of employee stock options	0.01	-	-	-	-	-	-	-	-	-	0.01
Foreign currency translation reserve	-	-	-	-	-	-	-	3.38	-	-	3.38
Share based payment [Refer note 35]	-	-	-	-	-	-	2.25	-	-	-	2.25
Transfer to general reserve	-	-	(74.91)	-	-	-	-	-	-	-	(74.91)
Transfer from retained earnings	-	-	-	-	-	74.91	-	-	-	-	74.91
Transfer to securities premium on issue of equity shares	-	4.34	-	-	-	-	(1.02)	-	-	-	3.32
Transfer from share options outstanding account	-	1.02	-	-	-	-	-	-	-	-	1.02
Dividends (including corporate dividend tax)	-	-	(231.01)	-	-	-	-	-	-	-	(231.01)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	-	(0.60)	(0.60)
Profit for the year	-	-	824.54	-	-	-	-	-	-	-	824.54
Balance as at 31 March 2016	24.00	22.51	1,605.57	0.63	3.96	431.07	2.11	2.43	-	(0.60)	2,091.68

Particulars	Equity share capital	Other equity							Other comprehensive income		Total equity attributable to equity holders of the Company
		Reserves and surplus									
		Securities premium	Retained earnings	Capital reserve	Capital redemption reserve	General reserve	Share options outstanding account	Foreign currency translation reserve	Equity instruments through OCI	Other items of OCI	
Balance as at 1 April 2016	24.00	22.51	1,605.57	0.63	3.96	431.07	2.11	2.43	-	(0.60)	2,091.68
Changes in equity for the year ended 31 March 2017											
Increase in share capital on exercise of employee stock options	0.00	-	-	-	-	-	-	-	-	-	0.00
Foreign currency translation reserve	-	-	-	-	-	-	-	(2.08)	-	-	(2.08)
Share based payment [Refer note 35]	-	-	-	-	-	-	5.47	-	-	-	5.47
Transfer to general reserve	-	-	(84.37)	-	-	-	-	-	-	-	(84.37)
Transfer from retained earnings	-	-	-	-	-	84.37	-	-	-	-	84.37
Transfer to securities premium on issue of equity shares	-	5.83	-	-	-	-	(1.66)	-	-	-	4.17
Transfer from share options outstanding account	-	1.66	-	-	-	-	-	-	-	-	1.66
Dividends (including corporate dividend tax)	-	-	(288.80)	-	-	-	-	-	-	-	(288.80)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	-	(0.15)	(0.15)
Profit for the year	-	-	884.47	-	-	-	-	-	-	-	884.47
Balance as at 31 March 2017	24.00	30.00	2,116.87	0.63	3.96	515.44	5.92	0.35	-	(0.75)	2,696.42

See accompanying notes to consolidated financial statements

As per our report of even date attached

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

Place : Mumbai
Date : 25 May 2017

for **and on behalf of the Board of Directors**

Chairman	:	Nusli N Wadia	
Managing Director	:	Varun Berry	
Directors	:	A K Hirjee	Keki Dadiseth
		S S Kelkar	Ajai Puri
		Nasser Munjee	Ness N Wadia
		Nimesh N Kampani	Ranjana Kumar
		Avijit Deb	Y.S.P.Thorat
		Jeh N Wadia	Ajay Shah
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Rajesh Arora	

Place : Mumbai
Date : 25 May 2017

CONSOLIDATED STATEMENT OF CASH FLOW

₹ in Crores

For the year ended	Note	31 March 2017	31 March 2016
Cash flows from operating activities			
Profit before tax		1,304.00	1,220.46
Adjustments for :			
Depreciation and amortisation expense		119.27	113.41
Share based payment expense		5.47	2.25
Net gain on financial asset measured at fair value through Statement of Profit and Loss		(56.90)	(48.25)
Loss on disposal of property, plant and equipment		1.74	9.18
Interest income		(89.78)	(72.38)
Dividend income		(0.02)	(0.02)
Finance costs		5.45	4.87
Changes in			
Inventories		(221.35)	(35.04)
Trade receivables		(9.39)	(31.70)
Loans and other assets		(234.68)	124.04
Accrued and other liabilities		14.06	75.63
Cash generated from operating activities		**837.87**	**1,362.45**
Income tax paid		(396.59)	(403.22)
Net cash from operating activities		**441.28**	**959.23**
Cash flow from investing activities			
Acquisition of property, plant and equipment		(359.78)	(250.79)
Investment in associate		(14.50)	-
Proceeds from sale of property, plant and equipment		7.95	1.39
Sale / (purchase) of investments, net		359.33	(210.92)
Inter-corporate deposits placed		(512.51)	(385.75)
Inter-corporate deposits redeemed		294.75	75.00
Interest received		74.89	65.85
Dividend received		0.02	0.02
Net cash used in investing activities		**(149.85)**	**(705.20)**

CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

₹ in Crores

For the year ended	Note	31 March 2017	31 March 2016
Cash flow from financing activities			
Proceeds from exercise of share options		5.83	4.34
Interest paid		(5.53)	(5.08)
Repayment of borrowings		(6.96)	(14.66)
Dividends paid (including corporate dividend tax)		(288.42)	(230.78)
Net cash used in financing activities		**(295.08)**	**(246.18)**
Net change in cash and cash equivalents		**(3.65)**	**7.85**
Cash and cash equivalents at the beginning of the year		50.99	43.14
Cash and cash equivalents at the end of year		**47.34**	**50.99**
Cash and cash equivalents at the end of the year	15	56.16	64.71
Book overdraft	28	(9.92)	(11.30)
Effect of exchange rate changes		1.10	(2.42)
		47.34	**50.99**
Significant accounting policies	3		

See accompanying notes to consolidated financial statements

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

for **and on behalf of the Board of Directors**

Chairman	:	Nusli N Wadia	
Managing Director	:	Varun Berry	
Directors	:	A K Hirjee	Keki Dadiseth
		S S Kelkar	Ajai Puri
		Nasser Munjee	Ness N Wadia
		Nimesh N Kampani	Ranjana Kumar
		Avijit Deb	Y.S.P.Thorat
		Jeh N Wadia	Ajay Shah
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Rajesh Arora	

Place : Mumbai
Date : 25 May 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 Reporting entity

Britannia Industries Limited (the 'Company') is a Company domiciled in India, with its registered office situated at 5/1A, Hungerford Street, Kolkata, West Bengal - 700017. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. These consolidated financial statements comprise the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in associates. The Group is primarily involved in manufacturing and sale of various food products.

2 Basis of preparation

A. Statement of compliance

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

The Group's consolidated financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 57.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 25 May 2017.

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

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest crores and unless otherwise indicated.

C. Basis of measurement

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

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

D. Use of estimates and judgements

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

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

Judgements

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

- Note 39 - leases: whether an arrangement contains a lease; and
- Note 39 - lease classification.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2017 is included in the following notes:

- Note 19 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- Note 48 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 42 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 6 - useful life of intangible assets;
- Note 5 - useful life of investment property;
- Note 4 - useful life of property, plant and equipment;
- Notes - 8 to10 and Notes 13,14,16 and 17 - impairment of financial assets.

E. Measurement of fair values

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

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 5 - investment property;
- Note 20 (d) - share-based payment; and
- Note 56 - financial instruments.

3. Significant accounting policies

(a) Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. InterCompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii. Non - controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Associates

Associates are all entities over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

iv. Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

v. Transactions eliminated on consolidation

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

vi. Subsidiaries and associate companies considered in the consolidated financial statements:

Name of the Company	Country of incorporation	Ownership interest (in %)		
		31 March 2017	31 March 2016	1 April 2015
Subsidiary companies:				
Boribunder Finance and Investments Private Limited	India	100.00	100.00	100.00
Flora Investments Company Private Limited	India	40.53	40.53	40.53
Gilt Edge Finance and Investments Private Limited	India	46.13	46.13	46.13
Ganges Vally Foods Private Limited	India	51.00	51.00	51.00
International Bakery Products Limited	India	100.00	100.00	100.00
J B Mangharam Foods Private Limited	India	100.00	100.00	100.00
Manna Foods Private Limited	India	100.00	100.00	100.00
Britchip Foods Limited	India	100.00	-	-
Sunrise Biscuit Company Private Limited	India	99.16	99.16	99.16
Britannia and Associates (Mauritius) Private Limited	Mauritius	100.00	100.00	100.00
Britannia and Associates (Dubai) Private Co. Limited	Dubai, UAE	100.00	100.00	100.00
Al Sallan Food Industries Co. SAOC	Oman	65.46	65.46	65.46
Strategic Food International Co. LLC, Dubai	Dubai, UAE	100.00	100.00	100.00
Strategic Brands Holding Company Limited	Dubai, UAE	100.00	100.00	100.00
Daily Bread Gourmet Foods (India) Private Limited	India	100.00	100.00	100.00
Britannia Dairy Private Limited	India	100.00	100.00	100.00
Britannia Dairy Holdings Private Limited	Mauritius	100.00	100.00	100.00
Associates:				
Klassik Foods Private Limited	India	26.02	26.02	26.02
Nalanda Biscuits Company Limited	India	35.00	35.00	35.00
Sunandaram Foods Private Limited	India	26.00	-	-

The following companies limited by guarantee, are also considered for consolidation:

Britannia Employees General Welfare Association Private Limited

Britannia Employees Medical Welfare Association Private Limited

Britannia Employees Educational Welfare Association Private Limited

vii. Principles of consolidation

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

viii. Basis of accounting and preparation of financial statements

The financial statements of Strategic Brands Holding Company Limited, Dubai; Britannia Dairy Holdings Private Limited, Mauritius; Daily Bread Gourmet Foods (India) Private Limited; Al Sallan Food Industries Co. SAOC; Britchip Foods Limited; Klassik Foods Private Limited; Nalanda Biscuits Company Limited and Sunandaram Foods Private Limited have been incorporated in the consolidated financial statements of Britannia Industries Limited based on unaudited financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(b) Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer Note 57).

iii. Subsequent expenditure

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

iv. Depreciation

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

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

Asset	Useful life
Plant and equipment*	7.5 - 15 years
Furniture and fixtures	10 years
Motor vehicles	8 years
Office equipment	3 - 5 years
Buildings	60 years
Leasehold land	Lease period
Molders, cutters and spare parts*	1 year

Freehold land is not depreciated.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

v. Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

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

(c) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment property recognised as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

Based on technical evaluation and consequent advice, the management believes a period of 60 years as representing the best estimate of the period over which investment properties (which are quite similar) are expected to be used. Accordingly, the Group depreciates investment properties over a period of 60 years on a straight-line basis.

Any gain or loss on disposal of an investment property is recognised in profit or loss.

The fair values of investment property is disclosed in the notes acCompanying these consolidated financial statements. Fair values is determined by an independent valuer who holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued.

(d) Intangible assets

Internally generated : Research and development

Expenditure on research activities is recognised in Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Others:

Other intangible assets including those acquired by the Company in a business combination are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

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)

Amortisation:

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Useful life
Computer software	6 years

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

i. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see Note 57).

(e) Impairment

(i) Financial assets

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

(ii) Non -financial assets

Intangible assets and property, plant and equipment

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

(f) Leases

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

For arrangements entered into prior to 1 April 2015, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As a lessee

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

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

As a lessor

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

(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 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 2017	31 March 2016
Britannia Dairy Private Limited	24.73	17.74

(h) Financial instruments

i. Recognition and initial measurement

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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

iv. Offsetting

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(i) Revenue recognition

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

Income from royalties accounted based on contractual agreements.

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

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

Deferred revenue

The Group has a customer loyalty programme for selected customers. The Group grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. Consideration received from these customers have been allocated between the goods sold and the credit points granted. The consideration allocated to the credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

(j) Foreign currencies

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(k) Foreign operations

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated into ₹, the functional currency of the Company, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or an average rate if the average approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes off only a part of its interest in an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(l) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue are recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(m) Income tax

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

i. Current tax

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

ii. Deferred tax

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

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

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

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

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

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

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.

(n) Borrowing costs

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

(o) Provisions and contingent liabilities

i. General

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

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

ii. Contingent liabilities

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

iii. Onerous contracts

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

(p) 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 Group. 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 Group. In respect of contributions made to government administered Provident Fund, the Group has no further obligations beyond its monthly contributions. The Group also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

The Britannia Industries Limited Covenanted Staff Pension Fund Trust ('BILCSPF') and Britannia Industries Limited Officers' Pension Fund Trust ('BILOPF') were established by the Group 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 Group 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 Group 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 or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 1 January every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

iv. Voluntary retirement scheme benefits

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

(q) Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(r) 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.

(s) 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.

(t) Cash flow statement

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

(u) Recent accounting pronouncements

Standards issued but not yet effective:

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from 1 April 2017.

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

The Group does not provide any cash-settled awards due to which the applicability of amendment to Ind AS 102 does not arise and accordingly does not have any impact on the financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

Reconciliation of carrying amount

₹ in Crores

Description	Gross carrying amount						Accumulated depreciation						Carrying amounts (net)
	As at 1 April 2016	Exchange difference	Additions	Reclassification to investment property	Disposals	As at 31 March 2017	As at 1 April 2016	Exchange difference	Depreciation for the year	Reclassification to investment property	Disposals	As at 31 March 2017	As at 31 March 2017
Own assets													
Freehold land	74.52	-	22.67	-	-	97.19	-	-	-	-	-	-	97.19
Leasehold land (a)	30.49	-	-	-	-	30.49	0.34	-	0.36	-	-	0.70	29.79
Buildings (b)	315.63	(1.82)	80.07	15.77	1.96	376.15	11.30	(1.49)	13.77	0.26	1.79	21.53	354.62
Plant and equipment	447.43	(5.40)	211.35	-	42.15	611.23	69.68	(4.38)	93.16	-	33.08	125.38	485.85
Furniture and fixtures	21.95	-	4.01	-	0.72	25.24	2.41	(0.09)	2.69	-	0.52	4.49	20.75
Motor vehicles	1.93	(0.04)	0.68	-	0.51	2.06	0.36	(0.03)	0.38	-	0.50	0.21	1.85
Office equipment	15.86	(0.28)	6.71	-	0.65	21.64	2.90	(0.20)	4.50	-	0.65	6.55	15.09
Leased assets													
Motor vehicles	0.22	-	0.58	-	0.46	0.34	0.04	-	0.39	-	0.24	0.19	0.15
Total	908.03	(7.54)	326.07	15.77	46.45	1,164.34	87.03	(6.19)	(c)115.25	0.26	36.78	159.05	1,005.29
Add: Capital work-in-progress													30.07
													1,035.36

Description	Gross carrying amount						Accumulated depreciation						Carrying amounts (net)
	As at 1 April 2015	Exchange difference	Additions	Reclassification to investment property	Disposals	As at 31 March 2016	As at 1 April 2015	Exchange difference	Depreciation for the year	Reclassification to investment property	Disposals	As at 31 March 2016	As at 31 March 2016
Own assets													
Freehold land	76.52	-	-	-	2.00	74.52	-	-	-	-	-	-	74.52
Leasehold land (a)	28.85	-	1.64	-	-	30.49	-	-	0.34	-	-	0.34	30.15
Buildings (b)	234.52	0.91	80.76	-	0.56	315.63	-	-	11.73	-	0.43	11.30	304.33
Plant and equipment	352.93	3.83	119.68	-	29.01	447.43	-	-	90.52	-	20.84	69.68	377.75
Furniture and fixtures	14.69	0.07	7.58	-	0.39	21.95	-	-	2.70	-	0.29	2.41	19.54
Motor vehicles	1.37	0.01	0.59	-	0.04	1.93	-	-	0.39	-	0.03	0.36	1.57
Office equipment	11.25	(0.07)	6.06	-	1.38	15.86	-	-	4.27	-	1.37	2.90	12.96
Leased assets													
Motor vehicles	0.50	-	-	-	0.28	0.22	-	-	0.17	-	0.13	0.04	0.18
Total	720.63	4.75	216.31	-	33.66	908.03	-	-	(c)110.12	-	23.09	87.03	821.00
Add: Capital work-in-progress	48.37												90.07
	769.00												911.07

₹ in Crores

Notes:

(a) Agreement in respect of leasehold land at 31 March 2017: one factory (31 March 2016: one factory, 1 April 2015: one factory) is 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 (31 March 2016: 1 Co-operative Housing Society, 1 April 2015: 1 Co-operative Housing Society); 10 shares ((31 March 2016: 10 shares, 1 April 2015: 10 shares) of ₹ 50/- each.

(ii) Net carrying value ₹ 1.10 (31 March 2016: ₹1.38, 1 April 2015: ₹ 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 carrying value ₹ 12.77 (31 March 2016: ₹13.54, 1 April 2015: ₹ 13.61) constructed on a land leased from the Public Establishment for Industrial Estates (Solar 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 (ASFI).

(c) Depreciation:

	31 March 2017	31 March 2016
Depreciation charge for the year	115.25	114.12
Depreciation charge on investment property for the year [Refer note 5]	0.26	-
Amortisation for the year [Refer note 6]	4.47	-
Transfer from capital subsidy [Refer note 3 (l) and 50]	(0.71)	(0.71)
Net depreciation charge for the year	**119.27**	**113.41**

(d) Net carrying value of property, plant and equipment included in the above schedule pertaining to Al Sallan Food Industries Co. SAOC (ASFI) amounts to ₹ 37.47 (31 March 2016: ₹40.64, 1 April 2015: ₹ 39.07). Substantially all the property, plant and equipment of Al Sallan Food Industries Co. SAOC (ASFI) are mortgaged as security against the Government term loan and other term loans amounting to ₹ 22.70 (31 March 2016: ₹27.51, 1 April 2015: ₹ 29.22).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 5 - Investment property

Reconciliation of carrying amount

Gross carrying amount	
Balance as at 1 April 2015	-
Balance as at 31 March 2016	-
Transfer from property, plant and equipment	15.51
Balance as at 31 March 2017	**15.51**
Accumulated depreciation	
Balance as at 1 April 2015	-
Balance as at 31 March 2016	-
Depreciation for the year ended 31 March 2017	0.26
Balance as at 31 March 2017	**0.26**
Carrying amounts	
At 1 April 2015	-
At 31 March 2016	-
At 31 March 2017	**15.25**

The fair value of investment property is ₹ 22.09 and the same has been determined by external independent property valuer having appropriate recognised professional qualifications. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used [Refer Note 2(E)]. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality.

Note 6 - Other Intangible assets

Reconciliation of carrying amount

Description	Gross carrying amount					Accumulated amortisation					Carrying amounts (net)
	As at 1 April 2016	Exchange difference	Additions	Disposals	As at 31 March 2017	As at 1 April 2016	Exchange difference	Amortisation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Own assets											
Trademarks	0.03	-	-	-	0.03	-	-	-	-	-	0.03
Designs	0.01	-	-	-	0.01	-	-	-		-	0.01
Computer software	17.29	-	2.77	0.02	20.04	4.00	-	4.47	-	8.47	11.57
	17.33	-	2.77	0.02	20.08	4.00	-	4.47	-	8.47	11.61
Goodwill on consolidation, net (a), (b)	115.91	(1.95)	13.88	-	127.84	-	-	-	-	-	127.84
Total	**133.24**	**(1.95)**	**16.65**	**0.02**	**147.92**	**4.00**	**-**	**4.47**	**-**	**8.47**	**139.45**

Description	Gross carrying amount					Accumulated amortisation					Carrying amounts (net)
	As at 1 April 2015	Exchange difference	Additions	Disposals	As at 31 March 2016	As at 1 April 2015	Exchange difference	Amortisation for the year	Disposals	As at 31 March 2016	As at 31 March 2016
Own assets											
Trademarks	0.03	-	-	-	0.03	-	-	-		-	0.03
Designs	0.01	-	-	-	0.01	-	-	-		-	0.01
Computer software	12.72	-	4.57	-	17.29	-	-	4.00	-	4.00	13.29
	12.76	-	4.57	-	17.33	-	-	4.00	-	4.00	13.33
Goodwill on consolidation, net (a), (b)	110.68	5.23	-	-	115.91	-	-	-	-	-	115.91
Total	**123.44**	**5.23**	**4.57**	**-**	**133.24**	**-**	**-**	**4.00**	**-**	**4.00**	**129.24**

Note:

(a) Goodwill on consolidation comprises goodwill of ₹ 128.89 (31 March 2016: ₹116.96, 1 April 2015: ₹ 111.73) and capital reserve of ₹ 1.05 (31 March 2016: ₹ 1.05, 1 April 2015: ₹ 1.05).

(b) Impairment analysis was performed for the goodwill on consolidation. In case of indication of impairment the recoverable amount was determined using value in use of the cash generating units. The recoverable amount exceeds the carrying value, accordingly no impairment charges were identified for the year ended 31 March 2017 (31 March 2016: Nil).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Following key assumptions were considered while performing impairment testing:

Weighted Average Cost of Capital % (WACC) before tax	10% -12%
Average sale value growth	6%
Average gross margin growth	5%

The projections cover a period of five-ten years, as we believe this to be the most appropriate time scale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows.

The growth rates used to estimate future performance are based on the conservative estimates from past performance.

As at	31 March 2017	31 March 2016	1 April 2015
Note 7 - Investment in associates			
Investment in equity instruments - associates	2.20	1.30	1.08
Less: Provision for diminution in value of investments	(0.01)	(0.01)	(0.01)
	2.19	**1.29**	**1.07**

The following table illustrates the summarised financial information of the Group's investment in associates as at 31 March 2017.

Name of the entity	Klassik Foods Private Limited	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited	Total
Opening net assets	3.70	0.92	1.07	**5.69**
Add: profit for the year	0.16	0.36	1.75	**2.27**
Closing net assets	3.87	1.27	2.82	**7.96**
Group's share of net assets	**26.02%**	**35.00%**	**26.00%**	
Carrying amount of interest in associates	**1.02**	**0.44**	**0.73**	**2.19**

The following table illustrates the summarised financial information of the Group's investment in associates as at 31 March 2016.

Name of the entity	Klassik Foods Private Limited	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited	Total
Opening net assets	3.60	0.36	-	**3.96**
Add: profit for the year	0.10	0.56	-	**0.66**
Closing net assets	3.70	0.92	-	**4.62**
Group's share of net assets	**26.02%**	**35.00%**	-	
Carrying amount of interest in associates	**0.97**	**0.32**	-	**1.29**

The following table illustrates the summarised financial information of the Group's investment in associates as at 1 April 2015.

Name of the entity	Klassik Foods Private Limited	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited	Total
Opening net assets	3.50	(0.15)	-	**3.35**
Add: profit for the year	0.10	0.51	-	**0.61**
Closing net assets	3.60	0.36	-	**3.96**
Group's share of net assets	**26.02%**	**35.00%**	-	
Carrying amount of interest in associates	**0.94**	**0.13**	-	**1.07**

The group has received dividend amounting to ₹ 0.02 (31 March 2016: ₹ 0.02) from Klassik Foods Private Limited.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As at	31 March 2017	31 March 2016	1 April 2015
Note 8 - Non-current investments			
At fair value through profit and loss			
Unquoted			
Investments in mutual funds	258.97	246.57	45.43
Investments with insurance companies	11.73	10.67	9.93
At amortised cost			
Quoted			
Investments in debentures / bonds	39.11	114.11	25.00
	309.81	**371.35**	**80.36**
Note 9 - Loans			
Unsecured			
Considered good:			
Inter-corporate deposits[Refer note 41(b)]	33.28	182.00	-
Security deposits	11.25	10.82	10.36
Other loans	1.39	2.40	3.44
	45.92	**195.22**	**13.80**
Note 10 - Other financial assets			
Fixed deposits with banks	-	25.68	25.05
Other deposits [Refer note 43]	12.12	12.12	12.12
	12.12	**37.80**	**37.17**
Note 11 - Other non-current assets			
Unsecured			
Considered good			
Capital advances	117.77	19.96	21.96
Advances other than capital advances			
- Advances to statutory authorities	16.83	24.45	11.57
Others			
- Prepaid rent	15.50	0.53	0.71
- Receivable from others	10.89	11.28	9.64
Considered doubtful:			
Advances other than capital advances	8.98	9.05	8.79
Less: Allowance for doubtful advances	8.98	9.05	8.79
	160.99	**56.22**	**43.88**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 12 - Inventories*			
Raw materials	295.20	148.72	123.74
Packing materials	66.36	53.27	53.26
Work-in-progress	1.88	0.28	0.36
Finished goods	233.55	184.55	186.22
Goods-in-transit (Finished goods)	9.25	6.47	2.00
Stock-in-trade	23.37	20.25	15.83
Stores and spare parts	31.84	27.11	22.63
	661.45	**440.65**	**404.04**

* Refer note 3(g) for method of valuation for inventories.

The write down of inventories to net realisable value during the year amounted to ₹2.01 (31 March 2016: ₹1.12, 1 April 2015: ₹0.75). The write down are included in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress.

Note 13 - Current investments			
At fair value through profit and loss			
Unquoted			
Non-trade investments			
Investments in mutual funds	99.85	415.74	447.77
At amortised cost			
Quoted			
Investments in debentures / bonds	75.00	-	-
	174.85	**415.74**	**447.77**
Note 14 - Trade receivables			
Unsecured			
Considered good	179.16	170.61	135.81
Considered doubtful	6.31	6.11	5.10
	185.47	**176.72**	**140.91**
Less: Allowance for doubtful debts	6.31	6.11	5.10
	179.16	**170.61**	**135.81**

The Group's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 56.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 15 - Cash and bank balances			
Cash and cash equivalents:			
- Cash on hand	0.22	0.12	0.19
- Cheques /drafts on hand	20.46	17.85	28.47
- Current accounts	35.48	46.74	28.41
	56.16	**64.71**	**57.07**
Other bank balances:			
- Unpaid dividend accounts #	3.37	2.99	2.73
- Unclaimed debenture interest #	0.44	0.44	0.46
- Unclaimed debenture redemption proceeds #	1.11	1.12	1.16
- Deposit accounts [Refer note below]	59.68	18.39	164.91
	64.60	**22.94**	**169.26**

Refer Note 51

Notes: (a) Deposit accounts include bank deposits held against bank guarantees with more than 12 months maturity amounting to ₹ Nil (31 March 2016: Nil, 1 April 2015: Nil).

Note 16 - Loans			
Unsecured			
Considered good:			
Inter-corporate deposits [Refer note 41(b)]	820.23	453.75	325.00
Security deposits	7.82	4.13	3.68
Other loans:			
Loans to others	1.05	1.40	-
	829.10	**459.28**	**328.68**
Note 17 - Other financial assets			
Interest accrued but not due	33.85	18.96	12.43
	33.85	**18.96**	**12.43**
Note 18 - Other current assets			
Unsecured, considered good			
Advances other than capital advances			
- Advance for supply of goods	188.03	1.46	1.23
- Advances to contract packers	20.99	26.85	38.37
Others			
- Prepayments	9.66	8.54	6.87
- VAT incentive recoverable	47.21	30.39	17.75
- Balance with Government authorities	34.12	33.83	26.60
- Other advances	40.06	30.16	33.99
Considered doubtful			
Advances other than capital advances	2.90	2.90	2.90
Less: Allowance for doubtful advances	(2.90)	(2.90)	(2.90)
	340.07	**131.23**	**124.81**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 19- Income tax

(a) Amounts recognised in Statement of Profit and Loss

For the year ended	31 March 2017	31 March 2016
Current tax	401.87	396.66
Deferred tax		
Attrubutable to origination and reversal of temporary differences	17.80	(0.56)
Tax expense for the year	**419.67**	**396.10**

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2017			31 March 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to Statement of Profit and Loss						
Remeasurements of the defined benefit plans	(0.23)	0.08	(0.15)	(0.92)	0.32	(0.60)
	(0.23)	**0.08**	**(0.15)**	**(0.92)**	**0.32**	**(0.60)**

(c) Reconciliation of effective tax rate

For the year ended	31 March 2017		31 March 2016	
Profit before tax		**1,304.00**		**1,220.46**
Tax using the Company's domestic tax rate (31 March 2017: 34.61% and 31 March 2016: 34.61%)	34.61%	451.31	34.61%	422.40
Tax effect of:				
Tax Exempt Income	(0.03%)	(0.35)	(0.03%)	(0.35)
Weighted deduction on research and development expenditure	(0.92%)	(12.05)	0.00%	-
Investment allowance deduction	(0.79%)	(10.34)	(0.48%)	(5.91)
Different tax rates for components	(0.32%)	(4.16)	(0.74%)	(9.01)
Tax saving on brought forward losses	(0.04%)	(0.52)	(0.50%)	(6.15)
Others	(0.32%)	(4.22)	(0.40%)	(4.88)
	32.19%	**419.67**	**32.46%**	**396.10**

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities) / asset, net	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Property, plant and equipment	-	-	48.18	27.83	(48.18)	(27.83)
Investment at fair value through profit and loss	-	-	-	8.54	-	(8.54)
Employee benefits, net	1.62	1.99	-	-	1.62	1.99
Statutory dues	48.66	43.15	-	-	48.66	43.15
Provisions	7.57	10.40	-	-	7.57	10.40
Other items	1.54	10.02	-	0.18	1.54	9.84
Minimum alternative tax credit	11.90	15.39	-	-	11.90	15.39
	71.29	**80.95**	**48.18**	**36.55**	**23.11**	**44.40**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(e) Movement in temporary differences

Particulars	As at 1 April 2016	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2017
Property, plant and equipment	(27.83)	(20.35)	-	-	-	(48.18)
Investment at fair value through profit and loss	(8.54)	8.54	-	-	-	-
Employee benefits, net	1.99	(0.37)	-	-	-	1.62
Statutory dues	43.15	5.51	-	-	-	48.66
Provisions	10.40	(2.83)	-	-	-	7.57
Other items	9.84	(8.30)	-	-	-	1.54
Minimum alternative tax credit	15.39	-	-	-	(3.49)	11.90
	44.40	**(17.80)**	**-**	**-**	**(3.49)**	**23.11**

Particulars	As at 1 April 2015	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2016
Property, plant and equipment	(22.96)	(4.87)	-	-	-	(27.83)
Investment at fair value through profit and loss	(2.88)	(5.66)	-	-	-	(8.54)
Employee benefits, net	4.00	(2.01)	-	-	-	1.99
Statutory dues	31.46	11.69	-	-	-	43.15
Provisions	9.80	0.60	-	-	-	10.40
Other items	9.03	0.81	-	-	-	9.84
Minimum alternative tax credit	16.91	-	-	-	(1.52)	15.39
	45.36	**0.56**	**-**	**-**	**(1.52)**	**44.40**

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2017, 31 March 2016 and 1 April 2015

As at	31 March 2017	31 March 2016	1 April 2015
Income tax assets	25.36	23.20	15.74
Current tax liabilities	42.42	38.55	39.08
Net current income tax asset / (liability) at the end of the year	**(17.06)**	**(15.35)**	**(23.34)**

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2017 and 31 March 2016 is as follows.

For the year ended	31 March 2017	31 March 2016
Net current income tax asset / (liability) at the beginning of the year	(15.35)	(23.34)
Income tax paid (includes Minimum alternative tax)	400.08	404.33
Current income tax expense	(401.87)	(396.66)
Income tax on other comprehensive income and others	0.08	0.32
Net current income tax asset / (liability) at the end of the year	**(17.06)**	**(15.35)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 20 - Share capital			
Authorised			
Equity shares	50.00	50.00	50.00
[250,000,000 equity shares of ₹ 2/- each (31 March 2016: 250,000,000 equity shares of ₹ 2/- each), (1 April 2015: 250,000,000 equity shares of ₹2/- each)]			
Issued, subscribed and paid up			
Equity shares fully paid up	24.00	24.00	23.99
[120,000,815 equity shares of ₹ 2/- each (31 March 2016: 119,975,815, 1 April 2015: 119,925,815, equity shares of ₹ 2/- each)]*			
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (31 March 2016: 60,866,095 1 April 2015: 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.			
- 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]			

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Under the Britannia Employee Stock Option Scheme the total number of options that can be granted is 875,000. Out of this, 700,000 options have been granted and 550,000 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/-; 50,000 shares were allotted on 10 June 2015 at an exercise price of ₹ 870.35/- and 25,000 were allotted on 22 August 2016 at an exercise price of ₹2,332.05/- [Refer note (d) below] Also refer note 51.	24.00	24.00	23.99

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 2017		31 March 2016		1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Holding Company						
Associated Biscuits International Limited (ABIL), UK	53,904,500	10.78	53,904,500	10.78	53,904,500	10.78
Subsidiaries of holding Company						
Bannatyne Enterprises Pte Limited, Singapore	1,391,555	0.28	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	1,392,510	0.28
Nacupa Enterprises Pte Limited, Singapore	1,392,510	0.28	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	1,392,510	0.28
Valletort Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28	1,392,510	0.28
	60,866,095	12.18	60,866,095	12.18	60,866,095	12.18

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

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	44.92%	53,904,500	44.93%	53,904,500	44.95%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	119,975,815	24.00	119,925,815	23.99	119,925,815	23.99
Shares issued during the reporting year	25,000	0.00	50,000	0.01	-	-
Closing balance at the end of the reporting year	120,000,815	24.00	119,975,815	24.00	119,925,815	23.99

(d) Share based payments

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/-, 75,000 options on 21 May 2015 at an exercise price of ₹ 2,332.05/- and 100,000 options on 30 June 2016 at an exercise price of ₹ 2,771.40/- 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].

	31 March 2017	31 March 2016
Movement in the options under the scheme:		
Options outstanding at the beginning of the year	75,000	50,000
Options granted during the year	100,000	75,000
Options vested during the year	25,000	50,000
Options exercised during the year	25,000	50,000
Shares allotted against options exercised during the year	25,000	50,000
Options lapsed during the year	-	-
Shares under option at the end of the year	150,000	75,000
Options exercisable at the end of the year	-	-
Weighted average price per option (₹)	2,583.11	1,747.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Fair Value Measurement:

The fair value at grant date is determined using the Black Scholes valuation option-pricing model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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 2017	31 March 2016
No. of options granted	100,000	75,000
Date of grant	30-Jun-16	21-May-15
Vesting period (years)	1 to 3	1 to 3
Expected life of option (years)	3	3
Expected volatility	23.63%	19.91%
Risk free rate	7.45%	7.76%
Expected dividends expressed as a dividend yield	0.72%	0.69%
Weighted-average fair values of options per share (₹)	617.19	524.96

(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.

Note 21 - Other equity

	Share options outstanding account	Capital redemption reserve	Capital reserve	General reserve	Securities premium	Retained earnings	Other Items of OCI	Foreign currency translation reserve	Total
Balance as at 1 April 2015	**0.88**	**3.96**	**0.63**	**356.16**	**17.15**	**1,086.95**	**-**	**(0.95)**	**1,464.78**
Additions:									
Share based payment expense	2.25	-	-	-	-	-	-	-	2.25
Transfer from Share options	-	-	-	-	1.02	-	-	-	1.02
Foreign currency translation adjustment	-	-	-	-	-	-	-	3.38	3.38
On issue of equity shares	-	-	-	-	4.34	-	-	-	4.34
Transfer from retained earnings			-	74.91	-	-	-	-	74.91
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(0.60)	-	(0.60)
Net profit after tax transferred from the Statement of Profit and Loss	-	-	-	-	-	824.54	-	-	824.54
	3.13	3.96	0.63	431.07	22.51	1,911.49	(0.60)	2.43	2,374.62
Deductions:									
Transfer to general reserve	-	-	-	-	-	74.91	-	-	74.91
Transfer to securities premium	1.02	-	-	-	-	-	-	-	1.02
Dividends	-	-	-		-	191.93	-	-	191.93
Tax on dividend	-	-	-	-	-	39.08	-	-	39.08
Balance as at 31 March 2016	**2.11**	**3.96**	**0.63**	**431.07**	**22.51**	**1,605.57**	**(0.60)**	**2.43**	**2,067.68**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Share options outstanding account	Capital redemption reserve	Capital reserve	General reserve	Securities premium	Retained earnings	Other Items of OCI	Foreign currency translation reserve	Total
Balance as at 1 April 2016	2.11	3.96	0.63	431.07	22.51	1,605.57	(0.60)	2.43	2,067.68
Additions:									
Share based payment expense	5.47	-	-	-	-	-	-	-	5.47
Transfer from Share options	-	-	-	-	1.66	-	-	-	1.66
Foreign currency translation adjustment	-	-	-	-	-	-	-	(2.08)	(2.08)
On issue of equity shares	-	-	-	-	5.83	-	-	-	5.83
Transfer from retained earnings	-	-	-	84.37	-	-	-	-	84.37
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(0.15)	-	(0.15)
Net profit after tax transferred from the Statement of Profit and Loss	-	-	-	-	-	884.47	-	-	884.47
	7.58	3.96	0.63	515.44	30.00	2,490.04	(0.75)	0.35	3,047.25
Deductions:									
Transfer to general reserve	-	-	-	-	-	84.37			84.37
Transfer to securities premium	1.66	-	-	-	-	-	-	-	1.66
Dividends	-	-	-	-	-	239.95	-	-	239.95
Tax on dividend	-	-	-	-	-	48.85	-	-	48.85
Balance as at 31 March 2017	5.92	3.96	0.63	515.44	30.00	2,116.87	(0.75)	0.35	2,672.42

Nature and purpose of other reserves

Share options outstanding account

The share options outstanding account is used to recognise the grant date fair value of options issued under Britannia Industries Limited Employee Stock Option Scheme.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Capital redemption reserve

The Company had purchased its own shares and as per the provisions of the applicable laws, a sum equal to the nominal value of the shares so purchased is required to be transferred to the capital redemption reserve.

Capital reserve

Capital reserve represents subsidy received for industrial undertaking under Central Capital Investment Subsidy Scheme, 2003.

Dividends

The following dividends were declared and paid by the Company during the year.

As at	31 March 2017	31 March 2016
₹ 20 per equity share (31 March 2016: ₹16) to equity shareholders	239.95	191.88
₹ 20 per equity share (31 March 2016: ₹ Nil) issued under ESOS	-	0.08
Dividend distribution tax (DDT) on dividend to equity shareholders	48.85	39.06
Dividend distribution tax (DDT) on dividend on equity shares issued under ESOS	-	0.02
	288.80	231.04

After the reporting dates, dividend of ₹ 22 (31 March 2016: ₹20) per equity share were proposed by the directors subject to the approval at the annual general meeting ; the dividends have not been recognised as liabilities. Dividends would attract dividend distibution tax when declared or paid.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 22 - Borrowings			
Secured			
Term loans from banks (refer note (a) below)	30.96	37.19	33.42
Long-term maturities of finance lease obligations (refer note (b) below and note 39 (b)) [Secured by hypothecation of assets (vehicles) taken on lease]	0.44	0.49	0.73
	31.40	**37.68**	**34.15**

Notes:

(a) Term loan includes:

(i) During the previous years, term loan (31 March 2016: ₹ 20.13, 1 April 2015: ₹ 18.00) was taken from ICICI Bank, repayable in 32 quarterly installments of ₹ 0.75 each, starting from the 90th day from the date of first disbursement. The rate of interest was the sum of base rate and spread as communicated by the Bank periodically. The base rate was 9.35% p.a. and spread was 2% p.a.. The above term loan was secured by an exclusive charge over movable property, plant and equipment and current assets, present and future and an exclusive charge by way of equitable mortgage on movable and immovable property, plant and equipment except leasehold land of J B Mangharam Foods Private Limited. During the current year the exisiting loan has been repaid entirely by refinancing from new lendors.

During the current year, the Group has an outstanding term loan of ₹ 19.02 from HSBC Bank repayable in 24 equal quarterly installments starting from 27 April 2017. The rate of interest is 8.1% p.a.. The outstanding term loan is secured by an exclusive charge on existing and future moveable assets, current assets and negative lien on immovable property, plant and equipment as securities to HSBC for availing the said facilities.

Out of above loan, ₹ 3.00 (31 March 2016: ₹ 3.00, 1 April 2015: ₹ 3.00) is repayable within 1 year and classified under "Other financial liability" and balance of ₹ 16.02 (31 March 2016: ₹ 17.13, 1 April 2015: ₹ 15.00) has been classified under "Long-term borrowings".

(ii) The interest free soft loan of ₹ 14.94 (31 March 2016: ₹ 20.07, 1 April 2015: ₹ 18.42) 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 property, plant and equipment assets of the Al Sallan Food Industries Co. SAOC, Oman.

(b) Rate of interest for finance lease obligations ranges from 15.54% to 19.19% per annum. Number of repayment installments (quarterly) for lease obligations ranges from 3 to 12. Period of maturity for the lease obligations ranges from 8 months to 3 years.

As at	31 March 2017	31 March 2016	1 April 2015
Note 23 - Other financial liabilities			
Deposits from customers	23.09	21.34	19.96
	23.09	**21.34**	**19.96**
Note 24 - Government grant			
Current			
Capital subsidy *	0.71	0.71	0.71
Deferred government grant- from Oman Government	1.25	1.45	1.47
	1.96	**2.16**	**2.18**
Non-current			
Capital subsidy *	1.44	2.15	2.86
Deferred government grant- from Oman Government	0.83	1.93	2.43
	2.27	**4.08**	**5.29**

* Refer note 50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 25 - Provisions			
Provision for employee benefits	7.62	6.83	5.65
	7.62	6.83	5.65
Note 26 - Borrowings			
Unsecured			
From banks (Refer note (i) below)	84.31	86.13	96.88
	84.31	86.13	96.88

Note:
(i) Loan of ₹ 84.31 (31 March 2016: ₹ 86.13, 1 April 2015: ₹ 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 07 October 2017.

As at	31 March 2017	31 March 2016	1 April 2015
Note 27 - Trade payables			
Total outstanding dues of micro and small enterprises	2.69	4.00	5.19
Total outstanding dues of other than micro and small enterprises	754.62	765.08	677.99
	757.31	769.08	683.18
Note 28 - Other financial liabilities			
Current maturities of long term debt (refer note 22(a))	8.67	7.05	9.89
Current maturities of finance lease obligations (refer note 22(b))	0.18	0.19	0.24
Unpaid dividend *	3.37	2.99	2.73
Unclaimed debenture interest *	0.44	0.44	0.46
Unclaimed debenture redemption balance *	1.11	1.12	1.16
Interest accrued but not due	1.00	1.08	1.27
Creditors for capital goods	31.05	24.18	14.37
Book overdraft	9.92	11.30	12.95
Payroll related liabilities	43.40	39.55	26.92
Accrued expenses	55.38	53.05	52.98
Other liabilities	30.85	26.99	64.49
	185.37	167.94	187.46

* Investor Education and Protection Fund shall be credited when due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2017	31 March 2016	1 April 2015
Note 29 - Other current liabilities			
Advance from customers	17.20	16.46	17.66
Statutory liabilities (VAT, TDS, PF etc.)	63.77	59.48	59.62
Deferred revenue*	10.60	15.01	20.28
	91.57	**90.95**	**97.56**

* The deferred revenue relates to loyalty credit points granted to the customers as part of sales transactions and has been estimated with reference to the fair value of the products for which they could be redeemed. Closing balance represents the estimated liability towards unredeemed points. Refer below the reconciliation:

Opening balance	15.01	20.28	
Deferred during the year	15.15	15.80	
Released to the Statement of Profit and Loss	19.56	21.07	
Closing balance	**10.60**	**15.01**	

Note 30 -Provisions			
Provision for compensated absences	12.32	10.56	9.33
Employee benefits - gratuity, net [Refer note 48(b)]	2.87	3.49	2.95
Others:			
Excise and service tax related issues (a)	55.96	53.17	51.73
Sales tax and other issues (a)	90.47	87.02	62.62
Trade and other issues (a)	20.84	20.79	20.47
	182.46	**175.03**	**147.10**

(a) Refer note 42.

For the year ended	31 March 2017	31 March 2016
Note 31 - Revenue from operations		
Sale of goods	9,227.89	8,549.09
Customer loyalty programme	4.41	5.27
Total (a)	**9,232.30**	**8,554.36**
Other operating revenues		
Royalty income	2.53	2.79
Scrap sales	30.43	29.09
Other receipts [Refer note below]	53.57	36.27
Provisions and liabilities no longer required written back, net	5.28	3.64
Total (b)	**91.81**	**71.79**
Total revenue from operations (a+b)	**9,324.11**	**8,626.15**

Note:

Includes an amount of ₹ 35.30 (31 March 2016: ₹ 28.99) towards VAT incentive for the Hajipur Factory, Bihar and Khurda Factory, Orissa in accordance with the State Industrial Policy of Bihar and Orissa.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2017	31 March 2016
Note 32 - Other income		
Interest income from financial assets carried at amortised cost	89.78	72.38
Dividend income	0.02	0.02
Net gain on financial asset measured at fair value through profit and loss*	56.90	48.25
Other receipts	3.84	3.70
	150.54	**124.35**
*Includes unrealised gain amounting ₹ 27.53 (31 March 2016 ₹ 27.77)		
Note 33 - Purchase of stock-in-trade		
Biscuits and high protein food	411.10	340.95
Bread, bread toast and rusk	70.51	64.40
Cake	291.00	249.84
Others	30.70	30.31
	803.31	**685.50**
Note 34 - Changes in inventories of finished goods, work-in-progress and stock- in-trade		
Opening inventory:		
- Finished goods	191.02	188.22
- Stock-in-trade	20.25	15.83
- Work-in-progress	0.28	0.36
Closing inventory:		
- Finished goods	242.80	191.02
- Stock-in-trade	23.37	20.25
- Work-in-progress	1.88	0.28
(Increase)/Decrease in inventory	(56.50)	(7.14)
Less: Excise duty on opening stock of finished goods	(10.05)	(7.18)
Add: Excise duty on closing stock of finished goods	12.35	10.05
	2.30	2.87
	(54.20)	(4.27)
Note 35 - Employee benefits expense		
Salaries, wages and bonus	314.57	308.36
Contribution to provident and other funds (Refer note 48 (a))	13.23	11.73
Share based payment expense	5.47	2.25
Staff welfare expenses	19.34	19.02
	352.61	**341.36**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2017	31 March 2016
Note 36 - Finance costs		
Finance cost on finance lease obligation	0.07	0.12
Interest expense on financial liability masured at amortised cost	2.10	2.03
Others	3.28	2.72
	5.45	4.87
Note 37 - Other expenses		
Consumption of stores and spares	20.29	19.21
Power and fuel	104.28	95.16
Rent [Refer note 39 (a)]	42.89	36.08
Repairs and maintenance:		
- Plant and equipment (a)	15.70	14.16
- Buildings (a)	3.73	3.52
- Others	28.02	25.00
Insurance	3.59	3.25
Rates and taxes, net	35.94	31.57
Carriage, freight and distribution	445.93	427.40
Auditors' remuneration (b):		
- Audit fees	1.39	1.21
- Other services	0.13	0.13
- Expenses reimbursed	0.12	0.12
Corporate social responsibility [Refer note 46]	16.32	10.94
Advertising and sales promotion	385.02	446.07
Conversion charges	442.19	448.26
Foreign exchange loss, net	0.81	0.30
Loss on sale/ write off of property, plant and equipment, net	1.74	9.18
Miscellaneous	286.40	255.93
Allowance for doubtful receivables and loans, net	0.13	1.27
	1,834.62	1,828.76
(a) Includes stores and spares consumed	5.81	5.29
(b) Exculding service tax	-	-

Note 38 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 ₹ 90.13 (31 March 2016: ₹ 148.65, 1 April 2015: ₹ 46.37).

(b) Bank guarantee and letter of credit for ₹ 45.87 (31 March 2016: ₹ 28.02, 1 April 2015: ₹ 37.60).

(c) Discounted cheques ₹ Nil (31 March 2016: ₹ Nil, 1 April 2015: ₹ 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 42,43 and note 51].

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 167.84 (31 March 2016: ₹ 137.67, 1 April 2015: ₹ 107.19).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 39 **(a) Operating leases**

(i) 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 ₹ 9.96 (31 March 2016: ₹ 8.02) and ₹ 0.25 (31 March 2016: ₹ 0.26) 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.

(ii) The Group has certain cancellable arrangements with contract packers (which conveys a right to use an asset in return for a payment or a series of payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 32.68 (31 March 2016: ₹ 27.80) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ 0.44 (31 March 2016: ₹0.71) and are due:

	31 March 2017	31 March 2016
Not later than 1 year	0.25	0.26
Later than 1 year and not later than 5 years	0.19	0.45
More than five years	-	-
	0.44	0.71

(b) Finance leases

The Group has taken motor vehicles under finance leases. The total minimum lease payments and present value of minimum lease payments are as follows:

	31 March 2017		31 March 2016		1 April 2015	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.24	0.18	0.28	0.19	0.37	0.24
Later than 1 year and not later than 5 years	0.46	0.44	0.52	0.49	0.85	0.73
	0.70	0.62	0.80	0.68	1.22	0.97

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.08 (31 March 2016: ₹ 0.12) 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 40 (i) **Details of non-current investments purchased and sold during the year:**

	Face value per unit	As at 1 April 2016	Purchase during the year	Share of Profit / (loss) during the year	As at 31 March 2017
Unquoted					
(a) Investments in equity instruments (fully paid)					
Associates					
Klassik Foods Private Limited	₹100	0.97	-	0.05	1.02
Nalanda Biscuits Company Limited	₹10	0.32	-	0.12	0.44
Sunandaram Foods Private Limited	₹10	-	0.62	0.11	0.73
		1.29	0.62	0.28	2.19

	Face value per unit	As at 1 April 2016	Purchase during the year	Sold during the year	As at 31 March 2017
Quoted					
(a) Investments with insurance companies					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment *	₹10	5.09	0.36	-	5.45
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment *	₹10	5.58	0.70	-	6.28
		10.67	1.06	-	11.73
* The movement is on account of fair valuation through profit and loss.					
(b) Investments in debentures / bonds					
Tata Capital 10.25% Secured Redeemable Non Convertible Debentures	₹ 500,000	25.00	-	-	25.00
		25.00	-	-	25.00
(c) Investments in tax free bonds					
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
		49.78	1.06	-	50.84

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 2015	Purchase during the year	Share of Profit / (loss) during the year	As at 31 March 2016
Unquoted					
(a) Investments in equity instruments (fully paid)					
Associates					
Klassik Foods Private Limited	₹100	0.94	-	0.03	0.97
Nalanda Biscuits Company Limited	₹10	0.13	-	0.19	0.32
Sunandaram Foods Private Limited	₹10	-	-	-	-
		1.07	-	0.22	1.29

	Face value per unit	As at 1 April 2015	Purchase during the year	Sold during the year	As at 31 March 2016
Quoted					
(a) Investments with insurance companies					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment *	₹10	4.72	0.37	-	5.09
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment *	₹10	5.21	0.37	-	5.58
		9.93	0.74	-	10.67
* The movement is on account of fair valuation through profit and loss.					
(b) Investments in debentures / bonds					
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

NOTES TO CONSOLIDATED 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
(c) Investments in Tax free bonds					
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
		34.93	89.85	-	124.78

(iii) Details of Current investments purchased and sold during the current year:

	Face value per unit	As at 1 April 2016	Purchase during the year	Sold during the year	As at 31 March 2017
Investments in debentures / bonds					
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
		75.00	-	-	75.00

₹ in Crores

Note 41 (a) Details of loans during the year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2016	Given during the year	Repayment during the year	As at 31 March 2017
Purbasha Properties Private Limited	Others	Unsecured	10%	10 years	2.48	-	0.56	1.92
Real Agro Industries Private Limited	Others	Unsecured	10%	5 years	0.81	-	0.45	0.36
Super Dairy Farm	Others	Unsecured	10%	5 years	2.20	-	-	2.20
					5.49	-	1.01	4.48

Details of loans during the previous 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
					6.35	-	0.86	5.49

(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 2016	Placed during the year	Refunded during the year	As at 31 March 2017
Bajaj Finance Limited	Others	Unsecured	8.00 - 9.25.%	1 to 3 years	90.00	44.00	31.25	102.75
Kotak Mahindra Prime Limited	Others	Unsecured	8.46%	1 year 6 months	10.00	-	-	10.00
Kotak Mahindra Investments Limited	Others	Unsecured	8.51 - 8.97%	15 to 18 months	77.25	-	40.00	37.25
Shriram Transport Finance Limited	Others	Unsecured	9.00%	1 year	35.00	9.72	35.00	9.72
Infrastructure Leasing & Finance Company Limited	Others	Unsecured	8.90 - 9.15%	14.5 to 24 months	63.50	8.79	3.50	68.79
Tata Housing Development Co. Ltd	Others	Unsecured	9.45%	6 months	10.00	25.00	35.00	-
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	12.00%	1 year	100.00	250.00	-	350.00
Scal Services Limited (Based on comfort letter from Bombay Dyeing & Manufacturing Co. Ltd.)	Others	Unsecured	12.25%	1 year	150.00	-	150.00	-

₹ in Crores

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2016	Placed during the year	Refunded during the year	As at 31 March 2017
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
PNB Houisng Finance Limited	Others	Unsecured	8.10%	1 year	-	25.00	-	25.00
HDFC limited	Others	Unsecured	7.60%	1 year	-	150.00	-	150.00
					635.75	512.51	294.75	853.51

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 2015	Placed during the year	Refunded during the year	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
					325.00	385.75	75.00	635.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 42 In accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Act, certain classes of liabilities have been identified as provisions which have been disclosed as under:

		1 April 2016	Additions *	Utilisation *	Reversals / adjustments *	31 March 2017
(a)	Excise duty and service tax related issues	53.17	2.79	-	-	55.96
(b)	Sales tax and other issues	87.02	15.03	(2.42)	(9.16)	90.47
(c)	Trade and other issues	20.79	0.11	-	(0.06)	20.84
		1 April 2015	**Additions ***	**Utilisation ***	**Reversals / adjustments ***	**31 March 2016**
(a)	Excise duty and service tax 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

(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 Ind AS 37 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 43 With respect to the matter related to the refund of excess contribution by the Britannia Industries Covenanted Staff Pension Fund ("CSPF") 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 the suit filed by the Britannia Industries Limited Pensioners Welfare Association (PWA), 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 of the Company 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 as well as CSPF appealed against the Honourable City Civil Court's judgement in the Honourable High Court of Karnataka. In response to the appeals 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 PWA through their legal counsel had submitted that they will not precipitate execution before the trial court during mediation.

As a result of the mediation process, a Memorandum of Settlement ('MoS') dated 29 August 2016 was entered into between the PWA, the Company and Trust funds. As per the terms of the MoS and the Decree passed by the Honourable High Court of Karnataka dated 18 October 2016, the Company, inter alia, filed an application with the Honourable High Court at Calcutta for obtaining approval to use the fixed deposit held in the name of the Trust and interest thereon. In response to the petition filed by the CSPF, the Honourable High Court of Calcutta passed an order wherein it directed the CIT, Kolkata to consider the representations made by the PWA and the Company. On 9 January 2017, the CIT passed an order wherein, in continuation to the show cause notice dated 11 April 2007, the approval accorded to the CSPF was withdrawn w.e.f. AY 2003-04 in view of Rule 91(2) of the Income Tax Rules, 1962. The CSPF filed a Writ petition with the Honourable High Court at Calcutta against the said order of CIT, Kolkata. On 3 February 2017, while admitting the writ, the Honourable High Court of Calcutta did not pass any interim order or grant stay against the order of the CIT. Aggrieved by the same, the CSPF filed an appeal in the Division Bench of Calcutta High Court which was heard on 10 March 2017 and the Calcutta High Court granted the stay. However it restrained the Company from encashing the fixed deposit of ₹ 12.12. It also directed the single bench of the Calcutta High Court to dispose off the writ petition as expeditiously as possible. The matter before the single bench is yet to be listed for hearing.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

In the meanwhile, 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 44 Earnings per equity share

		31 March 2017	31 March 2016
(a)	Net profit attributable to the equity shareholders	884.61	824.58
(b)	Weighted average number of equity shares outstanding during the year	119,991,020	119,966,116
(c)	Effect of potential equity shares on employee stock option outstanding	20,588	31,973
(d)	Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	120,011,608	119,998,089
	Nominal value of equity shares (₹)	2	2
	Basic earnings per share (₹)	73.72	68.73
	Diluted earnings per share (₹)	73.71	68.72

Note 45 Segmental information

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

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

	31 March 2017	31 March 2016
Information by Geographies		
Revenue by Geographical Market		
India	8,743.41	8,030.34
Outside India	580.70	595.81
	9,324.11	8,626.15
Segment non current assets*		
India	1,307.83	1,043.31
Outside India	70.77	77.71
	1,378.60	1,121.02

* Non current assets are excluding financial instruments and deferred tax assets.

Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

Notes

		31 March 2017	31 March 2016
(a)	**Revenue comprises :**		
	Revenue from food products*	9,232.30	8,554.36

*excludes other operating revenues.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 46 Corporate Social Responsibility

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 16.32 (31 March 2016: ₹ 10.94) in accordance with Section 135 of the Act. The following amounts were spent during the year:

For the year ended	31 March 2017	31 March 2016
(i) Amount spent other than for construction/ acquisition of any asset	16.32	10.94
(ii) Amount accrued and not spent	-	-
Total	16.32	10.94

Note 47 Related parties

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
	Sunandaram Foods Private Limited*
4. Other related party	Bombay Dyeing & Manufacturing Co. Ltd. (w.e.f 20 March 2017)
5. Post employment-benefit plan entities	Britannia Industries Limited Management Staff Provident Fund
	Britannia Industries Limited Covenated Staff Gratuity Fund
	Britannia Industries Limited Non Covenated Staff Gratuity Fund
	Britannia Industries Limited Covenated Staff Pension Fund
	Britannia Industries Limited Officers Pension Fund
6. Key Management Personnel (KMP)	
Managing Director	Mr. Varun Berry
Chief Financial Officer	Mr. N.Venkataraman#
	Mr. Amlan Datta Majumdar##
Company Secretary	Mr. Rajesh Arora
Non-Executive Directors	Mr. Nusli N Wadia
	Mr. Ness N Wadia
	Mr. A K Hirjee
	Mr. Nimesh N Kampani
	Mr. S S Kelkar
	Mr. Avijit Deb
	Dr. Ajai Puri
	Mr. Jeh N Wadia
	Mr. Keki Dadiseth
	Mr. Nasser Munjee
	Mrs. Ranjana Kumar
	Dr. Y.S.P.Thorat ^
	Mr. Ajay Shah ^

* On 9 March 2017, the Company has acquired 26% of the voting shares of Sunandaram Foods Private Limited

\# Mr. N.Venkataraman appointed as Chief Financial Officer on 1 December 2016

Mr. Amlan Datta Majumdar relinquished office on 30 November 2016

^ Dr. Y.S.P. Thorat & Mr. Ajay Shah were appointed as additional directors of the Company on 13 February 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2017	31 March 2016
Related party transactions during the year:			
Purchase of property			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	9.40	-
Contributions during the year (includes Employees' share and contribution)			
Britannia Industries Limited Management Staff Provident Fund	Post employment-benefit plan entities	7.65	7.04
Britannia Industries Limited Covenated Staff Gratuity Fund		1.11	0.96
Britannia Industries Limited Non Covenated Staff Gratuity Fund		1.66	0.74
Britannia Industries Limited Covenated Staff Pension Fund		0.28	0.29
Britannia Industries Limited Officers Pension Fund		0.32	0.34
Total		11.02	9.37
Remittance of dividend			
Associated Biscuits International Limited (ABIL), UK	Holding Company	107.81	86.25
Others	Fellow subsidiary companies	13.95	11.14
Total		121.76	97.39
Purchase of finished goods			
Nalanda Biscuits Company Limited	Associate	85.85	69.09
Sunandaram Foods Private Limited	Associate	19.93	-
		105.78	69.09
Conversion charges			
Klassik Foods Private Limited	Associate	4.60	4.46
Investments made			
Equity shares:			
Sunandaram Foods Private Limited	Associate	0.62	-
Key management personnel compensation			
Short-term employee benefits		9.11	8.86
Post-employment defined benefit		0.36	0.35
Other long term benefits		0.11	0.07
Share-based payments		5.47	2.25
Sitting fees		0.32	0.33
Commission		7.66	7.04
Travelling expenses		0.15	0.13
Shares allotted under employee stock option scheme for consideration received during the year			
Mr. Varun Berry	KMP		
Equity shares		0.01	0.01
Securities premium		7.49	5.36
Total		7.50	5.37

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2017	31 March 2016
Related party transactions during the year:			
Share of current year profit / (loss)			
Klassik Foods Private Limited	Associate	0.05	0.03
Nalanda Biscuits Company Limited	Associate	0.12	0.19
Sunandaram Foods Private Limited	Associate	0.11	-
Total		0.28	0.22
Sale of goods / consumables and ingredients			
Nalanda Biscuits Company Limited	Associate	1.23	0.74
Sunandaram Foods Private Limited	Associate	0.58	-
		1.81	0.74
Interest and dividend income			
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	4.80	4.81
Klassik Foods Private Limited	Associates	0.02	0.02
		4.82	4.83

	Relationship	31 March 2017	31 March 2016	1 April 2015
Related party closing balances as on balance sheet date:				
Outstanding - net receivables / (payables)				
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	40.00	40.00	40.00
Klassik Foods Private Limited	Associates	0.08	0.04	(0.12)
Nalanda Biscuits Company Limited	Associates	0.87	1.41	(0.56)
Sunandaram Foods Private Limited	Associates	2.35	-	-
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	440.63	100.00	-
Total		483.93	141.45	39.32
Investments (including goodwill)				
Klassik Foods Private Limited	Associate	1.02	0.97	0.94
Nalanda Biscuits Company Limited	Associate	0.44	0.32	0.13
Sunandaram Foods Private Limited	Associate	0.73	-	-
Total		2.19	1.29	1.07

Notes:

(i) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 48 Employee benefits

(a) Post retirement benefit - Defined contribution plans

The Group has recognised an amount of ₹ 10.81 (31 March 2016: ₹ 9.78) as expenses under the defined contribution plans in the Statement of Profit and Loss for the year:

	31 March 2017	31 March 2016
Benefit (Contribution to)		
Provident Fund *	7.02	6.41
Family Pension Scheme	2.51	2.08
Pension Fund / Scheme	0.67	0.64
ESI	0.61	0.65
Total	**10.81**	**9.78**

* 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 lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary.

(ii) The Scheme in relation to Britannia Industries Limited Covenanted Staff Gratuity Fund provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days 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 2017	31 March 2016
1.	Reconciliation of net defined benefit asset / (liability)		
(i)	Reconciliation of present value of defined benefit obligation		
	Obligations at 1 April	24.43	21.52
	Service cost	2.23	1.72
	Interest cost	1.75	1.70
	Benefits settled	(1.40)	(1.64)
	Actuarial (gain) / loss due to financial assumptions	1.59	0.31
	Actuarial (gain) / loss due to experience adjustments	(1.14)	0.82
	Obligations at the year end 31 March	27.46	24.43
(ii)	Reconciliation of present value of plan asset:		
	Plan assets at 1 April at fair value	20.94	18.56
	Expected return on plan assets	1.56	1.47
	Return on assets excluding interest income	0.21	0.21
	Contributions	3.28	2.22
	Benefit settled	(1.40)	(1.52)
	Plan assets as at 31 March at fair value	24.59	20.94

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

		31 March 2017	31 March 2016
(iii)	Reconciliation of net defined benefit asset/(liability):		
	Present value of obligation as at 31 March	27.46	24.43
	Plan assets at 31 March at fair value	24.59	20.94
	Amount recognised in balance sheet asset / (liability)	(2.87)	(3.49)
2.	Expenses recognised in the Statement of Profit and Loss under Employee benefit expense:		
	Current service cost	2.23	1.72
	Interest cost	1.75	1.70
	Interest income	(1.56)	(1.47)
	Net cost	2.42	1.95
3.	Remeasurements recognised in statement of Other comprehensive income		
	Actuarial (gain) / loss on defined benefit obligation	0.44	1.12
	Return on plan assets excluding interest income	(0.21)	(0.20)
	Loss recognised in statement of other comprehensive income	0.23	0.92
4.	Amount recognised in the balance sheet:		
	Opening asset / (liability)	9.52	9.79
	Expense as above	2.42	1.95
	Employers contribution paid	(3.28)	(2.22)
	Closing (asset) / liability	8.66	9.52
5.	Experience adjustment:		
	On plan liabilities (gain) / loss	(1.13)	0.82
	On plan assets gain / (loss)	0.22	0.21
6.	Investment details:	% Invested	% Invested
	Government of India securities	2.88	3.45
	State Government securities	25.02	22.31
	Public sector securities	35.50	36.25
	Mutual funds	3.09	2.56
	Special deposit scheme	2.89	2.87
	Others	30.62	32.56
		100.00	100.00

		31 March 2017	31 March 2016	1 April 2015
7.	Principal actuarial assumptions:			
	Discount factor [Refer note (i) below]	6.90%	7.56%	7.92%
	Estimated rate of return on plan assets [Refer note (ii) below]	6.90%	7.56%	7.92%
	Attrition rate:			
	Age related (Service related):			
	5 years and above	4%	4%	4%
	Below 5 years	16%	16%	16%
	Salary escalation rate (Refer note (iii) below)	5%	5%	5%
	Retirement age (in years)	58	58	58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

		31 March 2017	31 March 2016	1 April 2015
8.	Maturity profile of defined benefit obligation:			
	Within 1 year	2.04		
	1-2 year	1.79		
	2-3 year	2.44		
	3-4 year	1.74		
	4-5 year	1.82		
	5- 10 year	11.53		

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 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 ₹ 2.98 (31 March 2016: ₹ 2.88).

Sensitivity analysis

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

		31 March 2017	31 March 2016
A.	Discount rate		
	Discount rate -50 basis points	28.12	25.28
	Assumptions	6.40%	7.06%
	Discount rate +50 basis points	26.73	23.49
	Assumptions	7.40%	8.06%
B.	Salary escalation rate		
	Salary rate -50 basis points	26.44	24.02
	Assumptions	4.50%	4.50%
	Salary rate +50 basis points	28.40	24.74
	Assumptions	5.50%	5.50%
C.	Attrition rate		
	Attrition rate -50 basis points	28.56	24.51
	Attrition rate +50 basis points	29.03	24.21

Note 49 With respect to Al Sallan Food Industries Co. SAOC, the Company's income tax assessments for the year 2010 to 2016 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 2017. No tax has been recognised due to carried forward accumulated losses of prior years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 50 Government grant

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 (31 March 2016: ₹ 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 ₹ 2.15 (31 March 2016: ₹ 2.86, 1 April 2015: ₹ 3.57) has been classified as government grant in the balance sheet [Refer note 3(l)].

Note 51

During the previous year ended 31 March 2016, 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 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 appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to past transactions. The report of the external agency was submitted with SEBI by the Company vide its letter dated 12 July 2016. The Company will evaluate additional steps, if any, based on 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 devolve 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 52

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
Parent				
Britannia Industries Limited	89.56%	2,581.98	95.62%	843.45
India Subsidiaries				
Boribunder Finance and Investments Private Limited	0.05%	1.33	0.00%	(0.01)
Flora Investments Company Private Limited	0.07%	2.07	0.01%	0.09
Gilt Edge Finance and Investments Private Limited	0.07%	2.11	0.01%	0.10
Ganges Vally Foods Private Limited	0.07%	2.05	0.05%	0.42
International Bakery Products Limited	0.11%	3.19	0.19%	1.67
J B Mangharam Foods Private Limited	0.15%	4.45	0.06%	0.54
Manna Foods Private Limited	0.09%	2.69	-0.19%	(1.65)
Sunrise Biscuit Company Private Limited	0.55%	15.87	0.06%	0.57
Daily Bread Gourmet Foods (India) Private Limited	0.18%	5.33	-0.06%	(0.51)
Britannia Dairy Private Limited	5.20%	150.02	2.92%	25.78
Britchip Foods Limited	0.00%	0.05	0.00%	-
Britannia Employees General Welfare Association Private Limited	0.01%	0.30	0.00%	0.01

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
Britannia Employees Medical Welfare Association Private Limited	0.01%	0.28	0.00%	0.01
Britannia Employees Educational Welfare Association Private Limited	0.01%	0.31	0.00%	0.01
Foreign Subsidiaries				
Britannia and Associates (Mauritius) Private Limited	5.56%	159.86	0.13%	1.02
Britannia and Associates (Dubai) Private Co. Limited	-0.60%	(17.17)	-0.15%	(1.31)
Al Sallan Food Industries Co. SAOC	-1.55%	(44.82)	0.61%	5.39
Strategic Food International Co. LLC, Dubai	0.49%	14.01	0.75%	6.63
Strategic Brands Holding Company Limited	-0.02%	(0.65)	-0.01%	(0.06)
Britannia Dairy Holdings Private Limited	-0.01%	(0.26)	0.00%	(0.03)
	100.00%	**2,883.00**	**100.00%**	**882.12**
Adjustment arising out of Consolidation		(191.37)		(0.02)
Non-Controlling Interests in all Subsidiaries / Associates (Investment as per the Equity method)				
Non-Controlling interest in Subsidiaries				
Ganges Vally Foods Private Limited		2.39		(0.14)
Sunrise Biscuit Company Private Limited		0.21		-
Associates				
Klassik Foods Private Limited		1.01		0.05
Nalanda Biscuits Company Limited		0.45		0.12
Sunandaram Foods Private Limited		0.73		0.11
Total		**2,696.42**		**882.24**

Note 53 Capital management

The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure the Group monitors the return on capital, as well as the level of dividends to equity shareholders.The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves and debt includes maturities of finance lease obligations and borrowings.

The Group monitors capital on the basis of the following gearing ratio.

As at	31 March 2017	31 March 2016	1 April 2015
Total debt	124.56	131.05	141.16
Equity	2,696.42	2,091.68	1,488.77
Debt to equity ratio	4.62%	6.27%	9.48%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 54 Disclosure on Specified bank notes (SBNs)

During the year, the Group had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016. The table below summarises transactions of the Holding Company and all its subsidiaries, for the denomination wise SBNs and other notes as per the notification:

In ₹

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	247,500	338,221	585,721
Add: Withdrawal from banks	-	140,000	140,000
Add: Permitted receipts	16,500	686,427	702,927
Less: Permitted payments	16,500	713,124	729,624
Less: Amount deposited in banks	246,500	195,570	442,070
Closing cash in hand as on 30 December 2016	**1,000**	**255,954**	**256,954**

* For the purposes of this clause, the term 'Specified bank notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8 November 2016.

Note 55 Research and development expenses

For the year ended	31 March 2017	31 March 2016
Capital expenditure	21.70	21.85
Revenue expenditure	26.14	21.95
Total	47.84	43.80

₹ in Crores

Note 56 Financial instruments - fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments in mutual funds	8, 13	358.82	-	-	-	358.82	358.82	-	-	358.82
Investments with insurance companies	8	11.73	-	-	-	11.73	11.73	-	-	11.73
		370.55	-	-	-	**370.55**				
Financial assets not measured at fair value										
Investments in debentures / bonds	8, 13	-	-	100.00	-	100.00				
Investments in tax free bonds	8	-	-	14.11	-	14.11				
Loans	9, 16	-	-	875.02	-	875.02				
Other financial assets	10, 17	-	-	45.97	-	45.97				
Trade receivables	14	-	-	179.16	-	179.16				
Cash and cash equivalents	15	-	-	56.16	-	56.16				
Bank balances	15	-	-	64.60	-	64.60				
		-	-	**1,335.02**	-	**1,335.02**				
Financial liabilities not measured at fair value										
Borrowings	22, 26	-	-	-	115.71	115.71				
Trade payables	27	-	-	-	757.31	757.31				
Other financial liabilities	23, 28	-	-	-	208.46	208.46				
		-	-	-	**1,081.48**	**1,081.48**				

₹ in Crores

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2016, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments in mutual funds	8, 13	662.31	-	-	-	662.31	662.31	-	-	662.31
Investments with insurance companies	8	10.67	-	-	-	10.67	10.67	-	-	10.67
		672.98	-	-	-	672.98				
Financial assets not measured at fair value										
Investments in debentures / bonds	8, 13	-	-	100.00	-	100.00				
Investments in tax free bonds	8	-	-	14.11	-	14.11				
Loans	9, 16	-	-	654.50	-	654.50				
Other financial assets	10, 17	-	-	56.76	-	56.76				
Trade receivables	14	-	-	170.61	-	170.61				
Cash and cash equivalents	15	-	-	64.71	-	64.71				
Bank balances	15	-	-	22.94	-	22.94				
		-	-	1,083.63	-	1,083.63				
Financial liabilities not measured at fair value										
Borrowings	22, 26	-	-	-	123.81	123.81				
Trade payables	27	-	-	-	769.08	769.08				
Other financial liabilities	23, 28	-	-	-	189.28	189.28				
		-	-	-	1,082.17	1,082.17				

₹ in Crores

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April 2015, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets -amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments in mutual funds	8, 13	493.20	-	-	-	493.20	493.20	-	-	493.20
Investments with insurance companies	8	9.93	-	-	-	9.93	9.93			9.93
		503.13	-	-	-	**503.13**				
Financial assets not measured at fair value										
Investments in debentures / bonds	8, 13	-	-	25.00	-	25.00				
Loans	9, 16	-	-	342.48	-	342.48				
Other financial assets	10, 17	-	-	49.60	-	49.60				
Trade receivables	14	-	-	135.81	-	135.81				
Cash and cash equivalents	15	-	-	57.07	-	57.07				
Bank balances	15	-	-	169.26	-	169.26				
		-	-	779.22	-	779.22				
Financial liabilities not measured at fair value										
Borrowings	22, 26	-	-	-	131.03	131.03				
Trade payables	27	-	-	-	683.18	683.18				
Other financial liabilities	23, 28	-	-	-	207.42	207.42				
		-	-	-	1,021.63	1,021.63				

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in tax-free bonds, investments in debentures/ bonds, borrowings, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Group's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

Investments in liquid and short- term mutual funds, which are classified as FVTPL are measured using net assets value at the reporting date multiplied by the quantity held.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's management risk policy is set by the Managing Board. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

Credit risk

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

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customer respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their geographic location, industry, trading history with the Group and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

The Group's exposure to credit risk for trade receivables and loans by geographic region is as follows:

	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
India	120.71	96.00	64.51
Others	58.45	74.61	71.30
	179.16	170.61	135.81

The Group's exposure to credit risk for trade receivables by type of counterparty is as follows:

	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
Institutional	64.71	52.58	34.54
Authorised wholesaler	103.74	112.32	99.40
Others	10.71	5.71	1.87
	179.16	170.61	135.81

Movement in the allowance for impairment in trade receivables

	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
Opening balance	6.11	5.10	5.14
Amount written off	0.20	1.01	(0.04)
Net remeasurement of loss allowance	6.31	6.11	5.10

Liquidity risk

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. At 31 March 2017, the expected cash flows from trade receivables is ₹179.16 (31 March 2016: ₹170.61, 1 April 2015: ₹135.81). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Group maintains the following lines of credit, ₹ 227 (31 March 2016: 252, 1 April 2015: 307) overdraft facility with various banks that is unsecured. Interest would be payable basis prevailing MCLR/LIBOR rates (31 March 2016 : prevailing base rate/LIBOR rate, 1 April 2015 : prevailing base rate/ LIBOR rate)

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March, 2017, 31 March, 2016 and 1 April, 2015:

Particulars	As at 31 March 2017		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	757.31	-	-
Borrowings	92.98	14.35	16.61
Other financial liabilities (refer note 28 and 23)	176.52	-	23.09
Finance lease obligations	0.18	0.19	0.25
	1,026.99	14.54	39.95

Particulars	As at 31 March 2016		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	769.08	-	-
Borrowings	93.18	8.67	28.52
Other financial liabilities (refer note 28 and 23)	160.70	-	21.34
Finance lease obligations	0.19	0.18	0.31
	1,023.15	8.85	50.17

Particulars	As at 1 April 2015		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	683.18	-	-
Borrowings	106.77	7.05	26.37
Other financial liabilities (refer note 28 and 23)	177.33	-	19.96
Finance lease obligations	0.24	0.22	0.51
	967.52	7.27	46.84

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while opimising the return.

Currency risk

The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Group companies. The Group has export sales (2% of total sales) primarily denominated in US dollars and Euro. At any point in time, the Group hedges 95% to 100% of its estimated foreign currency exposure in respect of sales and purchases over the following 12 months. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Group's investment in foreign subsidiaries are not hedged.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Exposure to currency risk

The summary quantitative data about the Group's gross exposure to currency risk as reported to the management is as follows:

	31 March 2017		31 March 2016		1 April 2015	
	Euro	USD	Euro	USD	Euro	USD
Export receivables	-	0.25	-	0.35	-	0.16
Overseas payables	(0.25)	-	(0.05)	(0.07)	(0.21)	

The Group has used forward exchange contracts to hedge the currency exposure and therefore, not exposed to significant currency risk at the respective reporting dates.

Sensitivity analysis

The impact of strengthening/weakening of currency on the Group is not material as Group hedges 95% to 100% of the foreign currency exposure.

Interest rate risk

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

Sensitivity analysis

The sensitivity analysis have been determined based on the exposure to interest rates for debt obligations with floating rates.The impact of movement in interest rate by 100 basis points higher or lower and considering all other variables constant, the Group's profit before tax for the year ended 31 March 2017 would decrease / increase by ₹ 0.18 (31 March 2016: ₹ 0.14).

Note 57 Explanation of transition to Ind AS

As stated in Note 2A, the Group has prepared its first consolidated financial statements in accordance with Ind AS. For the year ended 31 March 2016, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standarads) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the consolidated financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Group has adjusted amounts reported previously in consolidated financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cashflows.

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Optional exemptions availed and mandatory exceptions

In preparing the consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1 Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

The elections under (i) and (ii) above are also available for intangible assets that meet the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

2 Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

3 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

B. Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL/ FVOCI.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability for decommissioning cost.

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

₹ in Crores

Reconciliation of Equity

	Note	As at date of transition 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I Assets							
(1) Non-current Assets							
(a) Property, plant and equipment		720.63	-	720.63	821.00	-	821.00
(b) Capital work-in-progress		48.37	-	48.37	90.07	-	90.07
(c) Goodwill		110.68	-	110.68	115.91	-	115.91
(d) Intangible assets		12.76	-	12.76	13.33	-	13.33
(e) Investment in associate		1.07	-	1.07	1.29	-	1.29
(f) Financial assets							
(i) Investments	a	75.99	4.37	80.36	355.10	16.25	371.35
(ii) Loans	b	14.53	(0.73)	13.80	195.77	(0.55)	195.22
(iii) Other financial assets		37.17	-	37.17	37.80	-	37.80
(g) Deferred tax assets, (net)	c	40.26	5.10	45.36	43.10	1.30	44.40
(h) Other non-current assets	b	43.17	0.71	43.88	55.69	0.53	56.22
(i) Income tax assets, (net)		15.74	-	15.74	23.20	-	23.20
Total non-current assets		**1,120.37**	**9.45**	**1,129.82**	**1,752.26**	**17.53**	**1,769.79**
(2) Current Assets							
(a) Inventories		404.04	-	404.04	440.65	-	440.65
(b) Financial assets							
(i) Investments	a	440.88	6.89	447.77	396.46	19.28	415.74
(ii) Trade receivables		135.81	-	135.81	170.61	-	170.61
(iii) Cash and cash equivalents		57.07	-	57.07	64.71	-	64.71
(iv) Bank balances other than (iii) above		169.26	-	169.26	22.94	-	22.94
(v) Loans		328.68	-	328.68	459.28	-	459.28
(vi) Other financial assets		12.43	-	12.43	18.96	-	18.96
(c) Other current assets		124.81	-	124.81	131.23	-	131.23
Total current assets		**1,672.98**	**6.89**	**1,679.87**	**1,704.84**	**19.28**	**1,724.12**
Total Assets		**2,793.35**	**16.34**	**2,809.69**	**3,457.10**	**36.81**	**3,493.91**

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

₹ in Crores

	Note	As at date of transition 1 April 2015			As at 31 March 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
II Equity and Liabilities							
Equity							
(a) Equity share capital		23.99	-	23.99	24.00	-	24.00
(b) Other equity	d	1,217.55	247.23	1,464.78	1,742.48	325.20	2,067.68
Equity attributable to equity holders of the parent		1,241.54	247.23	1,488.77	1,766.48	325.20	2,091.68
Non-controlling interests		2.43	-	2.43	2.46	-	2.46
Total Equity		1,243.97	247.23	1,491.20	1,768.94	325.20	2,094.14
(1) Non-current liabilities							
(a) Financial liabilities							
(i) Borrowings		34.15	-	34.15	37.68	-	37.68
(ii) Other financial liabilities		19.96	-	19.96	21.34	-	21.34
(b) Government grant		5.29	-	5.29	4.08	-	4.08
(c) Provisions		5.65	-	5.65	6.83	-	6.83
Total non-current liabilities		65.05	-	65.05	69.93	-	69.93
(2) Current liabilities							
(a) Financial liabilities							
(i) Borrowings		96.88	-	96.88	86.13	-	86.13
(ii) Trade payables		683.18	-	683.18	769.08	-	769.08
(iii) Other financial liabilities		187.41	0.05	187.46	167.53	0.41	167.94
(b) Other current liabilities		97.56	-	97.56	90.95	-	90.95
(c) Government grant		2.18	-	2.18	2.16	-	2.16
(d) Provisions	f	378.04	(230.94)	147.10	463.83	(288.80)	175.03
(e) Current tax liabilities, (net)		39.08	-	39.08	38.55	-	38.55
Total current liabilities		1,484.33	(230.89)	1,253.44	1,618.23	(288.39)	1,329.84
Total equity and liabilities		2,793.35	16.34	2,809.69	3,457.10	36.81	3,493.91

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Reconciliation of total comprehensive income for the year ended 31 March 2016

		Note	Year ended 31 March 2016 Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I.	**Revenue from operations**				
	Sale of goods / Income from operations	g, h, i	8,607.06	(52.70)	8,554.36
	Other operating revenues		71.79	-	71.79
			8,678.85	(52.70)	8,626.15
II.	**Other income**		99.98	24.37	124.35
III.	**Total Income (I+II)**		8,778.83	(28.33)	8,750.50
IV.	**Expenses:**				
	Cost of materials consumed		4,317.70	13.79	4,331.49
	Purchase of stock-in-trade		685.50	-	685.50
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		(4.27)	-	(4.27)
	Excise duty	i	-	228.92	228.92
	Employee benefits expense	j, k	340.02	1.34	341.36
	Finance costs		4.87	-	4.87
	Depreciation and amortisation expense		113.41	-	113.41
	Other expenses	g	2,123.70	(294.94)	1,828.76
	Total expenses		7,580.93	(50.89)	7,530.04
V.	**Profit before tax (III-IV)**		1,197.90	22.56	1,220.46
VI.	**Tax expense:**				
	(i) Current tax		396.34	0.32	396.66
	(ii) Deferred tax		(4.37)	3.81	(0.56)
			391.97	(4.13)	396.10
VII.	**Profit for the year before share of profits of associates (net) and non-controlling interest (V-VI)**		805.93	18.43	824.36
	Share of profit in associate accounted for using the equity method		0.22	-	0.22
VIII.	**Share of profit of equity accounted investees (net of income tax)**		0.22	-	0.22
IX.	**Profit for the year (VII+VIII)**		806.15	18.43	824.58
X.	**Other comprehensive income**	k			
	Items that will not be reclassified subsequently to statement of profit or loss				
	Remeasurements of the net defined benefit liability / asset		-	(0.92)	(0.92)
	Income tax relating to items not be reclassified subsequently to statement of profit or loss		-	0.32	0.32
	Items that will be reclassified subsequently to statement of profit or loss				
	Foreign currency translation reserve		-	3.38	3.38
	Other comprehensive income, net of tax		-	2.78	2.78
XI.	**Total Comprehensive Income for the year (IX+X)**		806.15	21.21	827.36

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Note	Year ended 31 March 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Profit attributable to:				
Owners of the Company		806.11	18.43	824.54
Non controlling interests		0.04	-	0.04
Profit for the year		806.15	18.43	824.58
Other comprehensive income attributable to:				
Owners of the Company		-	2.78	2.78
Non controlling interests		-	-	-
Other comprehensive income for the year		-	2.78	2.78
Total comprehensive income attributable to:				
Owners of the Company		806.11	21.21	827.32
Non controlling interests		0.04	-	0.04
Total comprehensive income for the year		806.15	21.21	827.36

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

Notes to the reconciliation

a. Investments:

Under the previous GAAP, investments in mutual funds were classified as non-current investments or current investments based on the intended holding period and realisability. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2016.

b. Loans

Under the previous GAAP, interest free security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

c. Deferred tax assets (net)

The (decreased) / increased in the deferred tax assets are on account of adjustments made on transition to Ind AS.

d. Reconciliation of total equity as at 31 March 2016 and 1 April 2015

Particulars	Note	1 April 2015	31 March 2016
Total equity as per previous GAAP		**1,243.97**	**1,768.94**
Proposed dividend	f	230.94	288.80
Fair valuation of investments	a	11.26	35.51
Others		(0.07)	(0.37)
Tax effects on Ind AS adjustments	c	5.10	1.26
Total equity		**1,491.20**	**2,094.14**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

e. Reconciliation of total comprehensive income for the year ended 31 March 2016

	Note	For the year ended 31 March 2016
Profit after tax as per previous GAAP		**806.11**
Fair valuation of investments	a	24.26
Share based payment expense	j	(2.25)
Others		(0.37)
Tax effects on above adjustments	c	(3.81)
Foreign currency translation reserve		3.38
Total comprehensive income		**827.32**

f. Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

g. Sale of goods

Under the previous GAAP scheme based discounts were grouped under other expenses, however, under Ind AS, these expenses are netted off against sale of goods.

h. Deferred revenue - Customer loyalty program

The Group grants credit points to the customers as part of a sales transactions which allows customers to accumulate the credit points and these points can be redeemed by the customers. Under the previous GAAP, the Group had created a provision towards its liability under the programme. Under Ind AS, sales consideration received has been allocated between the goods sold and the credit points granted. The consideration allocated to the customer credit points has been deferred and will be recognised as revenue when the reward points are redeemed or lapsed. Accordingly, the Group has recognised deferred revenue with corresponding adjustment to retained earnings.

i. Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses.This change has resulted in an increase in the revenue from operation and expenses for the year ended 31 March 2016.There is no impact on the total equity and profit.

j. Share based payment

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. There is no impact on total equity.

k. Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

1 **Lease arrangement**

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

The Group has certain arrangements with contract packers which have been identified to be in the nature of lease and have been classified as operating lease arrangements.

Note 58 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:

₹ in '000

Note	Description	31 March 2017	31 March 2016
8.	**Non-current investments:**		
	(a) Unquoted - Trade investments - Investments in debentures / bonds	4	4
	The Bengal Chamber of Commerce and Industry 6 1/2 % Non-redeemable registered debentures 1962		
20.	**Equity**		
	Equity share capital	50	-
	Increase in share capital on issue of shares (on exercise of employee stock option shares)		
52.	**Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:**		
	(a) Sunrise Biscuit Company Private Limited	24	-
	(b) Britannia Employees Medical Welfare Association Private Limited	-	48
	(c) Britannia Employees Educational Welfare Association Private Limited	-	37

Note 59 During the year ended 31 March 2017, no material foreseeable loss (31 March 2016: 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
ICAI registration number: 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 25 May 2017

for **and on behalf of the Board of Directors**

Chairman	:	Nusli N Wadia	
Managing Director	:	Varun Berry	
Directors	:	A K Hirjee	Keki Dadiseth
		S S Kelkar	Ajai Puri
		Nasser Munjee	Ness N Wadia
		Nimesh N Kampani	Ranjana Kumar
		Avijit Deb	Y.S.P.Thorat
		Jeh N Wadia	Ajay Shah
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Rajesh Arora	

Place : Mumbai
Date : 25 May 2017

TEN YEAR FINANCIAL STATISTICS : 2008 - 2017
(STANDALONE FINANCIAL STATEMENTS)

₹ in Crores

	Previous GAAP $								IND AS #	
As at / Year ended 31 March	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Assets employed										
Property, plant and equipment	250.68	283.86	291.47	315.40	458.82	580.12	642.88	574.16	716.29	**869.09**
Financial Assets - Investments	380.83	423.10	490.64	545.00	428.94	279.60	372.99	661.04	921.33	**599.91**
Other Financial assets, net	207.17	116.10	43.76	22.34	66.78	(7.83)	(161.96)	1.39	379.09	**1,113.60**
Miscellaneous expenditure	23.23	26.64	-	-	-	-	-	-	-	-
	861.91	**849.70**	**825.87**	**882.74**	**954.54**	**851.89**	**853.91**	**1,236.59**	**2,016.71**	**2,582.60**
Financed by										
Equity shares	23.89	23.89	23.89	23.89	23.89	23.91	23.99	23.99	24.00	**24.00**
Other equity	731.92	800.65	372.36	427.41	496.15	612.50	829.47	1,211.63	1,992.03	**2,557.98**
Loan funds	106.10	25.16	429.62	431.44	434.50	215.48	0.45	0.97	0.68	**0.62**
	861.91	**849.70**	**825.87**	**882.74**	**954.54**	**851.89**	**853.91**	**1,236.59**	**2,016.71**	**2,582.60**
Profits and appropriations										
Sale of goods	2,616.98	3,142.89	3,426.64	4,230.59	5,005.66	5,649.66	6,347.85	7,269.26	7,880.56	**8,581.55**
Profit before tax	232.26	232.52	120.78	198.06	252.37	332.18	542.62	882.61	1,149.13	**1,251.16**
Tax	41.26	52.12	4.27	52.77	65.63	98.31	172.79	260.20	385.82	**407.47**
Net profit	191.00	180.40	116.51	145.29	186.74	233.87	369.83	622.41	763.31	**843.69**
Dividend (including tax on dividend)	50.31	111.80	69.65	90.24	118.00	118.94	168.37	230.94	288.80	**317.75***
Profit for the year after dividend and tax thereon	140.69	68.60	46.86	55.05	68.74	114.93	201.46	391.47	474.51	**525.94**

* Proposed dividend

$ Numbers are as per Previous GAAP

Numbers are as per Ind AS

Notes

Notes

Notes

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ANNUAL REPORT 2017

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