27th August, 2018

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/Madam,

Sub : Annual Report for the Financial Year 2017-18
Ref: Disclosure under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are eclosing herewith the Annual Report for the Financial Year 2017-18 which was approved and adoped in the annual general meeting held on 6th August, 2018.

Request you to take the above on records.

Yours faithfully,
For Britannia Industries Limited

Jairaj Bham
Company Secretary

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

Britannia Industries Limited
a Wadia Enterprise

ANNUAL REPORT
2017 - 2018



YEARS OF DELIGHT

Our Journey So Far

1892 Established operations

It was 1892 when people got a taste
for the biscuits in our oven.
Word spread faster than the
butter on the bread
and sure enough, 26 years later,
the fabric of Britannia was woven.

1918 Incorporated as a Public Limited Company

It wasn't long before the taste became word of mouth.
We grew and grew, bigger than we had ever been,
we became a public limited company,
present from north to south.

1954 Launched Bread

Come 1954, the nation was free,
but the taste of bread wasn't forgotten.
So, we launched our own bread
and breakfast took on a new notion.

1963 Launched Cake

And by 1963, we'd widened our
repertoire and raised the stakes.
With Britannia's very own range of
delectable cakes.

1975 Set up own distribution network

Of course, the more we dared,
the more people cared.
What we made became part of the
nation's culinary framework.
So in 1975, we created our very own
distribution network.

1986 Launch of Good Day

Our own distribution network
ensured that our customers got closer.
We got to see what our products
meant to them at every hour.
And so, to appreciate all that the
everyday brings,
we created Good Day,
to celebrate the little things.

1993

Wadia group acquires stake in Britannia & 50-50 is launched

18 years passed. A horizon had been reached and another beckoned. Britannia shook hands with the Wadia group and new doors opened. Just as the two forces came together and the business had a new flavour, 50-50 was created and we saw a whole new taste to cater.

1997

Introduced the corporate identity – "Eat healthy, Think Better" & entered the dairy business

With one eye now on the horizon, we made our offering more complete. So we took the dairy business head on and synced our credo to the consumers' beat.

2007

First ever overseas manufacturing through acquisition of SFIC and Al Salan in Dubai & Oman

Dubai and Oman first got a taste of Britannia as we went overseas. And before you knew it, we were expanding our capabilities.

2016

Established world class R&D facility in Bangalore

With our very own state of the art R&D and manufacturing facilities.

2018

Setting up an integrated mega food park in Maharashtra

We've travelled many miles and have many more to go, many courses to chart and many seeds to sow. We are readying for the Exciting Goodness ahead with a mega food park, fully integrated.


BRITANNIA

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Auditor's Report & Consolidated Financial Statements

Significant Ratios & Ten Year Financial Statistics

Brands, You Can Bet On





























Innovation, The Only Way All The Way

1980



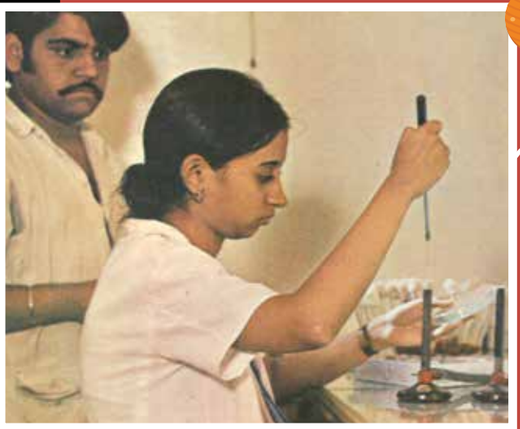
New and modern R&D centre started in Mumbai

1986



Launched Good Day which is today a ₹2,500 Crores brand

1987



R&D centre relocated to an improved facility in Chennai

Recent launches



2016



World-class R&D centre set up near Bengaluru



Modest Bakehouse To Mega Food Park

1892



Started operations in Kolkata

1910



Operations mechanised with the advent of electricity

1952





Britannia sets up modern factory in Kolkata

2005



Rudrapur, Uttarakhand

2012



Khurda, Odisha

2011



Hajipur, Bihar

2013



Jhagadia, Gujarat

2015



Perundurai, Tamil Nadu

2016



Bidadi, Karnataka

2018



SEZ Mundra, Gujarat

2018





Guwahati, Assam



2018

Mega Food Park



Ranjangaon, Maharashtra

- **Products:** Biscuits, Cake, Croissant, Dairy & New Category Products
- **Capacity:** 1,20,000 tonnes per annum



Distribution, The Differentiator

1970's



30,000 Salesman

100% orders through hand held devices

45,000 villages serviced

52 Lakh retail outlets

18 Crores households



Some of our unusual delivery system included boats in the backwaters of Kerala, bullock carts in the interiors of Madhya Pradesh, camel carts in Rajasthan and hand-pulled carts all over the country.

2018





Today our distribution:

- Handles short shelf life and long shelf life products
- Manages chilled and ambient distribution
- Works with small kirana shops to giant modern trade stores

Our endeavour is to ensure that you don't miss us anytime, anywhere.

Consumer Delight, Our Purpose



"Britannia's cakes and biscuits always take me back to my childhood days. I feel so nostalgic!"

Mansi | New Delhi



"I work in night shifts and reach home at 4 am. Britannia Good Day Cashew Cookies is my breakfast every day, before I go back to sleep! The richness of cashew in every bite does make my day better!"

Muthuganesh | Tamil Nadu





"50-50 always finds place in my grocery. Two years ago, I won an iPhone 6 because of Britannia's contest. I could not believe it! Thank you, Britannia for the best gift ever!"

Anu | Tamil Nadu

"Treat Jim Jam is my all-time favourite snack. First, I eat the vanilla part from the sides, and then I eat the jam part. Thank you for making such a great biscuit!"

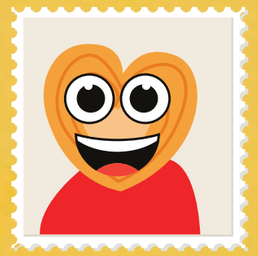
Shilpi | New Delhi





"Britannia's Strawberry Muffills is perfect to taste. I recommended it to everyone in my office and they loved it!"

Geetanjali | Maharashtra





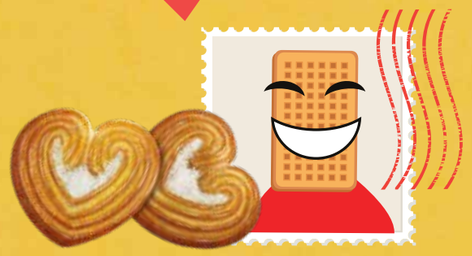


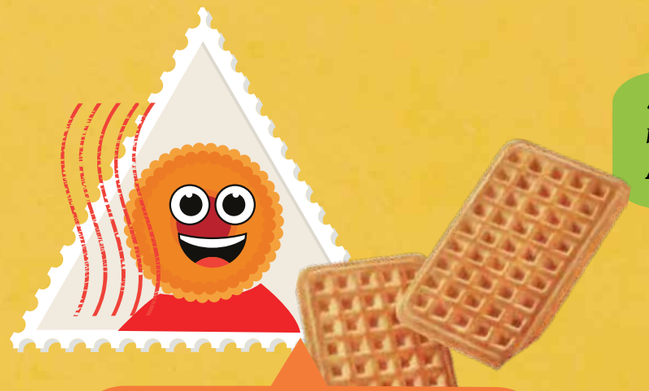
"My grandmother has been having Britannia Marie biscuits with her tea, every day in the morning and in the evening, without fail for many years now! She swears that the taste of the biscuits has only become better!"

Yogesh | Maharashtra

"This is the first time I am writing to a company about its product. I could not resist telling you about your Little Hearts! It's perfectly sweet and crunchy. Love Little Hearts forever!"

Pranjali | Maharashtra





"Milk Bikis is such a weakness for me. I don't think I'll ever share it with anyone!"

Nantini | Tamil Nadu

"Your Nut and Raisin Romance is one of the best products I ever had in cakes!"

Avinash | Uttaranchal



The Britannia Biscuit Company Limited

Making A Difference To The Community

It all began way back in the years of taking baby step in the world of baked biscuits. Our service to communities was the key to our sustainability as a business and as a people's organisation. It soon became an essential part of our growth story.









Nutritious ProBisk High Protein biscuits being distributed to school children under one of the Company's many special Nutritional Research feeding programmes.

We developed ProBisk, a high protein biscuit to combat malnutrition and distributed those through relief agencies, in 1974.



Mother Teresa at the Calcutta Branch with Mr.R. Julian Scott, Chairman, and Mr. J. Mukherjee.

To mark the occasion of Mother Teresa's visit to Britannia's Calcutta branch, in 1976, the Company distributed clothes and biscuits, among other items, to those in need.

Adopted school a matter of pride

Britannia adopted a village school in Padi, Tamil Nadu in 1976.

Personal involvement: 'We Care'

Britannia's employees donated blood for the cause of community health and welfare, in 1977.

In 1978, we made cash donations to the Tamil Nadu and Andhra Pradesh relief funds. The Company gifted bread and sponsored a play, 'Androcles and the Lion', in Madras, to help generate further funds for the Tamil Nadu relief fund.

BRITANNIA™ NUTRITION FOUNDATION

Britannia Nutrition Foundation (BNF) currently spearheads our mission to secure every child's right to healthy growth and development through the 'Right to Nutrition' programme.



80,000 biscuit packs distributed every quarter in FY 2017-18

We developed special biscuits to address anaemia among kids and pregnant women and reached 43,000 children in the age group of 3 to 6 years, across 2,684 Anganwadis in northern Karnataka FY 2017-18.

Nowrosjee Wadia Maternity Hospital provides specialised affordable obstetric and gynaecological services to women.

Bai Jerbai Wadia Hospital for children is one of Asia's largest paediatric hospitals. It has the largest neo-natal intensive care unit in the world for underprivileged children.









Doctors at the Bai Jerbai Wadia Hospital for Children recovered a light bulb, mistakenly swallowed by a baby while playing with a toy mobile phone.

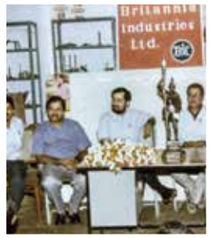


February 6, 2018: Twins Love and Prince had been conjoined at the abdomen and hip, leading them to share three vital organs: liver, intestine and urinary bladder. A team of 20 doctors at the Bai Jerbai Wadia Hospital for Children performed a 12-hour surgery on the twins and successfully separated them.

We, The Britannians



















Young Manager Council

WE
WORK
PLAY
CELEBRATE
BOND

Building Trust And Value For Our Shareholders







Shareholders at the Calcutta factory after conclusion of 55th Annual General Meeting

- **Listed on Calcutta stock exchange in 1938**
- **Registered office in Calcutta since inception**

Financial Statements of 1918

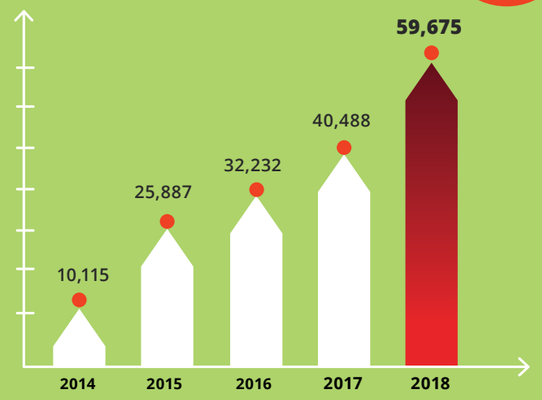




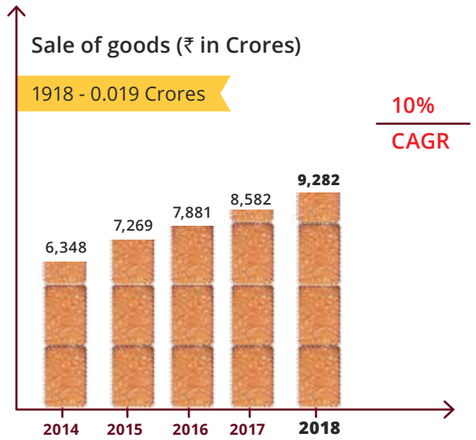


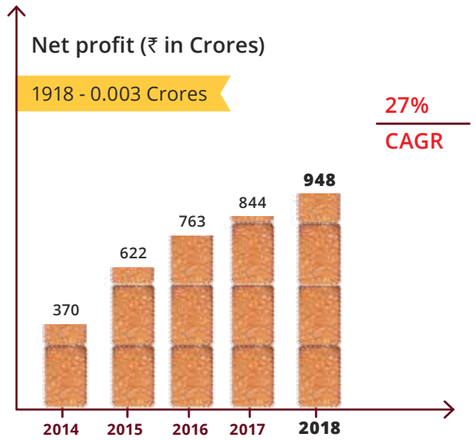
Market capitalisation
(₹ in Crores)

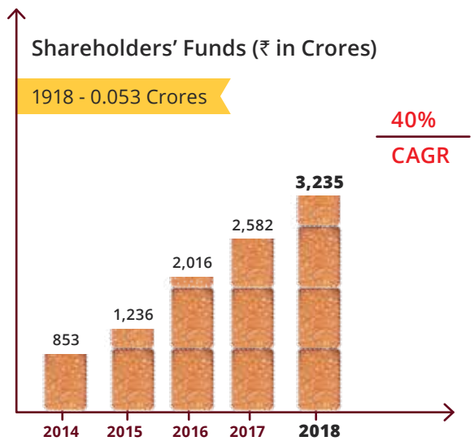
55% CAGR

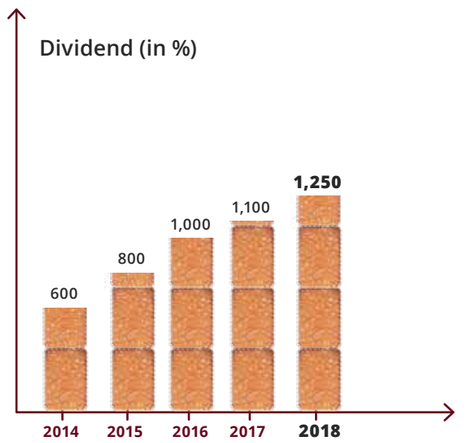


Looking Back On Key Performances









Note: All figures are given on standalone basis



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. Ness N. Wadia
Mrs. Ranjana Kumar
Dr. Ajay Shah
Dr. Y.S.P. Thorat
Mr. Keki Elavia
(w.e.f 7 August, 2017)

Auditors
B S R & Co. LLP

Chartered Accountants
Maruthi Info-Tech Centre,
11-12/1, Inner Ring Road, Koramangala,
Bengaluru - 560 071.

Management Team
Mr. N. Venkataraman
Chief Financial Officer

Mr. Vinay Singh Kushwaha
Vice President – Supply Chain

Mr. Manjunath Desai
Vice President – Consumer Insight, Media & Competitive Intelligence

Mr. Jayant Kapre
Vice President – BCR & Adjacency Business

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

Mr. Gunjan Shah
Vice President – Sales

Mr. Ali Harris Shere
Vice President – Marketing

Mr. Ritesh Rana
Vice President – Human Resource

Mr. Anindya Dutta
Vice President – International Business

Mr. Venkat Shankar
Vice President – Dairy Business

Mr. Manoj Balgi
Head-Procurement

Company Secretary
Mr. Jairaj Bham
(w.e.f 15 May, 2018)

Bankers
Bank of America N. A.
Bank of Tokyo-Mitsubishi UFJ
Citibank N. A.
HDFC Bank Limited
ICICI Bank Limited
Indian Bank
IndusInd Bank
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai Banking Corporation Limited
UCO Bank

DIRECTORS' REPORT

Dear Shareholders,

On 21 March 2018, your Company completed 100 years. As we celebrate this momentous occasion, we would like to convey our deepest gratitude to you, our valued shareholders, for the trust and support that you have extended through this inspiring journey. This journey has also been possible because of the support and contributions of all the stakeholders – our consumers, business partners, associates and employees.

Your Directors present their Report together with the audited financial statements for the year ended 31 March 2018.

I. FINANCIAL PERFORMANCE

a. Standalone Financial Results

₹ in Crores

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of goods	9,282.04	8,581.55
Profit before tax	1,445.20	1,251.16
Profit after tax	947.89	843.69
Profit available for appropriation	2,515.05	1,979.86
Proposed dividend (including tax thereon)	361.84	317.75

b. Overview of Company Performance

Your Company achieved a consolidated revenue growth of 9.7% and strengthened its market leadership in a year that continued to experience sluggish category growth. The slowdown in growth that started from the second half of FY 2016-17, continued for a good part of the FY 2017-18. Later half of the year saw growths coming back albeit on a base that was muted. Growth in International business continued to be under pressure due to general economic slowdown in key export markets for the Company. To minimise the impact of all this, your Company focused on:

(i) Strengthening distribution by increasing direct reach to 18.4 lakhs outlets.

(ii) Growing the weak geographies viz the Hindi belt, significantly faster.

(iii) Driving Product innovation which resulted in many new launches during the year such as Treat Vanilla, Treat Chocolate, 50-50 Jeera, Goodday Choco Almond, Milk Bikis Good Morning, Tiger cream variants etc.

(iv) Driving Cost Efficiency Program in the organisation which helped the Company achieve consolidated profit growth of 13.5% during the year.

(v) Creating a focused group to work on Adjacent bakery & other businesses for stimulating growth.

Your Company will continue to scout for opportunities to enter new categories in Food and new geographies in its endeavour of becoming a Total Foods and a Truly Global Company.

c. Consolidated Financial Performance

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

Consolidated Sale of your Company for the financial year ended 31 March 2018 is ₹ 9,905.63 Crores vis-à-vis ₹ 9,232.30 Crores in the previous year, registering a growth of 7.3%. Consolidated Net Profit for the financial year ended 31 March 2018 is ₹ 1,004.23 Crores vis-à-vis ₹ 884.47 Crores in the previous year, registering a growth of 13.5%.

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 Development during the year

During the year under review, the Company incorporated a wholly owned Subsidiary in Nepal under the name of Britannia Nepal Private Limited.

e. Dividend

Your Board is pleased to recommend a dividend of 1250% which amounts to ₹ 25/- 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 ₹ 361.84 Crores including dividend distribution tax of ₹ 61.70 Crores.

f. **Reserves**

Your Company has transferred an amount of ₹ 94.79 Crores to the General Reserve for the financial year ended 31 March 2018.

g. **Share Capital**

During the year under review, your Company has allotted 58,333 equity shares of ₹ 2 each upon exercise of 58,333 options under Employee Stock Option Scheme. Consequently, the paid up equity share capital of your Company has increased by ₹ 1,16,666 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; if any, 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 increased capacity at its plants in Perundurai, Bidadi, Jhagadia and successfully commissioned the lines at the greenfield facility in Guwahati. The lines at Mundra SEZ facility were commissioned in April 2018.

These initiatives have helped in creating the right capacity and capability using cost-efficient yet superior technology to meet the growing demand.

c. **Environment, Health and Safety**

Environment, Health and Safety are treated as core values at your Company. In order to promote a Zero Accident culture, your Company has strengthened its work place systems and practices through several accident prevention programs. A structured program to review and assess risks at machine levels has been initiated across the Company's manufacturing units. The new unit at Perundurai was certified for compliance to OHSAS 18001 system requirements and the unit at Bidadi is expecting its certification shortly. All other units are already certified under the OHSAS 18001 standard. A central EHS steering committee reviews the overall strategy and the status of actions implemented across all factories, on a monthly basis. This year, the Khurda factory was recognised by the Government of Odisha for the longest accident free hours and lowest reportable accident record for the year 2016.

d. **Quality Programs**

Your Company continued the journey to excel in food safety and quality delivery to provide delightful, safe and compliant products to consumers in every pack. Global food safety standards compliance through American Institute of Baking (AIB) confirmed to six of the manufacturing units on the back of significant capability building programs and food safety initiatives in units. One of the manufacturing units successfully cleared the USFDA Audit. All the existing manufacturing units are now certified for the International Food Safety Standards ISO 22000 and new units are under the certification process.

Your Company has a robust Vendor Quality Assurance Program which ensures delivery of quality materials on the back of capable vendor selection and performance monitoring through regular audits.

You would be happy to know that your Company's "*Consumer Care Cell*" is compliant to the 'Global Standards on Customer Satisfaction & Guidelines on Complaint Handling' and it sustained the ISO 10002 certification during the year.

e. **Research and Development (R&D)**

Your Company's investment in building R&D capacity and capability has started delivering results with the launch of new-to-market innovations, renovation of existing products, product and packaging value engineering and building readiness for launch of new adjacent category products in coming years. This should steer the Company into becoming a "**Total Foods Company**".

A new to the market product "*Pure Magic Deuce*" developed with a very unique, delightful and indulgent combination of crispy, chocolaty, thin biscuit and melt in mouth moulded chocolate. Your Company also launched three premium and great tasting cookies i.e. *Berries & Nuts, Choco & Nuts* and *Butter Almond* under a new sub brand "Good Day Wonderfulls". Good Day product range was further strengthened during the year with the launch of organoleptic superior *Choco Almond* and renovation of *Cashew* and *Chocochips*.

Your Company's journey to provide healthier choices to consumers continued with the launch of *Nutrichoice Oats Chocolate and Almond* made with goodness of whole wheat flour, oats and almond and delightful taste of choco chips. Your Company also launched a very tasty, chocolaty, fortified *Milk Bikes Good Morning* biscuits.

Your R&D team invested significantly to understand consumer expectations on cream sandwich category which led to development of organoleptically superior *Treat Funky Choco* and *Treat Kool Vanilla*.

Anemia among children is a big concern and to address this, micro-nutrients fortified and highly palatable biscuit delivering 50% RDA of Iron, Folic acid, Vit B1, B6 and B12 per serve has been developed for children. These biscuits are being distributed through Anganwadi program in North Karnataka district.

Your Company continued its work programs to optimize and reduce the usage of laminate and paper based products. You will be glad to know that your Company's Chemical and Mechanical testing laboratories are accredited now by the "National *Accreditation Board for Testing and Calibration Laboratories (NABL)* in accordance with ISO/IEC 17025:2005

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**

The mother brand Britannia is a household name – it has been dominating the biscuit category for 100 years, over 70% of Indian households consume Britannia products, which becomes 80% in urban India and a staggering 90%+ in metros. The number of Britannia packs sold in a month is the same size as the population of the country! As a Company, our true pride comes from the fact that Britannia products are as loved and relished by a 2 year old as they are by an octogenarian, across the length and breadth of the country.

2017 was another year of solid business performance with robust growth on topline and bottom line. We further consolidated our market leadership by widening the gap between us and our next competitor.

For the mother brand and the flagship brands, 2017 was a defining year. This year, we took up the task of addressing certain consumer segments where Britannia's connection was not so strong. At the same time, we strengthened our connections with our core consumers. We managed to do both of these by firstly identifying which of our brands could have meaningful conversations with which consumer constituencies. As the sole custodians of each constituency, our brands then had to push themselves to get insightful understanding of their 'most valued consumer' and develop messaging that is truly resonated with them.

In the process what emerged was our ability to address different consumers through different flagship brands and thereby enable the mother brand to come alive across the entire spectrum of consumers.

While Good Day spread optimism & happiness with families through its 'Smile more for a Good Day' campaign, 'Swasth Khao, Tan Mann Jagao' campaign of Marie Gold was focused on 'fueling the everyday athletes' in homemakers. Britannia Bourbon got youth together by being a 'fulfilling snack for fulfilling friendships' through its Bourbon Friends Forever (BFF) campaign, Treat inspired kids & tweens to have 'fun in the middle' of the mundane. Little Hearts on the other hand spoke the language of today's teens by urging them to 'Break

Some Hearts' and have some fun through its Break Some Hearts campaign.

While Nutri Choice championed the 'power of a good choice' among health seeking adults through its 'It all starts with a good choice' campaign, Milk Bikis focused on kids nutrition by urging them to focus on every day through its 'kalkeliyeroz' campaign. On the other end of the spectrum, Pure Magic brought an exciting proposition to indulgence lovers through the 'It's so Deuce' campaign.

Not only were these brand ideas brought alive through thematic campaigns, some brands took it a step further into experiential activations such as *#GoPlaces* on Britannia Marie Gold, *#The Great International Family Holiday campaign* on Good Day and *#MyMilkBikisMyExperiences* on Milk Bikis and built solid connections with consumers.

The real magic in our successful campaigns has come from the fact that they spoke of higher order life truths almost as easily as they brought alive the consumption context for each product.

Good Day & Marie Gold have democratized their offering and successfully upgraded consumers by breaking the price point & pack barriers. Good Day also drove the agenda of premiumisation by adding new, more indulgent variants such as Good Day Chocolate at the top end.

Nutri Choice being the dominant player in the health biscuits segment has the onus of expanding this niche category by leading the agenda on healthy products. The brand did this successfully with products like Digestive Zero and Oats cookies which not only broke the barrier of perceived lack of taste in healthy biscuits, but also made them extremely accessible.

We focus on innovations in 2 ways - plugging gaps in existing portfolio and truly path breaking, new-to-market product formats. While there were many innovations done in 2017, Good Day Wonderfulls and Treat were our biggest successes from the perspective of plugging portfolio gaps. On Treat, we ensured a superior mix coupled with a differentiated positioning and personality. On Good Day Wonderfulls, we premiumized cookies and gave consumers a superior experience.

On the disruptive innovation front, our single biggest innovation of the year has been the launch of Pure Magic Deuce. We believe, it is the first disruptive innovation in biscuits as well over 8 years. The product which combines a slab of chocolate with a crispy biscuit has been the biggest step yet towards bringing together the two categories of biscuit & chocolate and creating a bridge product which keeps the original identity of its constituents intact.

The market success of our 2017 innovations have fueled our appetite to have an audacious, ambitious and consistent innovation pipeline, going forward.

In 2017, we crafted a robust digital marketing strategy for Britannia. We began by laying down a structured approach to address specific brand objectives through the digital medium. The five key digital marketing objectives that were identified were premiumisation, driving thought leadership, strengthening health credentials, strengthening youth connect and building niche brands solely through the digital medium. The content strategy that followed has emerged from an in-depth understanding of the digital consumer and how content is consumed on various platforms.

We have therefore had many digital firsts this year- whether it was the Good Day campaign done from the point of view of a Royal Indian Guard, or our decision to make Little Hearts a digital-only brand with an edgy take on heartbreaks, or setting up a digital radio channel called 'Campus Radio', in partnership with Gaana and Radio Mirchi, to enable everyday conversations with the younger audience. However, younger audience will continue to remain a challenge that we will work on innovatively over the next couple of years.

On our core bakery business, we will continue to see big gains from strengthening our core brands. At the same time, innovations will remain a focus area to tap into new consumer/consumption opportunities.

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. Jehangir N Wadia, 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 7 August 2017 appointed Mr. Keki Elavia as Additional and Independent Director of the Company w.e.f 7 August 2017 subject to approval of the Members.

The Securities and Exchange Board of India ("SEBI") vide its notification dated 9 May 2018 inserted Regulation 17(1A) to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') effective from 1 April 2019. Pursuant to the provisions of the Regulation 17(1A), the listed Company shall not appoint or continue the directorship of a person who has attained the age of 75 years unless special resolution is passed to that effect.

In this regard, the appointment of Mr. Keki Elavia who would attain the age of 75 years during his proposed term, is recommended to be approved by passing a special resolution.

Further, the Board of Directors at their Meeting held on 15 May 2018 recommended the continuation of Directorship of Mr. Nusli Wadia, Chairman who would attain age of 75 years in February 2019 and Mr. A.K Hirjee, Non-Executive Director who has attained the age of 75 years for Members approval by special resolution.

Mr. S.S Kelkar has attained the age of 75 (Seventy Five) years as on date and he has expressed his desire to step down from the Board during FY 2018 -19.

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 2018 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, the Board is of the opinion that the Company's internal financial controls were adequate and operationally effective during FY 2017-18.

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. Rajesh Arora resigned from the position of Company Secretary w.e.f closing business hours of 30 June 2017.

The Board of Directors at there meeting held on 15 May 2018 appointed Mr. Jairaj Bham as Company Secretary and Compliance Officer of the Company w.e.f. 15 May 2018.

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 work place. During the year, one complaint was received by the Company under anti-sexual harassment Policy and the same was resolved to the satisfaction of the Complainant.

VI. GOVERNANCE/SECRETARIAL

a. **Corporate Governance**

A Report on Corporate Governance for the financial year ended 31 March 2018 along with the Statutory Auditor's Certificate on compliance with the provisions of corporate governance under SEBI (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" of the Company for FY 2017-18 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.

n. Compliance with Secretarial Standards

During the year under review, the Company has complied with all the applicable Secretarial Standards.

VII. AUDITORS

a. Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration no. 101248W/W-100022) 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.

The first proviso to Section 139 of the Companies Act, 2013 which provided for the ratification of appointment of the Statutory Auditors by the Members at every Annual General Meeting has been omitted by the Companies Amendment Act, 2017 w.ef 7 May 2018. Hence, the appointment of Statutory Auditors shall continue to be valid till the conclusion of the 5 consecutive Annual General Meetings and no ratification of appointment of Statutory Auditor is required at the ensuing AGM.

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 2017-18. The Secretarial Audit Report submitted by them is given as **Annexure 'F'** to this Report.

The Secretarial Auditors have qualified their report in respect of compliance of Section 203 of the Companies Act, 2013 for appointment of Company Secretary.

Board's explanation:

The Board at its Meeting held on 15 May 2018 appointed Mr. Jairaj Bham as Company Secretary and Compliance Officer of the Company w.e.f 15 May 2018.

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 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 the Pension Funds 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 Pension 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 Covenanted Staff Pension Fund (CSPF) and interest thereon. In response to the petition filed by the CSPF, the Honourable High Court

at Calcutta passed an order wherein it directed the CIT, Kolkata to consider the representations made by the PWA, the Company and Pension Funds.

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 at Calcutta did not pass any interim order or grant stay against the order of the CIT, Kolkata. 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 Crores. It also directed the single bench of the Calcutta High Court to dispose off the Writ Petition expeditiously. On 28 August 2017, the single bench of the Calcutta High Court remanded back the matter to CIT, Kolkata for deciding the original show-cause notice and the reply thereto in accordance with law. CIT, Kolkata passed an order on 6 October 2017 withdrawing the original show cause issued and revoking the earlier CIT order de-recognizing the Pension Fund.

The Company and Pension funds, since then, have settled the amount payable to eligible pensioners, who have submitted the required document, under the Memorandum of Settlement approved by the Honourable High Court of Karnataka.

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: 15 May 2018

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 2017-18 are:

(i) The program for deploying air pre heaters for energy recovery in ovens has been completed and is now being extended to third party manufacturing units as well.

(ii) The Company has started sourcing solar power from a third party supplier in Karnataka. It has also finalised sourcing arrangements for wind power in Tamil Nadu, which is expected to operationalise shortly.

The Company has a structured energy reduction program. As part of the program, factories with high energy consumption, benchmark themselves against the factory with the lowest consumption. A cross functional team then studies the best practices that can be replicated and implement them as per time bound plan.

(b) Additional investments and proposals, if any, being implemented for reducing energy consumption:

The Company invested about ₹ 3.8 Million in capital expenditure at its various units towards the energy reduction program in FY 2017-18.

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

(i) Overall specific heat energy consumption (energy consumed per ton of product), has reduced by about 8% and specific power consumption has reduced by about 4%.

(ii) The Company expects to save approximately ₹ 1.28 Crores in power sourcing costs in FY 2018-19.

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) Primary packaging automation was completed in the hard dough line at the Jhagadia factory in Gujarat.

(ii) Design upgrades were finalised to the thermic fluid oven designs for the upcoming Ranjangaon greenfield plant. This should increase the throughput and efficiencies of these ovens.

(iii) The imported rusk line commissioned at SEZ, Mundra in April 2018.

(iv) The minor and micro ingredient handling system was successfully commissioned in IBPL. Pondicherry unit last year has been installed and has been commissioned in the greenfield plant at Guwahati. Another unit will be installed in the Jhagadia unit later in FY 2018-19.

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

(i) Significant increase in labour productivity.

(ii) The Company expects an increase in throughput capability of its thermic fluid oven designs and consequently a lower specific fuel consumption in the Ranjangaon greenfield plant.

(iii) Improved labour productivity and superior product quality.

(iv) Enhanced process capability to give superior and consistent product quality.

(c) Details of imported technology:

(i) Your Company commissioned the imported rusk line at SEZ, Mundra in April 2018.

(ii) The operation of the state of the art cookie capper line at Bidadi commissioned in last year March, has been stabilised. A new differentiated product has been identified and is proposed to be rolled out of this line later this year.

C. RESEARCH AND DEVELOPMENT

i. Core areas of Research by the Company:

Your Company's R&D team is building significant capabilities in delivery of consumer winning innovations, new-to-the-market

products, renovation of the core to meet the expectations of evolving consumer taste requirements. Also, stronger health and wellness work programs and food safety programs were carried out to ensure safety of the delivered products to consumers.

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

On the back of above, your Company is able to innovate in the core categories, launch new to the market disruptive innovations, renovate the core, build delightful healthier product offerings, and offer organoleptically superior products at affordable price.

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

₹ in Crores

Particulars	31 March 18
Capital	1.86
Recurring	26.68
Total	28.54
Total R&D expenditure as a % of turnover	0.31%

iv. **Future plan of action:**

Your Company's R&D team will continue to focus on building consumer insights based product innovation and renovation, enter into the adjacent categories on the back of differentiated product offerings and stronger science based products and packaging to deliver nutritional, organoleptic and cost benefits to consumers. Your team will develop special fortified products to address iron deficiency and acute malnutrition among the target population group.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO FOR FY 2017-18

₹ in Crores

Particulars	Amount
Foreign exchange used	165.31
Foreign exchange earned	202.05

On behalf of the Board

Place: Mumbai
Date: 15 May 2018

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 web link 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 2017-18.

   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: ₹ 1,006.85 Crores

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 20.14 Crores

5. Details of CSR spent during the financial year:

   a. Total amount spent for the financial year: ₹ 22.14 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	Sir Ness Wadia Foundation (SNWF)	Refer the para given herein below	Mumbai, Maharashtra	₹ 14.37			Direct
2	Promoting preventive health Care at Nowrosjee Wadia Maternity Hospital (NWMH)		Mumbai, Maharashtra	₹ 7.77			Direct

This year, the Company joined hands with Sir Ness Wadia Foundation by contributing ₹ 14.37 Crores of its CSR funds towards health care projects for mother, child and nutrition. In continuation to the commitment of the refurbishment of Nowrosjee Wadia Maternity Hospital, the Company contributed ₹ 7.77 Crores to this project. The refurbishment and upgradation of the hospital is now in the second year and is scheduled to be completed by 2020.

The healthcare projects include upgradation of Nowrosjee Wadia Maternity Hospital and continuous improved service delivery at Bai Jerbai Wadia Hospital for Children & Research Centre and a Nutrition Program with Britannia Nutrition Foundation.

i. **Sir Ness Wadia Foundation:**

Sir Ness Wadia Foundation (SNWF), a registered non-profit organization was established in 1969; set up to work for the empowerment of the underprivileged sections of our society. It aims to fulfil their basic needs of health, education and livelihood, and strives to create empowered, self-sustainable communities.

Inspired by the life and work of the renowned industrialist and philanthropist Sir Ness Wadia, SNWF is one of India's oldest philanthropic institutions, and has played a pioneering role over the years in bringing about a positive change in the society.

The Foundation provides hope, empowerment and an improved quality of life to less fortunate individuals. Through a long journey from its inception, SNWF has evolved into an organization of exceptional repute, providing incomparable services in the fields of education, health care, community development and relief & rehabilitation.

ii. **Upgradation of 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 upgraded hospital will have 7 operation theatres, dedicated labour wards and oncology units along with additional scope of services and increased specialities to provide comprehensive care to all women under one roof.

iii. **Continuous Improved Service Delivery at Bai Jerbai Wadia Hospital for Children (BJWHC)**

Bai Jerbai Wadia Hospital for Children and Research Centre (BJWHC) established in 1929, strongly focusses on providing preventive healthcare to children in rural, semi-urban and urban communities. Today BJWHC is the leading pediatric teaching institute with one of the largest Neonatal Intensive Care Unit (NICU) in the world with 155 beds. The hospital can accommodate around 525 patients equipped with more than 30 sub-specialties, providing comprehensive care to children under one roof. BJWHC has well established centres of excellence in Paediatric Cardiology, Neurology, Nephrology, Orthopaedics and Haematoncology to name a few.

BJWHC sees an inflow of over 1,50,000 patients on an outpatient basis and more than 15,000 children on an inpatient basis. BJWHC also reaches out to the community by conducting outreach medical camps to benefit the tribal population in Palghar district. During this year, the hospital has identified and treated 2390 SAM and MAM children of which 166 children were referred to the hospital for further treatment. Similarly, 487 pregnant women were medically examined of which 27 were referred to the hospital for further treatment.

To meet the continuous demand of patients and in order to provide services under one roof, there is constant need for upgradation of services and technology at Bai Jerbai Wadia Hospital for Children. The current need is for upgrading of imaging services with MRI machine and providing ventilators to meet the demand for NICU services to new born babies and hence reducing mortality rates. More than 6000 patients are referred out of the hospital annually for advanced imaging magnetic resonance imaging (MRI). All patients cannot afford MRI in private setups. With cardiac surgery department commencing operations and neurology department expanding along with other speciality services, it is essential to start an in-house imaging set up within BJWHC to cater to children who cannot afford these services in private hospitals with the available clinical teams.

Similarly, over 3,500 babies were seen in the NICU last year at BJWHC. Today, the City of Mumbai requires additional 500 NICU beds to cater to the demand arising from patients within the city and immigrant patients. The waiting list per day is not less than 10 patients who require ventilator support. With the aim of reducing the waiting list and providing NICU services to the needy at affordable costs, the hospital will be supported by 14 ventilators.

Bai Jerbai Wadia Hospital for Children and Research Centre has received multiple National and International awards and recognitions such as **International Quality Award for Excellence in Child Health Care Services; Outstanding Achievement Award in HealthCare – Social Cause and the Best use of Six Sigma in Healthcare to name a few.**

iv. **Britannia Nutrition Foundation (BNF)**

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

The key initiatives of the BNF in FY 2017- 18 were as follows:

Community development and nutrition programs were undertaken across 6 states, reaching a total of 12,750 children. The programs were executed in geographies around 9 of Britannia's factories with a focus on reducing malnutrition among children & women. The programs had participation from local government bodies and anganwadis, local primary schools and primary health centres to distribute fortified biscuits to children. Other support programs like counselling programs for parents, organizing health checks in villages, infrastructure improvement of anganwadis have also been taken up.

The BNF partnered with the Govt. of Karnataka to provide Iron fortified Tiger choco glucose biscuits to anganwadi children in Uttar Kannada district, Karnataka. The program reaches 43,260 children between 3- 6 years of age across 2,684 anganwadis. Each child gets 10 biscuits a week as part of the overall nutrition program in the anganwadis.

Around 55 metric tons of specially formulated, Iron Fortified Tiger Choco Glucose biscuits have been distributed, free of cost, this year, with the aim of addressing Iron deficiency Anemia.

Britannia launched the first Employee Volunteering Program called 'Britannia Big Hearts'. The program aimed to provide meaningful volunteering opportunities to employees, motivate social responsibility and creating Volunteer Champions. 236 employees were engaged in the initiative, 944 volunteering hours clocked, and 1,735 students were reached across 17 schools.

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
DIN : 05208062	DIN : 00036049

Place: Mumbai
Date: 15 May 2018

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 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2017-18 are as under:

Sr. No.	Name of Director / KMP	Remuneration of Director / KMP for FY 2017-18 (₹ in Crores)	% increase in Remuneration in FY 2017-18	Ratio of Remuneration of each Director to median remuneration of employees
Promoter and Non-Executive Directors:				
1	Mr. Nusli N Wadia, Chairman	6.09	21%	191.1
2	Mr. A K Hirjee	0.52	8%	16.3
3	Mr. Jeh N Wadia	0.11	-27%	3.5
4	Mr. Ness N Wadia	0.38	-24%	11.9
Independent Directors				
5	Mr. Avijit Deb	0.24	-4%	7.5
6	Mr. S S Kelkar	0.28	27%	8.8
7	Mr. Nimesh N Kampani	0.37	23%	11.6
8	Mr. Keki Dadiseth	0.45	400%	14.1
9	Dr. Ajai Puri	0.55	20%	17.3
10	Mr. Nasser Munjee	0.01	*	*
11	Mrs. Ranjana Kumar	0.21	110%	6.6
12	Dr. Ajay Shah	0.17	**	**
13	Dr. Y.S.P Thorat	0.41	**	**
14	Mr. Keki Elavia	0.32	#	#
Key Managerial Personnel				
15	Mr. Varun Berry, Managing Director	8.64	17%	271.1
16	Mr. N Venkataraman, Chief Financial Officer	1.83	##	##
17	Mr. Rajesh Arora, Company Secretary (upto 30 June 2017)	0.13	$	$

* Resigned as Independent Director w.e.f 25 May 2017.

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

Details not given as Mr. Keki Elavia was appointed as Additional and Independent Director with effect from 7 August 2017.

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

$ Details not given as Mr. Rajesh Arora was Company Secretary only for part of FY 2017-18 i.e., upto 30 June 2017.

(ii) The median remuneration of employees of the Company during FY 2017-18 was ₹ 3.19 Lakhs. In FY 2017-18, the median remuneration of employees was 12.36 % lower compared to previous year.

(iii) There were 3,794 permanent employees on the rolls of Company as on 31 March 2018.

(iv) Average percentage increase made in the salaries of employees other than the Managerial Personnel in FY 2017-18 on comparable basis was 9.2% over previous year whereas for Managerial Remuneration it increased by 17.4%.

(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: 15 May 2018

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	1,50,000
b.	Number of options granted during the year	1,25,000
c.	Number of options forfeited / lapsed during the year	Nil
d.	Number of options vested during the year	58,333
e.	Number of options exercised during the year	58,333
f.	Number of shares arising as a result of exercise of options	58,333
g.	Money realized by exercise of options during the year, if scheme is implemented directly by the Company	₹ 15,06,80,327
h.	Loan repaid by the Trust during the year from exercise price received	Not Applicable

Sr. No.	Particulars	Britannia Industries Limited Employee Stock Option Scheme
i.	Number of options outstanding at the end of the year	2,16,667
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 ₹ 3,533.30 Weighted average Fair Value of Option is ₹ 722.52 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;	1,25,000 options granted to Mr. Varun Berry, Managing Director on 25 May 2017 at an exercise price of ₹ 3,533.30
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	Weighted average fair value of option granted during the year is ₹ 722.52 per option.
b.	the weighted-average values of exercise price	Weighted average exercise price for the option granted during the year is ₹ 3,533.30.
c.	the weighted-average values of expected volatility	22.12%
d.	the weighted-average values of expected option life	3 years
e.	the weighted-average values of expected dividends	1100% of face value of share.
f.	the weighted-average values of the risk-free interest rate	6.66%
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 (9 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

Sr. No.	Particulars	Britannia Industries Limited Employee Stock Option Scheme
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".	₹ 78.92

On behalf of the Board

Place: Mumbai
Date: 15 May 2018

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 13 November 2017 and addendum letter dated 1 May 2018.

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 2017 to 31 March 2018. 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 its Annual General Meeting 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 meeting 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 2017 to 31 March 2018 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: 15 May 2018

ANNEXURE 'E' TO THE DIRECTORS' REPORT

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the Financial Year ended on 31 March 2018

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

I. REGISTRATION AND OTHER DETAILS:

(i) CIN	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	~92

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, 16 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, 5 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, 16 Floor, Whitefield Main Road, Mahadevpura Post, Bangalore, Karnataka – 560048	U15400KA1994PTC015687	100
9	Snacko Bisc Private Limited	India Land Tech Park, Tower B, 5 Floor, III Main Road, Ambattur Industrial Estate, Chennai-600058	U15419TN1997PTC039343	100
10	Vasana Agrex and Herbs Private Limited	India Land Tech Park, Tower B, 5 Floor, III Main Road, Ambattur Industrial Estate, Chennai-600058	U01119TN1996PTC034766	100
11	Sunrise Biscuit Company Private Limited	Pub Boragaongotanagar, Guwahati, Assam – 781033	U15412AS1985PTC002361	99.16
12	Britchip Foods Limited	5/1A Hungerford Street, Kolkata, West Bengal- 700017	U15490WB2017PLC219389	60
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

Sr. No.	Name of the Company	Address	CIN/GLN	% of holding#
18	Britannia and Associates (Dubai) Private Company Limited	PO Box No. 4254, Dubai, United Arab Emirates	Body Corporate	100
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, 4 Floor, 19 Bank Street, Cybercity, Ebène 72201 Republic of Mauritius	Body Corporate	100
21	Britannia Dairy Holdings Private Limited	Apex Fund Services (Mauritius) Ltd, 4 Floor, 19 Bank Street, Cybercity, Ebène 72201 Republic of Mauritius	Body Corporate	100
22	Britannia Nepal Private Limited	Bara District, Simara Jeetpur, Sub metropolitan City, Ward No 2 and 124 Lal Colony Marg, Lal Durbar, Ward No 1, Kathmandu, Nepal	Body Corporate	100
23	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				
24	Nalanda Biscuit Company Limited	Khagual Road, Naya Tola, PS-Phulwari Sharif, Patna, Bihar – 801505	U15410BR1986PLC002262	35
25	Klassik Foods Private Limited	Plot No F-30 MIDC Satpur, Nasik, Maharashtra - 422007	U15120MH1981PTC025662	26.02
26	Sunandaram Foods Private Limited	Ward No. 1, Darrang Mangaldai, Assam – 784125	U15412AS2006PTC008112	26

**Company Limited by Guarantee*

 # 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	-
(b) Central Govt	-	-	-	-	-	-	-	-	-
(c) State Govt (s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp	-	-	-	-	-	-	-	-	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any Other	-	-	-	-	-	-	-	-	-

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)	
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	-
(b) Other - Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corp	6,08,66,095	-	6,08,66,095	50.72	6,08,66,095	-	6,08,66,095	50.70	(0.02)*
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2)	6,08,68,345	-	6,08,68,345	50.72	6,08,68,345	-	6,08,68,345	50.70	(0.02)
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	6,08,72,896	-	6,08,72,896	50.72	6,08,72,896	-	6,08,72,896	50.70	(0.02)
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds / UTI	80,40,445		80,40,445	6.70	74,81,594	-	74,81,594	6.23	(0.47)
(b) Banks/FI	2,90,892	6865	2,97,757	0.25	2,67,730	5,465	2,73,195	0.23	(0.02)
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	56,46,381	500	56,46,881	4.71	73,82,437	500	73,82,937	6.15	1.44
(g) FIIs	60,03,340		60,03,340	5.00	21,538	-	21,538	0.02	(4.98)
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (specify)									
Foreign Portfolio Investors	1,32,15,889		1,32,15,889	11.01	2,04,72,505	-	2,04,72,505	17.05	6.04
Sub-total(B)(1)	3,31,96,947	7,365	3,32,04,312	27.67	3,56,25,804	5,965	3,56,31,769	29.68	2.01
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	45,85,649	23,160	46,08,809	3.84	31,93,791	15,205	32,08,996	2.67	(1.17)
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individual Shareholders holding nominal share capital upto ₹ 1 lakh	1,35,67,056	24,36,931	1,60,03,987	13.34	1,28,62,117	21,53,109	1,50,15,226	12.51	(0.83)
(ii) Individual Shareholders holdings nominal share capital in excess of ₹ 1 lakh	23,43,367	13,31,890	36,75,257	3.06	23,83,564	6,82,455	30,66,019	2.55	(0.51)
(c) Others									
(i) Trusts	6,16,286	-	6,16,286	0.51	5,85,106	-	5,85,106	0.49	(0.02)
(ii) NBFCs	2,15,914	-	2,15,914	0.18	2,19,857	-	2,19,857	0.18	-
(iii)Individual NRI	7,88,109	15,230	8,03,339	0.67	14,44,774	14,505	14,59,279	1.22	0.55
(iv)Foreign National	15		15	0.00	-	-	-	-	-
Sub-total(B)(2)	2,21,16,396	38,07,211	2,59,23,607	21.60	2,06,89,209	28,65,274	2,35,54,483	19.62	(1.98)
Total Public Shareholding (B)=(B)(1)+(B)(2)	5,53,13,343	38,14,576	5,91,27,919	49.27	5,63,15,013	28,71,239	5,91,86,252	49.30	0.03
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	11,61,86,329	38,14,576	12,00,00,815	100.00	1,171,87,909	28,71,239	12,00,59,148	100.00	-

*Change in the share holding is due to increase in paid-up share capital of the Company on account of allotment of 58,333 equity shares under ESOS.

(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	44.92	-	5,39,04,500	44.90	-	(0.02)*
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	0.00	-	4,551	0.00	-	-
	Total	**6,08,72,896**	**50.72**	-	**6,08,72,896**	**50.70**	-	**(0.02)***

**Change in the percentage of share holding is due to increase in paid-up share capital of the Company on account of allotment of 58,333 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	50.72	6,08,72,896	50.72
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	50.70*	6,08,72,896	50.70*

**Change in the percentage of share holding is due to increase in paid-up share capital of the Company on account of allotment of 58,333 equity shares under ESOS.*

(iv) **Shareholding of top ten Shareholders as on 31 March 2018 (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)	36,36,635	3.03	11,70,621	48,07,256	4.00
2	Arisaig Partners (Asia) Pte Ltd A/c Arisaig India Fund Limited (Client ID: 10438382)	35,31,876	2.94	(14,22,607)	2109269	1.76
3	General Insurance Corporation of India (Client ID: 10000029)	12,26,125	1.02	-	12,26,125	1.02
4	Nomura India Investment Fund Mother Fund (Client ID: 10021590)	7,32,913	0.61	2,80,550	10,13,463	0.84
5	Baron Emerging Markets Fund (Client ID: 10090308)	0	0.00	7,97,320	7,97,320	0.66
6	Life Insurance Corporation of India P&GS Fund (Client ID: 10501340)	1,25,880	0.10	6,57,629	7,83,509	0.65
7	MotilalOswal Most Focused Multicap 35 Fund (Client ID: 10074077)	4,91,537	0.41	2,73,769	7,65,306	0.64
8	ICICI Prudential Focused Bluechip Equity Fund (Client ID: 11219356)	6,16,110	0.51	56,107	6,72,217	0.56
9	Morgan Stanley Mauritius Company Limited (Client ID: 10077083)	5,07,513	0.42	1,33,390	6,40,903	0.53
10	Kotak Select Focus Fund(Client ID: 30024640)	5,41,000	0.45	59,000	6,00,000	0.50

** 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	0.00	0.00	+58,333	0	0.00
				-58,333		
3.	Mr. Ness N Wadia	4,551	0.00	--	4,551	0.00
*Increase: Acquired 25,000 shares on 05.06.2017 & 33,333 shares on 30.06.2017 Decrease: Sold 25,000 shares on 20.06.2017, 4,022 shares on 06.07.2017, 13,037 shares on 10.07.2017, 2,671 shares on 11.07.2017, 5,000 shares on 12.07.2017, 2,226 shares on 13.07.2017, 3,677 shares on 13.07.2017, 2,700 shares on 14.07.2017						
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	62.00	-	-	62.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**62.00**	**-**	**-**	**62.00**
Change in Indebtedness during the financial year				
• Addition	15.00	-	-	15.00
• Reduction	(27.00)	-	-	(27.00)
Net Change	**(12.00)**	**-**	**-**	**(12.00)**
Indebtedness at the end of the financial year				
i) Principal Amount	50.00	-	-	50.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**50.00**	**-**	**-**	**50.00**

** 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	453.62
	(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 - Performance linked incentive / other bonus - Contribution to Provident Fund, Meal Voucher and Medical Insurance premium	386.45 22.35
	Total (A)	**863.56**
	Ceiling as per the Act	7,083.57

**During FY 2017-18, Mr. Varun Berry, Managing Director has been granted 1,25,000 stock options at an exercise price of ₹ 3,533.30 per option.*

B. Remuneration to other Directors for FY 2017-18:

(₹ in lakhs)

Sr. No.	Name of the Directors	Fee for attending Board /Committee meetings	Commission	Total
I.	**Independent Directors**			
1.	Mr. Avijit Deb	7.60	16.39	23.99
2.	Mr. S. S. Kelkar	9.00	18.74	27.74
3.	Mr. Nimesh N Kampani	11.60	25.18	36.78
4.	Mr. Keki Dadiseth	14.40	30.45	44.85
5.	Dr. Ajai Puri	11.20	43.42	54.62
6.	Mr. Nasser Munjee*	0.60	--	0.60
7.	Mrs. Ranjana Kumar	6.80	14.05	20.85
8.	Dr. Ajay Shah	5.60	11.71	17.31
9.	Dr. Y.S.P Thorat	6.80	34.05	40.85
10.	Mr. Keki Elavia#	5.40	26.88	32.28
	Total (I)	**79.00**	**220.87**	**299.87**
II.	**Non-Executive Directors**			
11.	Mr. Nusli N. Wadia	8.80	600.00	608.80
12.	Mr. A. K. Hirjee	10.00	42.25	52.25
13.	Mr. Jeh N. Wadia	3.40	7.61	11.01
14.	Mr. Ness N. Wadia	8.40	29.27	37.67
	Total (II)	**30.60**	**679.13**	**709.73**
	Total B (I +II)	**109.60**	**900.00**	**1009.60**
	Total Managerial Remuneration (Commission)			**900.00**
	Overall Ceiling as per the Act			**1,416.71**

** Mr. Nasser Munjee resigned as Independent Director of the Company w.e.f.25 May 2017*

 # Mr. Keki Elavia was appointed as Additional and Independent Director of the Company w.e.f. 7 August 2017.

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

(₹ in lakhs)

Sr. No.	Name of the Directors	N Venkataraman (CFO)	Rajesh Arora (CS) (upto 30 June 2017)	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	128.01	10.41	138.42
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.41	--	0.41
	(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	--	--	--
5	Others :			
	- Performance linked incentive / other bonus	51.85	--	51.85
	- Leave Encashment Paid	--	1.94	1.94
	- Contribution to Provident Fund, Meal Voucher and Medical Insurance premium	3.07	0.49	3.56
	Total	**183.34**	**12.84**	**196.18**

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: 15 May 2018

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	(2,971)	26,730	2,991	1,078	711	533	498	36	-	100.00	India
2	Britannia Dairy Private Limited	INR	1.00	1.00	57,800	1,700,600	2,444,200	685,800	1,273,100	3,132,200	477,400	158,700	318,700	-	100.00	India
3	Britannia Employees' Educational Welfare Association Private Limited	INR	1.00	1.00	1,752 ^	7,284	10,071	1,035	-	345	181	51	130	-		India
4	Britannia Employees' General Welfare Association Private Limited	INR	1.00	1.00	1,750 ^	7,179	9,983	1,054	-	337	210	51	159	-		India
5	Britannia Employees' Medical Welfare Association Private Limited	INR	1.00	1.00	1,800 ^	6,891	9,727	1,036	40	323	194	51	144	-		India
6	Daily Bread Gourmet Foods (India) Private Limited	INR	1.00	1.00	316,726	(278,734)	39,826	1,834	-	15,848	862	-	862	-	100.00	India
7	Flora Investments Company Private Limited	INR	1.00	1.00	2,843	19,662	23,551	1,046	2,522	1,171	1,023	-	1,023	-	100.00	India
8	Ganges Vally Foods Private Limited	INR	1.00	1.00	6,000	41,544	91,204	43,659	-	182,137	3,320	2,450	870	-	51.00	India
9	Gilt Edge Finance and Investments Private Limited	INR	1.00	1.00	2,498	20,378	23,914	1,038	-	1,211	1,059	14	1,045	-	100.00	India
10	International Bakery Products Limited	INR	1.00	1.00	14,500	118,446	468,429	335,483	-	419,550	44,535	(600)	45,135	-	100.00	India
11	J B Mangharam Foods Private Limited	INR	1.00	1.00	4,502	50,201	500,503	445,796	26	1,213,860	25,419	12,756	12,663	-	100.00	India
12	Manna Foods Private Limited	INR	1.00	1.00	48,750	33,702	665,349	582,897	196	448,478	48,694	(1,830)	50,524	-	100.00	India
13	Sunrise Biscuit Company Private Limited	INR	1.00	1.00	141,995	54,837	366,526	169,693	-	770,342	24,031	(5,603)	29,634	-	99.16	India
14	Britchip Foods Limited	INR	1.00	1.00	270,000	(8,000)	262,775	800	-	700	(8,000)	-	(8,000)	-	60.00	India
15	Britannia Nepal Private Limited	NPR	0.62	0.62	100,000	(324)	99,729	520	-	116	(405)	(81)	(324)		100.00	Nepal
16	Al Sallan Food International Co. SAOC	OMR	169.10	167.24	338,200	(693,824)	659,396	1,015,020	-	1,835,647	94,151	-	94,151	-	65.46	Oman
17	Strategic Food International Co. LLC, Dubai	AED	17.73	17.55	345,638	171,802	1,707,364	1,189,925	-	3,556,097	22,039	-	22,039	-	100.00	Dubai
18	Britannia and Associates (Dubai) Private Company Limited, Dubai	USD	65.11	64.46	18	(184,553)	2,302,383	2,486,936	-	19,095	(12,052)	-	(12,052)	-	100.00	Dubai - JAFZA
19	Britannia and Associates (Mauritius) Private Limited, Mauritius	USD	65.11	64.46	1,586,867	28,257	2,464,199	849,075	-	28,150	10,323	310	10,013	-	100.00	Mauritius
20	Britannia Dairy Holdings Private Limited, Mauritius	USD	65.11	64.46	482,660	(310,284)	173,980	1,603	-	-	(25,438)	-	(25,438)	-	100.00	Mauritius
21	Strategic Brands Holding Company Limited, Dubai	USD	65.11	64.46	18	(7,179)	44	7,206	-	-	(595)	-	(595)	-	100.00	Dubai - JAFZA
22	Vasna Agrex and Herbs Private Limited	INR	1.00	1.00	100	(105,559)	1	105,460	-	-	(16)	-	(16)	-	100.00	India
23	Snacko Bisc Private Limited	INR	1.00	1.00	255,208	(420,325)	168	165,285	-	-	(25)	-	(25)	-	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 Limited	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited
1	Latest Unaudited Balance Sheet Date	31.03.2018	31.03.2018	31.03.2018
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	39,510	18,534	12,690
6	Profit / (Loss) for the year	769	5,803	(15,546)
	(i) Considered in consolidation	200	2,031	(4,042)
	(ii) Not Considered in consolidation	569	3,772	(11,504)

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

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

Place : Mumbai
Date : 15 May 2018

ANNEXURE 'F' TO THE DIRECTORS' REPORT

FORM No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

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

To,

The 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 2018, 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 2018 according to the applicable 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 which are generally complied with.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above except compliance of section 203 of the Companies Act 2013 in respect of appointment of Company Secretary.

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 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 etc. However, it is required to be strengthened.

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

For Parikh & Associates
Company Secretaries

Shalini Bhat
Partner
FCS No: 6484
CP No. 6994

Place : Mumbai
Date : 15 May 2018

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. Where ever 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
FCS No: 6484
CP No. 6994

Place : Mumbai
Date : 15 May 2018

MANAGEMENT DISCUSSION AND ANALYSIS

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company operates in the packaged food segment.

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

India's biscuit market stands at ₹ 32,000 Crores and is projected to grow at a CAGR of 11.27% in value terms, during 2018-2022. Rising number of health-conscious consumers, expanding working population and increasing urbanization are boosting the country's biscuit market. Moreover, augmenting disposable income along with changing lifestyle, increasing health and hygiene awareness and change in food consumption patterns are expected to propel demand for biscuits over the next five years.

The biscuit category has witnessed strong and sustained growth in the last decade based on two factors viz. per capita volume of consumption and premiumisation of products. But India does continue to be at the lower end of the scale on both these critical factors. The low per capita consumption relative to certain developed economies points to significant headroom and opportunity for category growth. The upside of course is that biscuits is a hugely penetrated category (90%+ households) in the country and the large category foundation should aid companies in trying out innovative offerings and scaling them up.

The key attributes of the category are a highly convenient form, above par organoleptic delivery and the baking process itself which has a strong health quotient attached to it. Also strong competitive activity has prodded each player to focus on innovations to spur sustainable growth.

An overall stable and growing economy will benefit the biscuits category.

Cake

Cake continues to be an under-developed category, although has witnessed some developments in the last few years. However, the category is developing fast with new formats, new price points, and development of eggless packaged cake. Your Company is also keeping abreast of such market developments and working on its portfolio and intends to keep pace and lead the market in new product development to retain its strong market share and competitive position.

Rusk

Double baked bread, otherwise known as Rusk or Toast, is a traditional category, but has seen a revival in recent years, driven by efforts by your Company. Your Company which is already the leader in this space, has launched a new brand "Toastea", offered innovative milk rusk to its consumers and has further enhanced product quality.

Bread

Bread, which is mostly sliced bread in India has been a bastion of strength for your Company for over sixty years. In the face of enhanced competition, your Company has taken steps to upgrade its manufacturing capabilities, product quality, and also range of offerings beyond sliced bread. Your Company has also grown its whole wheat and brown bread range well. Though bread has short shelf life and great price competitiveness, your Company has taken painstaking efforts to continuously use various business models to make sure that more and more consumers enjoy our bread.

Adjacent Business

Your Company endeavours to enter into categories which are adjacent to the current businesses to ensure that it captures business opportunities that might otherwise be lost. One such opportunity is filled croissants, which the Company intends to enter in the coming year. This is in collaboration with a world leader Chipita, a leading Greek snack food Company. Your Company will also, on an ongoing basis evaluate other segments to enter into so that it continuously makes progress towards becoming a "**Total Foods Company**".

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.

With rising urbanization and higher proportion of working women, time has become a precious commodity and there is higher tendency to use ready to eat quality products of milk such as curd and ghee. With changing lifestyles there is significant change in eating habits as well, which has made value added products (such as cheese and butter) an essential item in the monthly grocery list; at least in urban India and the trend is expected to follow in rural areas as well. Rising disposable income and availability of quality products from private dairy players has aided the growth of value added milk products in last decade. Consumers have become more brand conscious as there is consistency in quality and taste in products supplied by private dairy players vis a vis that of traditional milkmen.

Over the last two decades with increasingly hectic lifestyles and rising consciousness over health issues, urban consumers do not mind paying a premium for quality products leading to opportunities in premiumization. The key levers of success going forward are likely to be:

a) Access to quality milk as basic raw material and efficient manufacturing capabilities.

b) Right product portfolio.

c) Building an appropriate cold chain infrastructure across the chain.

d) An advantaged Go-To-Market system.

(B) BUSINESS STRATEGY

Strengthen position in bakery

Your Company accelerated growth by a three-pronged approach in the Biscuit, Cake and Rusk category. First, in categories where we are strong, we built category relevance thereby building penetration and consumption. Secondly, for categories where we are relatively weak, competitive mixes were built; third, we focused on innovations in 2 ways - plugging gaps and white spaces in existing portfolio that could be high value yielders and truly path breaking, new-to-market, disruptive product formats.

On our core bakery business, we will continue to see big gains from focusing on upgrades from value to core segments, strengthening our core brands and expanding their distribution footprint.

Product innovation, 'premiumisation and democratization' have been a focused relentlessly by your Company: Making premium products available at affordable price points to address the consumer at lower end of pyramid has driven reach, strengthened brand equity and grown our margins.

The LUP (Low Unit Packs) have become a significant growth driver for the portfolio. Not only do the LUP packs work well in rural geographies to recruit consumers into the premium category but have in fact also become the preferred SKUs for on - the - go, convenience seekers across urban geographies as well.

Your Company handled rising competitive intensity with agility and fortified all key parts of the portfolio, maintaining strong focus on profitability and market share.

Your Company strengthened and expanded sales and distribution network in rural areas, introduced the right price points, drove them aggressively and activated our brands in semi-urban and rural areas through visibility and brand experiences. The Rural Preferred Dealers Program was further strengthened in the year.

With these initiatives, your Company is establishing a wide and reliable pipeline, which will be of great value as more and more consumers switch from local or home-made foods to packaged foods.

Cake

The key strategic task in cake is to expand the size of the segment, by including more consumers into the fold, and widening distribution. The former will be achieved by offering organoleptic experiences at affordable price points including eggless offerings which allow for continuous category development and growth for your Company's business.

Rusk

The strategic intent for rusk is to gain from the unorganized segment, by offering superior products in terms of organoleptic delivery at affordable price points. The other thrust shall be on being category leaders in thought as we have been for the last decade, and drive category development.

Bread – Managing profitability, while growing the business is the key thrust area of your Company. We will achieve this through managing our product mix, as well as ensuring that we have the right balance of business evolution in high volume as well as high profit markets. Healthier segments are still small, but are attractive to target, but equally, managing manufacturing economics by selling large volumes of mass sliced bread remains a critical factor.

Adjacency Businesses

The JV with Chipita for filled croissants is but a first step in the direction of taking your Company into adjacent spaces. Your Company will also be evaluating other spaces and then create a pipeline of products to launch over the coming years in order to have new engines of growth and profitability. The intention will be to launch products which also target the same snacking occasions that we target today but with new and innovative products.

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.

As a strategic thrust to strengthen back end capabilities, your Company has commenced a milk procurement pilot in Maharashtra and the results have been encouraging. In the coming year, the approach will be to scale up the pilot. In addition, your Company is investing in people capability and creating domain expertise to take the business forward as we expand our front end and create an efficient back end.

Your Company recognizes the importance of a strong cold chain and will implement various initiatives across our back end and front end to enable portfolio growth. The business will also identify more opportunities to optimize cost structurally across the value chain.

International Business

Your Company has promoted Biscuit and Bakery business beyond India to the world and now present in 79 countries with an addition of 13 new markets in 2017-18. Your Company ranks as No. 2 or No. 3 in almost all lower gulf countries and a key challenger in Kingdom of Saudi Arabia (KSA). In Nepal, your Company has achieved leadership position as No.1 player.

Your Company will work upon expanding business in GCC Countries through improving distribution network, penetration in Arab households with innovations and brand building in prioritized segments namely premium creams, digestives and rusks. It will further activate new plans for non-Indian Asian consumers, enlist more products in modern trade and drive this channel aggressively.

In all other export markets across Americas, Asia and Africa, your Company will develop business through enhancing distribution, listing in mainstream channels and strong in-market activation to build consumer connect.

Your Company commissioned a dedicated Exports unit in SEZ location in Mundra in April 2018. Further, your Company is in process of setting up of local manufacturing facility in Nepal to enhance its international presence.

(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 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.

Cake, Rusk, Bread & Adjacencies

Sharper economic growth, increasing consumer expectations, busier lifestyles and consumption occasions are likely to benefit these businesses greatly:

1. New cake formats and the availability of delightful products in convenient packages at affordable price points.
2. Gaining from the unorganized segment, as well as opportunities to offer consumers new rusk experiences.
3. Healthier segment in bread, as well as geographical expansion are key opportunities.
4. Widening the ambit of adjacent businesses, and gaining in entirely new categories can be a high growth opportunity for your Company.

These segments are however, seeing heightened competitive activity, and the entry of and emergence of a new generation of competitors who did not hitherto exist. Your Company has taken serious note of such developments, and is putting in place steps to address this.

Dairy

The Dairy industry is witnessing tailwinds across most categories. These include both value added and commoditized segments. Making the right category choices and building differentiated capabilities and momentum in these will be critical as we build our portfolio.

Infrastructure improvement including cold chain that aids easier distribution is another opportunity. This will be especially important in the front end, in retail shops.

Increased competitive activity and good quality milk availability are two of the biggest challenges seen by your Company. Differentiation in the products and leveraging the larger sales system will be key to meeting competitive challenges. As already mentioned, your Company has started the process of building milk procurement capabilities in order to derisk our sourcing funnel and to ensure consistency in quality of raw material.

International Business.

The overall economic environment in GCC continues to be volatile resulting into sluggish market demand and biscuit category growth continues to be flat or declining in some markets. Slowdown environment and decline in consumer demand is further accentuated through various inflationary interventions like introduction of VAT, job layoffs & exodus of Indian diaspora in markets like KSA. Also the Qatar crisis is envisaged

to continue and impact demand and cost to serve the market. Other large markets for Britannia like Yemen and Libya continue to decline due to ongoing political instability/war situation.

In the above environment, your Company's growth will come largely through share gain and the Company has geared up for stimulating demand through acquiring new consumers and consumption occasions. This will be delivered through innovation in products, packs and promotions.

Developed markets such as USA, Canada and Australia have also experienced a slowdown in immigration. However, the Company expects rapid growth through distribution expansion and entering new markets.

(F) RISKS AND CONCERNS

The growth 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	2017-18	2016-17
Sale of goods	9,282.04	8,581.55
Profit before tax	1,445.20	1,251.16
Net profit	947.89	843.69

(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 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 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 openness, drive an effective and transparent performance culture and build a culture of appreciation and transparent communication. Your Company continues to build on the engagement level of the employees as measured through annual employee engagement survey. The feedback of the employees on HR practices are improving which is helping your Company to have a collaborative, open and transparent culture. Your Company has improved its feedback score on all HR practice areas and continues to strengthen its practices basis the feedback received. Recognition and Appreciation culture in the Company has been further strengthened. Your Company continues to drive "Britannia for Britannians" and "Young Manager Council" for better engagement of employees and inclusion of different generations in decision making. Young Manager travelled to different countries to understand food products and youth preference of those countries and presented to

management their ideas and recommendations on new products some of which are being incorporated in this year plans.

During the year under review, your Company has focused on building Online training system by getting into a tie up with one of the leading online training provider. Online system will provide your employees with flexibility in choosing learning courses for themselves at their own learning pace. 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 2018, your Company had 3,794 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 stakeholders 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 2018:

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

Board Meetings:

During the year under review, Seven (7) Board Meetings were held. These were on 25 May 2017, 30 June 2017, 7 August 2017, 9 October 2017, 11 November 2017, 12 February 2018 and 30 March 2018. 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 as on 31 March 2018:

Name of the Director	Director Identification Number	Attendance		No. of other Companies Directorships#, Committee## Chairmanship/ Membership of Other Companies		No. of shares held
		Board Meetings	AGM held on 7 August 2017			
Promoter and Non-Executive Directors						
Mr. Nusli N Wadia, Chairman	00015731	6	Yes	3	Nil	2,250
Mr. A K Hirjee	00044765	5	Yes	5	Member – 2 Chairman - 6	Nil
Mr. Jeh N Wadia	00088831	6	Yes	3	Member – 1	Nil
Mr. Ness N Wadia	00036049	5	Yes	5	Member – 2	4,551
Executive Director						
Mr. Varun Berry, Managing Director	05208062	7	Yes	2	Nil	Nil

Name of the Director	Director Identification Number	Attendance		No. of other Companies Directorships#, Committee## Chairmanship/ Membership of Other Companies		No. of shares held
		Board Meetings	AGM held on 7 August 2017			
Independent Directors						
Mr. Avijit Deb	00047233	7	Yes	Nil	Nil	Nil
Mr. S S Kelkar	00015883	7	Yes	8	Member – 2 Chairman - 2	Nil
Mr. Nimesh N Kampani	00009071	7	Yes	8	Member – 4 Chairman-1	Nil
Mr. Keki Dadiseth	00052165	7	No	5	Member - 3 Chairman - 1	Nil
Dr. Ajai Puri	02631587	7	Yes	Nil	Nil	Nil
Mrs. Ranjana Kumar	02930881	7	Yes	3	Member – 1 Chairman - 1	Nil
Dr. Ajay Shah	01141239	6	Yes	1	Member – 1	Nil
Dr. Y.S.P Thorat	02652734	7	Yes	3	Member – 3 Chairman - 1	Nil
Mr. Keki Elavia ###	00003940	4	NA	9	Member – 5 Chairman - 4	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.

Appointed as Additional and Independent Director by the Board w.e.f 7 August 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 2017-18, Mr. Nasser Munjee resigned w.e.f. 25 May 2017 and attended the board meeting held on 25 May 2017.

3. COMMITTEES OF THE BOARD

The Board has constituted the following Committees:

(a) Audit Committee:

The Board of Directors at their meeting held on 12 February 2018 have constituted separate Risk Management Committee and renamed Audit Committee and Risk Management Committee as Audit Committee w.e.f 12 February 2018.

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 Listing 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 24 May 2017, 7 August 2017, 8 October 2017, 10 November 2017, 12 January 2018 and 12 February 2018. 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. Keki Elavia, Chairman	4
Mr. Nimesh N Kampani	6
Mr. Keki Dadiseth	6
Mr. Avijit Deb	6
Non-Executive Directors	
Mr. A.K Hirjee	6
Mr. Ness N Wadia	5

(a) Mr. Nasser Munjee ceased to be the Chairman of the Committee on his resignation from the Board w.e.f 25 May 2017. He attended the meeting of the Committee held on 24 May 2017.

(b) Mr. Nimesh Kampani was appointed as interim chairman of Audit committee from 25 May 2017 to 7 August 2017.

(c) Mr. Rajesh Arora, GM - Legal & Company Secretary was the Secretary to the Committee upto 30 June 2017.

(d) Mr. Keki Elavia was appointed as the Chairman of the Committee w.e.f 7 August 2017.

(e) Mr. Jairaj Bham has been appointed as Company Secretary of the Company w.e.f 15 May 2018 and shall act as Secretary to the Committee.

All the members of the Committee are financially literate and Mr. Keki Elavia, 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 meetings of 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 the FY 2017-18. 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 Listing 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 25 May 2017, 30 June 2017, 7 August 2017, 9 October 2017, 12 February 2018 and 30 March 2018.

Composition of the Committee and Attendance of Members:

Name of the Member	No. of Meetings Attended
Independent Directors	
Mr. Keki Dadiseth, Chairman*	6
Mr. Nimesh N Kampani	6
Dr. Ajai Puri	6
Non-Executive Directors	
Mr. Nusli N Wadia	6
Mr. A K Hirjee	4

*Mr. Keki Dadiseth, Chairman of the Committee, authorised Dr. Ajai Puri to attend the AGM held on 7 August 2017.

Notes:

(a) Mr. Nasser Munjee ceased to be the Member of the Committee w.e.f 25 May 2017. He attended the meeting of the Committee held on 25 May 2017.

(b) Mr. Rajesh Arora, GM - Legal & Company Secretary was the Secretary to the Committee upto 30 June 2017.

(c) Mr. Jairaj Bham who has been appointed as Company Secretary w.e.f. 15 May 2018 shall act as 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 on the recommendations of the NRC 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 the FY 2017-18 are as follows:

Salary/Benefits # (₹)	Performance Linked Incentives / Other Bonus (₹)	Total (₹)	No. of stock options granted on 25 May 2017 ##
47,711,635	38,644,753	86,356,388	1,25,000

\# 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 as well as time spent on operational matters other than at the meetings. 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 2017-18 are given below:

Name	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Nusli N Wadia	8,80,000	6,00,00,300	6,08,80,300
Mr. A K Hirjee	10,00,000	42,24,840	52,24,840
Mr. Avijit Deb	7,60,000	16,39,356	23,99,356
Mr. S S Kelkar	9,00,000	18,73,550	27,73,550
Mr. Nimesh N Kampani	11,60,000	25,17,580	36,77,580
Mr. Jeh N Wadia	3,40,000	7,61,130	11,01,130
Mr. Keki Dadiseth	14,40,000	30,44,520	44,84,520
Dr. Ajai Puri	11,20,000	43,41,940	54,61,940
Mr. Nasser Munjee*	60,000	-	60,000
Mr. Ness N Wadia	8,40,000	29,27,420	37,67,420
Mrs. Ranjana Kumar	6,80,000	14,05,160	20,85,160
Dr. Ajay Shah	5,60,000	11,70,970	17,30,970
Dr. Y.S.P Thorat	6,80,000	34,05,160	40,85,160
Mr. Keki Elavia#	5,40,000	26,88,070	32,28,070

** Mr. Nasser Munjee resigned as Independent Director of the Company w.e.f.25 May 2017*

 # Mr. Keki Elavia was appointed as Additional and Independent Director of the Company w.e.f. 7 August 2017.

The commission amount as mentioned above will be paid after the adoption of financial statements for the financial year ended 31 March 2018 by the Members of the Company. During FY 2017-18, 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 (2) meetings of Stakeholders' Relationship Committee were held. These were on 25 May 2017 and 12 February 2018.

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	1
Independent Directors	
Mr. S.S Kelkar	2
Mr. Nimesh N Kampani	2
Executive Director	
Mr. Varun Berry	1

*Mr. A.K Hirjee, Chairman of the Committee, was present at the Annual General Meeting of the Company held on 7 August 2017.

Mr. Rajesh Arora, GM - Legal & Company Secretary was the Compliance Officer of the Company upto 30 June 2017. Mr. Jairaj Bham has been appointed as Company Secretary and Compliance Officer of the Company w.e.f 15 May 2018.

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, 14 November 2014, 7 August 2017 and 11 November 2017 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, Head – Corporate Finance & Taxation and/or Assistant Company Secretary.

Shareholders Complaints:

No. of shareholders' complaints received during the year	15
No. of complaints disposed off during the year	15
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, three (3) Meetings of the Committee were held. These were on 24 May 2017, 7 August 2017 and 10 November 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	3
Mr. Ness N Wadia	2
Independent Director	
Mr. S S Kelkar	3

(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, four (4) Meetings of the Committee were held. These were on 30 June 2017, 6 August 2017, 9 October 2017 and 30 March 2018.

Composition of the Committee and Attendance of Members:

Name of the Member	No. of Meetings Attended
Non-Executive Directors	
Mr. Nusli N Wadia, Chairman	4
Mr. Ness N Wadia	3
Independent Directors	
Mr. Keki Dadiseth	4
Dr. Ajai Puri	4
Mrs. Ranjana Kumar	4
Dr. Ajay Shah	4
Dr. Y.S.P Thorat	4
Executive Director	
Mr. Varun Berry	4

(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, two (2) Meetings of the Committee were held. These were on 9 October 2017 and 30 March 2018.

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	2
Mr. S S Kelkar	2
Dr. Ajai Puri	2

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.

(g) **Risk Management Committee**

The Board of Directors at their Meeting held on 12 February 2018 have constituted separate Risk Management Committee compromising of the following members:

Name of the Member	Designation
Dr. Ajay Shah, Chairman	Independent Director
Mr. Keki Dadiseth	Independent Director
Dr. Y.S.P Thorat	Independent Director
Mr. Varun Berry	Managing Director
Mr. N Venkataraman	Chief Financial Officer

No meeting of Risk Management Committee was held after its reconstitution w.e.f 12 February 2018.

(h) **IT Committee**

The Board of Directors at their meeting held on 9 October 2017 have constituted an IT Committee comprising of following members:

Name of the Member	Designation
Dr. Ajay Shah, Chairman	Independent Director
Mr. Jeh N Wadia	Non- Executive Director
Mr. Varun Berry	Managing Director

During the year under review, no meeting of IT Committee was held.

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 12 February 2018, 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 Dr. Ajay Shah attended the Meeting.

Familiarization Programme:

The Company at its various meetings held during the FY 2017-18 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 Programs 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
7 August 2017	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098	11.00 A.M	None
8 August 2016			
4 August 2015			

(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 Listing 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 Listing 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 and filed with the Stock Exchanges.

7. GENERAL SHAREHOLDER INFORMATION

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

Monday, 6 August 2018 at 11:00 A.M at JW Marriott, 4A, J.B.S Haldane Avenue, Tangra, Kolkata, West Bengal 700105

(ii) **Financial Year:** 1 April 2018 to 31 March 2019

Tentative Calendar for Approval of Financial Results is given below:

Period	Timeline
For the first quarter ending 30 June 2018	1 week of August 2018
For the second quarter and half year ending 30 September 2018	2 week of November 2018
For the third quarter ending 31 December 2018	1 week of February 2019
For the fourth quarter and year ending 31 March 2019	Last week of May 2019

(iii) **Book closure period:** Tuesday, 31 July 2018 to Monday, 6 August 2018 (both days inclusive)

(iv) **Dividend Payment date:** On or before 18 August 2018

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

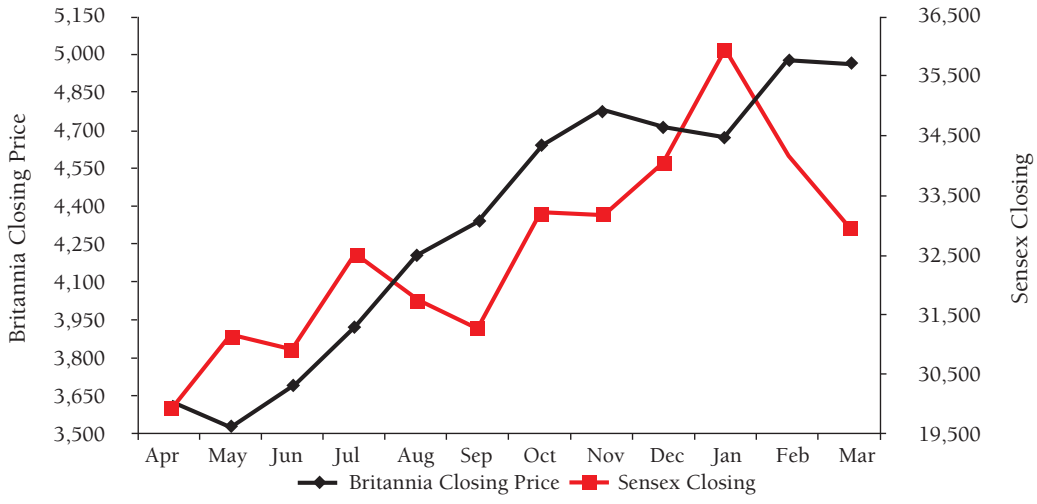
Name of the stock exchange	Address	Stock Code
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 023	500825
National Stock Exchange of India Limited (NSE)	Exchange Plaza, 5 Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BRITANNIA

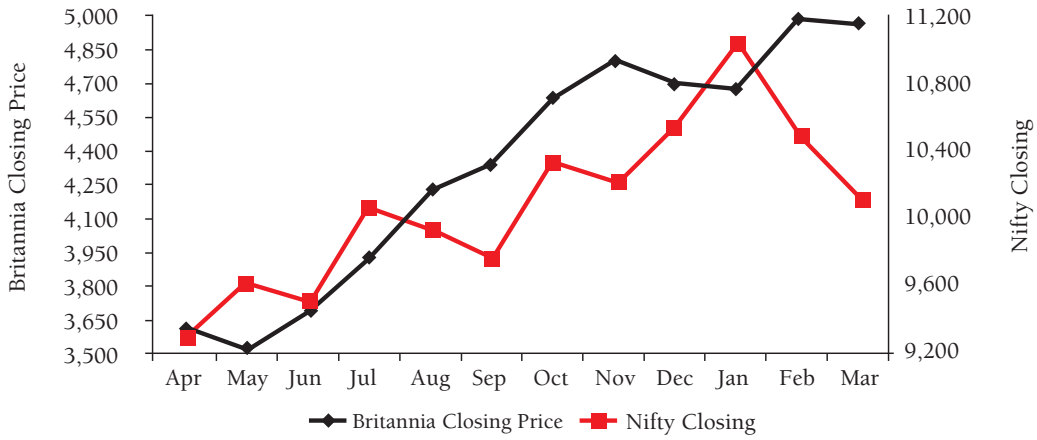
The annual listing fees for equity shares have been paid to the aforesaid Stock Exchanges for FY 2018-19.

(vi) Stock Price Data:

Year/ Month	BSE (in ₹)		BSE (Sensex) (Monthly Closing)	NSE (in ₹)		NSE (Nifty) (Monthly Closing)
	High	Low		High	Low	
2017						
April	3,650.00	3,320.00	29,918.40	3,639.00	3,272.80	9,304.05
May	3,796.30	3,372.00	31,145.80	3,799.50	3,371.50	9,621.25
June	3,711.45	3,525.00	30,921.61	3,714.00	3,523.00	9,520.90
July	3,952.35	3,661.00	32,514.94	3,956.60	3,656.05	10,077.10
August	4,350.95	3,837.05	31,730.49	4,339.85	3,830.00	9,917.90
September	4,408.55	4,152.55	31,283.72	4,409.00	4,151.00	9,788.60
October	4,769.20	4,305.00	33,213.13	4,770.00	4,302.30	10,335.30
November	4,926.00	4,591.30	33,149.35	4,926.60	4,584.30	10,226.55
December	4,963.70	4,600.90	34,056.83	4,963.90	4,598.40	10,530.70
2018						
January	4,790.00	4,600.00	35,965.02	4,786.00	4,601.00	11,027.70
February	5,057.25	4,400.00	34,184.04	5,065.80	4,400.00	10,492.85
March	4,998.95	4,724.40	32,968.68	5,004.00	4,780.00	10,113.70

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





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

During FY 2017-18, the Company has transferred ₹ 30,78,711.00 to IEPF in accordance with the provisions of Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments thereof).

As on 31 March 2018, the Company's unpaid / unclaimed dividend / interest / debenture redemption proceeds account had a balance of ₹ 5,43,09,330.40 in various dividend / interest / debenture redemption proceeds accounts.

Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments thereof) read with Ministry of Corporate Affairs Circular No. 12/2017 dated 16 October, 2017, all the shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund (IEPF).

In accordance with the aforesaid provisions, the Company has transferred 1,60,026 equity shares held by 595 shareholders as on 31 October, 2017 whose dividends were remaining unpaid/unclaimed for 7 consecutive years i.e., from FY 2009-10 to IEPF.

Any shareholder whose shares are transferred to IEPF can claim the shares by making an online application in Form IEPF-5 (available on www.iepf.gov.in) along with the fee prescribed to the IEPF authority with a copy to the Company.

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:

M/s. Karvy Computershare Private Limited is the Registrar and Transfer Agent of the Company which manages 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 Securities and Exchange Board of India is also submitted to the Stock Exchanges on a half yearly basis.

(xi) **Distribution of Shareholding as on 31 March 2018:**

Group of Shares	No. of Shareholders	% to total no. of shareholders	No. of shares held	% to total shares
1-500	75,222	90.89	38,85,648	3.24
501-1000	3,616	4.37	24,26,569	2.02
1001-2000	2,080	2.51	28,12,939	2.34
2001-10000	1,274	1.54	52,43,901	4.37
10001 and above	569	0.69	10,56,90,091	88.03
Total	**82,761**	**100.00**	**12,00,59,148**	**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, if all the documents are valid and in order. As on 31 March 2018, 11,71,87,909 equity shares representing 97.61% 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 and other measures.

(xv) **Plant Locations:**

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

(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 adopted a policy on dealing with Related Party Transactions and the same is disclosed on the website of the Company.

Web link: http://britannia.co.in/pdfs/statutory_disclosures/Britannia%20Industries%20Limited-Policy%20On%20Related%20Party%20Transactions.pdf

During FY 2017-18, 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 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 approval given are also placed before the Audit Committee for its review on a quarterly basis.

During FY 2017-18, there were no material related party transactions in terms of Regulation 23 of the Listing 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 adopted 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 2017-18, no personnel have been denied access to the Audit Committee.

The Whistle Blower Policy is available on the website of the Company.

Web link: 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 Listing Regulations, 2015. The same is available on the website of the Company.

Web link: http://britannia.co.in/pdfs/statutory_disclosures/DividendDistributionPolicy.pdf

(e) **Risk Management:**

The Risk Management Committee reviews business risks and mitigation measures of the Company.

(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 2017-18 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind 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 Listing Regulations, 2015 for the financial year ended 31 March 2018.

(i) **Compliance Reports:**

The Board has reviewed the compliance reports pertaining to the laws applicable to the Company 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 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 Listing Regulations, 2015.

As on 31 March 2018, the Company does not have any Material Subsidiary as defined under Regulation 16(1) (c) of Listing 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) Regulations, 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 Listing 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 2017-18.

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.

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 2018.

For Britannia Industries Limited

Place: Bangalore
Date: 15 May 2018

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 13 November 2017 and addendum dated 1 May 2018.

Britannia Industries Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C and D 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 2017 to 31 March 2018.

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 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Listing Regulations for the period 1 April 2017 to 31 March 2018. 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 2017 to 31 March 2018.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1 April 2017 to 31 March 2018 as per Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C and D 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 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C and D 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 the relevant regulations of the Listing Regulations for the period 1 April 2017 to 31 March 2018 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 : 15 May 2018

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 2017-18.

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 :	2017-18
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 79 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 – Local/State/National/International:	All

SECTION B: FINANCIAL DETAILS OF THE COMPANY (Standalone)	
1. Paid up Capital (INR) :	₹ 24.01 Crores
2. Total Turnover (INR) :	₹ 9,282.04 Crores
3. Total Profit After Taxes (INR) :	₹ 947.89 Crores
4. Total spending on Corporate Social Responsibility(CSR) as percentage of profit after tax (%) :	As per Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to spend atleast 2% of average net profit of last 3 financial years i.e., ₹ 20.14 Crores. The Company has spent ₹ 22.14 Crores on CSR activities for FY 2017-18.
5. List of activities in which expenditure in 4 above has been incurred:	The details of CSR activities are given in Annexure-B - CSR Report forming part of the Director's Report.

SECTION C: OTHER DETAILS	
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.
Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(s):	The subsidiary companies operate in different geographies and conduct their own BR initiatives as appropriate.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company	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

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, 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:**

a. Code of Business Conduct for employees:
http://britannia.co.in/pdfs/Code_of_conduct/COBCforEmployeesFINAL.pdf

b. CSR Policy –
http://britannia.co.in/pdfs/statutory_disclosures/Britannia%20Industries%20Limited-%20CSR%20Policy.pdf

c. Whistle Blower Policy –
http://britannia.co.in/pdfs/statutory_disclosures/WHISTLE_BLOWER_POLICY.pdf

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 :	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.
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 6 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	
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. We constantly re-engineer package laminate and paper based packaging in order to use less plastic and paper.
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)?**	Across the entire supply chain, the Company endeavours to integrate social, ethical and environmental factors in its operating/ strategic decisions. The Company endeavours to reduce the distance travelled overall by its products, thereby reducing emissions on account of transportation.
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 believes its factories must benefit the communities in which they are located. It sources most of the raw materials from areas near the factories. It extensively works with its vendors 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. Most of the Company's factories are committed to zero discharge. 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, manuals and conducted various training programs for the protection and welfare of the employees.		
1.	**Total number of employees on rolls**	3,794
2.	**Total number of employees hired on temporary/contractual/casual basis**	7,460
3.	**Number of permanent women employees**	196
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?**	~ 18%
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**	During the FY 2017-18, the Company received one complaint under Anti-Sexual Harassment policy and the same has was resolved to the satisfaction of the complainant.

8. **During FY 2017-18, the Company has provided safety & skill upgradation training to following employees**	a. Permanent Employees b. Permanent Women Employees c. Casual/Temporary/Contractual Employees
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	
Britannia understands the needs of its stakeholders and aims to meet the expectations of its 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?**	Yes
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 FY 2017-18, the Company received one complaint under Anti-Sexual Harassment policy and the same has been satisfactorily resolved.
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. During FY 2017-18, 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. The Company has installed solar panels at its factory in Perundurai and the R&D facility. It has started sourcing of solar power from power producers for its factory in Karnataka. It has finalized sourcing arrangements for wind power from third party producers in Tamil Nadu which is expected to operationalize shortly.
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. All the factories file periodic 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. 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 forums on issues and policy matters that impact the interest of its stakeholders.
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.		

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.
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 ₹ and the details of the projects undertaken.**	The Company has spent ₹ 22.14 Crores as part of its CSR initiatives. Details of the projects are provided in Annexure-B - 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 90% of the complaints received during the financial year ended 31 March 2018.
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 2018, 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.

INDEPENDENT AUDITOR'S REPORT

To the Members of Britannia Industries Limited

Report on the Audit of the Standalone Ind AS 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 2018, the Statement of Profit and Loss, the Statement of Changes in Equity, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

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

Auditor's Responsibility

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

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors as on 31 March 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to standalone Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer notes 35(i)(a), 40 and 41 to the standalone Ind AS financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer note 56 to the standalone Ind AS 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 disclosures in the standalone Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

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

Chartered Accountants
Firm Registration No: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Mumbai
Date: 15 May 2018

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 Ind AS financial statements for the year ended 31 March 2018, 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, this 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. 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 included in property, plant and equipment are held in the name of the Company.

In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone Ind AS financial statements, the lease agreements are 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 and have been appropriately dealt with in the books of accounts. 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 given, investments made, guarantees and security given.

(v) The Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.

(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, Goods and Services 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, Goods and Services tax, Duty of customs, Duty of excise, Value added tax, cess and any other material statutory dues were in arrears, as at 31 March 2018, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues 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)	37,689,315	1980-1999	High Court(s)
	214,547,675	1995-2011	CESTAT(s)
	786,361,545	1986-2018	Appellate Authority up to Commissioner's level
Sales tax / Value added tax	166,238,759	1998-2018	Supreme Court
	393,081,284	1989-2018	High Court(s)
	58,264,001	1996-2011	Tribunal(s)
	770,179,756	1999-2018	Appellate Authority up to Commissioner's level
Customs duty	7,833,410	2004-2014	Appellate Authority up to Commissioner's level
Income-tax	300,514,674	1991-2008	High Court
	264,308,151	1990-2013	Income tax Appellate Tribunal
	225,923,875	1997-2014	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 the financial institution and bank. The Company does not have any outstanding loans or borrowings from the 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 all transactions have been disclosed in the standalone Ind AS 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: 15 May 2018

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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 with reference to the financial statements of Britannia Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to the financial statements

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

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial

controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to the financial statements 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's Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Mumbai
Date: 15 May 2018

BALANCE SHEET

₹ in Crores

As at		Note	31 March 2018	31 March 2017
I.	**ASSETS**			
(1)	**Non-current assets**			
(a)	Property, plant and equipment	4	1,008.31	812.47
(b)	Capital work-in-progress	4	200.28	29.77
(c)	Investment property	5	14.99	15.25
(d)	Intangible assets	6	7.97	11.60
(e)	Financial assets			
(i)	Investments	7	450.65	514.18
(ii)	Loans	8	86.74	116.52
(iii)	Other financial assets	9	-	12.12
(f)	Deferred tax assets, (net)	34	8.68	6.43
(g)	Income-tax assets, (net)	34	14.07	16.58
(h)	Other non-current assets	10	68.09	156.34
	Total non-current assets		1,859.78	1,691.26
(2)	**Current assets**			
(a)	Inventories	11	594.58	602.61
(b)	Financial assets			
(i)	Investments	12	735.48	85.73
(ii)	Trade receivables	13	230.32	126.41
(iii)	Cash and cash equivalents	14	88.91	21.23
(iv)	Bank balances other than (iii) above	14	8.34	32.32
(v)	Loans	15	820.41	791.94
(vi)	Other financial assets	16	98.51	78.28
(c)	Other current assets	17	190.97	266.36
	Total current assets		2,767.52	2,004.88
	Total assets		4,627.30	3,696.14
II.	**EQUITY AND LIABILITIES**			
(1)	**Equity**			
(a)	Equity share capital	18	24.01	24.00
(b)	Other equity	19	3,211.27	2,557.98
	Total equity		3,235.28	2,581.98
(2)	**Liabilities**			
(1)	**Non-current liabilities**			
(a)	Financial liabilities			
(i)	Borrowings	20	0.30	0.44
(ii)	Other financial liabilities	21	24.97	22.86
(b)	Government grant	47	0.72	1.44
	Total non-current liabilities		25.99	24.74
(2)	**Current Liabilities**			
(a)	Financial liabilities			
(i)	Borrowings	20	9.01	-
(ii)	Trade payables	22	866.36	643.82
(iii)	Other financial liabilities	23	182.62	142.93
(b)	Other current liabilities	24	82.05	85.62
(c)	Government grant	47	0.71	0.71
(d)	Provisions	25	171.05	174.48
(e)	Current tax liabilities, (net)	34	54.23	41.86
	Total current liabilities		1,366.03	1,089.42
	Total liabilities		1,392.02	1,114.16
	Total equity and liabilities		4,627.30	3,696.14
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 : 15 May 2018

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

Chairman : Nusli N Wadia
Managing Director : Varun Berry
Directors : A K Hirjee, S S Kelkar, Keki Elavia, Nimesh N Kampani, Avijit Deb, Jeh N Wadia, Keki Dadiseth, Ajai Puri, Ness N Wadia, Y.S.P Thorat, Ajay Shah

Chief Financial Officer : N.Venkataraman
Company Secretary : Jairaj Bham

Place : Mumbai
Date : 15 May 2018

STATEMENT OF PROFIT AND LOSS

₹ in Crores

For the year ended	Note	31 March 2018	31 March 2017
I. Revenue from operations			
Sale of goods / Income from operations	26	9,282.04	8,581.55
Other operating revenues	26	98.13	102.84
		9,380.17	8,684.39
II. Other income	27	155.93	144.78
III. Total Income (I+II)		9,536.10	8,829.17
IV. Expenses:			
Cost of materials consumed	28	4,405.17	4,342.78
Excise duty		76.11	270.02
Purchases of stock-in-trade	29	1,372.46	904.78
Changes in inventories of finished goods,work-in-progress and stock-in-trade	30	(4.18)	(49.25)
Employee benefits expense	31	294.87	241.68
Finance costs	32	1.45	1.34
Depreciation and amortisation expense	4, 5, 6	119.76	96.43
Other expenses	33	1,825.26	1,770.23
Total expenses		8,090.90	7,578.01
V. Profit before tax (III-IV)		1,445.20	1,251.16
VI. Tax expense:			
(i) Current tax	34	499.56	390.20
(ii) Deferred tax	34	(2.25)	17.27
		497.31	407.47
VII. Profit for the year (V-VI)		947.89	843.69
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		(0.58)	(0.37)
Income-tax relating to items not to be reclassified subsequently to statement of profit or loss		0.20	0.13
Other comprehensive income, net of tax		(0.38)	(0.24)
IX. Total comprehensive income for the year (VII+VIII)		947.51	843.45
Earnings per share (nominal value of ₹ 2 each)	42		
Basic [in ₹]		78.96	70.31
Diluted [in ₹]		78.92	70.30
Weighted average number of equity shares used in computing earnings per share:			
- Basic		120,046,477	119,991,020
- Diluted		120,107,138	120,011,608
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 : 15 May 2018

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
		Keki Elavia	Ness N Wadia
		Nimesh N Kampani	Y.S.P Thorat
		Avijit Deb	Ajay Shah
		Jeh N Wadia	
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Jairaj Bham	

Place : Mumbai
Date : 15 May 2018

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 2016	24.00	22.51	1,509.34	0.43	3.96	453.93	2.11	-	(0.25)	2,016.03
Changes in equity										
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

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 2017	24.00	30.00	1,979.86	0.43	3.96	538.30	5.92	-	(0.49)	2,581.98
Changes in equity										
Increase in share capital on exercise of employee stock options	0.01	-	-	-	-	-	-	-	-	0.01
Share based payment [Refer note 31]	-	-	-	-	-	-	8.64	-	-	8.64
Transfer to general reserve	-	-	(94.79)	-	-	-	-	-	-	(94.79)
Transfer from retained earnings	-	-	-	-	-	94.79	-	-	-	94.79
Transfer to securities premium on issue of equity shares	-	15.05	-	-	-	-	(3.12)	-	-	11.93
Transfer from share options outstanding account	-	3.12	-	-	-	-	-	-	-	3.12
Dividends (including corporate dividend tax)	-	-	(317.91)	-	-	-	-	-	-	(317.91)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	(0.38)	(0.38)
Profit for the year	-	-	947.89	-	-	-	-	-	-	947.89
Balance as at 31 March 2018	24.01	48.17	2,515.05	0.43	3.96	633.09	11.44	-	(0.87)	3,235.28

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 : 15 May 2018

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

Chairman : Nusli N Wadia
Managing Director : Varun Berry
Directors : A K Hirjee, S S Kelkar, Keki Elavia, Nimesh N Kampani, Avijit Deb, Jeh N Wadia, Keki Dadiseth, Ajai Puri, Ness N Wadia, Y.S.P Thorat, Ajay Shah

Chief Financial Officer : N.Venkataraman
Company Secretary : Jairaj Bham

Place : Mumbai
Date : 15 May 2018

STATEMENT OF CASH FLOW

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Cash flow from operating activities		
Profit before tax	1,445.20	1,251.16
Adjustments for :		
Depreciation and amortisation	119.76	96.43
Share based payment expense	8.64	5.47
Net gain on financial asset measured at fair value through statement of profit and loss	(47.58)	(50.10)
(Profit) / loss on disposal of property, plant and equipment	(0.45)	1.71
Provision for impairment in value of investment	-	2.69
Dividend income	-	(0.02)
Interest income	(102.97)	(92.86)
Finance costs	1.45	1.34
	1,424.05	**1,215.82**
Changes in		
Inventories	8.03	(218.41)
Trade receivables	(103.91)	(19.53)
Loans, other financial assets and other assets	86.16	(210.23)
Accounts payables, other financial laibilities, other liabilities and provisions	252.73	19.78
Cash generated from operating activities	**1,667.06**	**787.43**
Income tax paid, net of refund	(484.48)	(385.49)
Net cash from operating activities	**1,182.58**	**401.94**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(391.98)	(343.63)
Proceeds from sale of property, plant and equipment	2.39	0.97
(Purchase) / Sale of investments, net	(512.44)	383.33
Investment in associates	-	(14.50)
Investment in subsidiaries	(26.20)	-
Inter-corporate deposits placed	(686.00)	(470.79)
Inter-corporate deposits redeemed	595.00	255.00
Loans given to subsidiaries	(0.33)	(10.69)
Loans repaid by subsidiaries	89.28	5.23
Interest received	107.50	79.57
Dividend received	-	0.02
Net cash used in investing activities	**(822.78)**	**(115.49)**
Cash flow from financing activities		
Interest paid	(1.81)	(1.14)
Proceeds from share allotment	15.06	5.83
Repayment of borrowings	(0.14)	(0.07)
Dividends paid (including corporate dividend tax)	(317.38)	(288.42)
Net cash used in financing activities	**(304.27)**	**(283.80)**
Net change in cash and cash equivalents	**55.53**	**2.65**
Cash and cash equivalents at the beginning of the year	11.31	8.66
Cash and cash equivalents at the end of the year	**66.84**	**11.31**

STATEMENT OF CASH FLOW (CONTINUED)

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Note:		
Cash and cash equivalents at the end of the year [Refer Note 14]	88.91	21.23
Book overdraft [Refer note 23]	(13.06)	(9.92)
Bank overdraft [Refer note 20]	(9.01)	-
	66.84	11.31
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 : 15 May 2018

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
		Keki Elavia	Ness N Wadia
		Nimesh N Kampani	Y.S.P Thorat
		Avijit Deb	Ajay Shah
		Jeh N Wadia	
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Jairaj Bham	

Place : Mumbai
Date : 15 May 2018

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, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 15 May 2018.

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 lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 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;
- Notes 7 to 9 and Notes 12,13,15 and 16 - impairment of financial assets.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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 53 - financial instruments.

3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

Asset	Useful life
Plant and equipment*	7.5 - 15 years
Furniture and fixtures	10 years
Motor vehicles	8 years
Office equipment	3 - 5 years
Buildings	30 - 60 years
Leasehold land	Lease period

Freehold land is not depreciated.

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

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

iv. 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.

v. Capital work-in-progress

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

(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.

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 acccompanying 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

(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.

(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

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.

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

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

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

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, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

Finished goods are valued at lower of net realisable value and cost (including prime cost, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

(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.

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 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, Goods and Service Tax (GST) and net of sales return, trade discounts and volume rebates. Sales are presented gross of excise duties.

Income from royalties are 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

(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.

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.

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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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. To this extent, the Provident Fund scheme could be considered as a defined benefit plan. 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.

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 in employee benefits expense, 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. 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 in case of 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 effective on Balance Sheet date:

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

i. *Sales of goods*

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

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

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

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

For the loyalty programme operated by the Company, revenue is currently allocated between the loyalty programme and the goods using the residual value method i.e. consideration is allocated to the loyalty programme based on the fair value of the loyalty points and the remainder of the consideration is allocated to the goods. The amount allocated to the loyalty programme is deferred, and is recognised as loyalty points are redeemed or expire.

Under Ind AS 115, consideration will be allocated between the loyalty programme and the goods based on their relative stand-alone selling prices. As a consequence, a lower proportion of the consideration will be allocated to the loyalty programme, and therefore less revenue is likely to be deferred.

ii. Transition

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

Ind AS 21, The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the earlier of the date of initial recognition of the non-monetary prepayment asset or deferred income liability and the date that the related item is recognised in the financial statements. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 40, Investment Property

The amendment explains that the transfer to, or from, investment property is made when there is an actual change of use, that is, the asset meets or ceases to meet the definition of investment property and there is evidence of change in use. A change in management's intentions for the use of a property does not provide evidence of a change in use. The Company has evaluated the impact of this amendment and concluded that there shall be no impact on its 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 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Depreciation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Own assets										
Freehold land		80.89	15.08	-	95.97	-	-	-	-	95.97
Leasehold land	(a)	27.86	94.43	1.24	121.05	0.64	0.33	0.03	0.94	120.11
Buildings	(b)	278.08	136.56	-	414.64	14.18	12.09	-	26.27	388.37
Plant and equipment		552.84	64.73	1.27	616.30	147.03	95.78	0.63	242.18	374.12
Furniture and fixtures		23.45	0.41	-	23.86	2.95	2.52	-	5.47	18.39
Motor vehicles		1.10	0.08	-	1.18	0.27	0.17	-	0.44	0.74
Office equipment		21.20	2.34	0.04	23.50	8.35	4.94	0.04	13.25	10.25
Leased assets										
Motor vehicles	(d)	0.65	0.15	0.23	0.57	0.18	0.17	0.14	0.21	0.36
Total		986.07	313.78	2.78	1,297.07	173.60	(c) 116.00	0.84	288.76	1,008.31

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)	239.99	53.86	15.77	-	278.08	6.02	8.42	-	0.26	14.18	263.90
Plant and equipment		346.73	210.50	-	4.39	552.84	72.52	76.47	1.96	-	147.03	405.81
Furniture and fixtures		19.80	3.67	-	0.02	23.45	0.58	2.37	-	-	2.95	20.50
Motor vehicles		0.86	0.24	-	-	1.10	0.12	0.15	-	-	0.27	0.83
Office equipment		14.78	6.42	-	-	21.20	4.02	4.33	-	-	8.35	12.85
Leased assets												
Motor vehicles	(d)	0.53	0.58	-	0.46	0.65	0.03	0.38	0.23	-	0.18	0.47
Total		712.08	294.63	15.77	4.87	986.07	83.61	(c) 92.44	2.19	0.26	173.60	812.47

₹ in Crores

Capital work-in-progress

Particulars	31 March 2018	31 March 2017
Carrying amount		
Opening carrying amount	29.77	74.50
Additions	183.41	25.06
Assets capitalised	12.90	69.79
Closing carrying amount	200.28	29.77

Notes:

(a) Agreement in respect of leasehold land as at 31 March 2018 : one location (31 March 2017 : one location) 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 2017: 1 Co-operative Housing Society); 10 shares (31 March 2017: 10 shares) of ₹ 50/- each.

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

(c) Depreciation:	31 March 2018	31 March 2017
Depreciation charge for the year	116.00	92.44
Depreciation charge on investment property for the year [Refer note 5]	0.26	0.26
Amortisation for the year [Refer note 6]	4.21	4.44
Transfer from capital subsidy [Refer note 3 (k) and 47]	(0.71)	(0.71)
Depreciation and amortisation charge for the year	119.76	96.43

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

₹ in Crores

Note 5 - Investment property

Reconciliation of carrying amount

Particulars	31 March 2018	31 March 2017
Gross carrying amount		
Opening gross carrying amount	15.77	15.77
Additions during the year	-	-
Closing gross carrying amount	15.77	15.77
Accumulated depreciation		
Opening accumulated depreciation	0.52	0.26
Depreciation charge during the year	0.26	0.26
Closing accumulated depreciation	0.78	0.52
Net carrying amount	14.99	15.25

The fair value of investment property is ₹ 20.44 (31 March 2017: ₹ 22.09) and the same has been determined by an 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. 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 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Amortisation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Own assets									
Trademarks	0.03	-	-	0.03	-	-	-	-	0.03
Designs	0.01	-	-	0.01	-	-	-	-	0.01
Computer software	20.00	0.58	-	20.58	8.44	4.21	-	12.65	7.93
Total	20.04	0.58	-	20.62	8.44	4.21	-	12.65	7.97

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

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 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
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	14.03	14.03
Ganges Vally Foods Private Limited	₹10	252,000	252,000	0.72	0.72
J B Mangharam Foods Private Limited	₹10	354,136	354,136	0.54	0.54
International Bakery Products Limited	₹10	1,320,009	1,320,009	1.75	1.75
Manna Foods Private Limited	₹10	4,875,001	4,875,001	4.67	4.67
Britannia Dairy Private Limited	₹10	5,779,999	5,779,999	70.02	70.02
Boribunder Finance and Investments Private Limited	₹10	2,670,999	2,670,999	2.58	2.58
Britchip Foods Limited*	₹10	16,200,000	-	16.20	-
Britannia Nepal Private Limited**	NPR 100	1,600,000	-	10.00	-
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	2,000	2,000	0.01	0.01
				120.52	94.32
Daily Bread Gourmet Foods (India) Private Limited	₹4	79,181,417	79,181,417	31.67	31.67
Less: Provision for impairment in value of investments				(26.69)	(26.69)
Less: Reduction in carrying value of investments due to business combination				(2.98)	(2.98)
				2.00	2.00
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	24,372,087	24,372,087	121.69	121.69
Less: Provision for impairment in value of investments				(35.00)	(35.00)
				86.69	86.69
Associates					
Klassik Foods Private Limited	₹100	3,260	3,260	0.32	0.32
Nalanda Biscuits Company Limited	₹10	87,500	87,500	0.28	0.28
Sunandaram Foods Private Limited***	₹10	459,800	459,800	14.50	14.50
				15.10	**15.10**
				224.31	**198.11**
(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	6.00	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - preference shares	USD 1	7,411,000	7,411,000	0.05	0.05
				6.05	**6.05**
(iii) Investments in debentures / bonds					
Subsidiaries					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹100,000	582	582	5.82	5.82

* During the year ended 31 March 2018, the Company invested in Britchip Foods Limited and holds 60% stake in the entity as at the balance sheet date.

** During the year ended 31 March 2018, the Company invested in Britannia Nepal Private Limited and holds 100% stake in the entity as at the balance sheet date.

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

₹ in Crores

As at	Amount	
	31 March 2018	31 March 2017
At fair value through profit and loss		
(i) Investments in mutual funds	108.37	253.36
(ii) Investments with insurance companies	12.41	11.73
At amortised cost		
(i) Investments in debentures / bonds	67.29	25.00
(ii) Investments in tax free bonds	14.11	14.11
(iii) Investments in government securities	12.29	-
Total long-term investments	450.65	514.18
Total quoted non-current investments	-	-
Total unquoted non-current investments	450.65	514.18
	450.65	514.18
Aggregate provision for impairment in value of investments	61.69	61.69
Aggregate market value of quoted non-current investments	-	-

Note 8 - Loans

Unsecured		
Considered good:		
Loans to related parties*	-	75.66
Inter-corporate deposits [Refer note 38 (b)]*	76.00	30.79
Security deposits	10.23	8.68
Other loans	0.51	1.39
Considered doubtful:		
Loan to related parties*	1.04	1.04
Less: Allowance for doubtful loans	(1.04)	(1.04)
	86.74	116.52

* Forms a part of outstanding balances as disclosed under note 44.

Note 9 - Other financial assets

Other deposits [Refer note 41]	-	12.12
	-	12.12

Note 10 - Other non-current assets

Unsecured		
Considered good:		
Capital advances	25.54	117.71
Advances other than capital advances		
- Advances to statutory authorities	17.87	16.83
Others		
- Prepaid rent	19.42	15.50
- Receivable from others	5.26	6.30
Considered doubtful:		
Advances to others	8.93	8.93
Less: Allowance for doubtful advances	(8.93)	(8.93)
	68.09	156.34

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2018	31 March 2017
Note 11 - Inventories*		
Raw materials	286.50	280.65
Packing materials	45.79	55.82
Work- in- progress	0.67	1.81
Finished goods	186.80	212.51
Goods-in-transit (Finished goods)	8.48	4.45
Stock-in-trade	38.00	23.37
Stores and spare parts	28.34	24.00
	594.58	**602.61**

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

The write down of inventories to net realisable value amounted to ₹ 1.38 (31 March 2017: ₹ 2.01). 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		
At fair value through profit and loss		
(i) Investments in mutual funds	656.09	10.73
At amortised cost		
(i) Investments in debentures / bonds	4.20	75.00
(ii) Investments in government securities	0.95	-
(iii) Investments in commercial paper	74.24	-
Total current investments	735.48	85.73
Total quoted current investments	-	-
Total unquoted current investments	735.48	85.73
	735.48	85.73
Aggregate market value of quoted current investments	-	-
Aggregate value of current investments	735.48	85.73

Note 13 - Trade receivables		
Unsecured		
*Considered good**	230.32	126.41
Considered doubtful	6.46	5.95
	236.78	**132.36**
Less: Allowance for doubtful debts	(6.46)	(5.95)
	230.32	**126.41**

The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 53.

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

₹ in Crores

As at	31 March 2018	31 March 2017
Note 14 - Cash and bank balances		
Cash and cash equivalents:		
- Cash on hand	0.04	0.03
- Cheques on hand	88.23	17.99
- Current accounts	0.64	3.21
	88.91	21.23
Other bank balances:		
- Unpaid dividend accounts #	3.90	3.37
- Unclaimed debenture interest #	0.43	0.44
- Unclaimed debenture redemption proceeds #	1.09	1.11
- Deposit accounts	2.92	27.40
	8.34	32.32
	97.25	53.55
# Refer note 49		
Note 15 - Loans		
Unsecured		
Considered good:		
Loan to related parties*	-	13.39
Inter-corporate deposits [Refer note 38 (b)]	815.79	770.00
Security deposits	3.83	7.50
Others loans		
Loans to others	0.79	1.05
	820.41	791.94
* Forms a part of outstanding balances as disclosed under note 44.		
Note 16 - Other financial assets		
Interest accrued but not due	26.54	31.07
Incentives recoverable*	71.97	47.21
	98.51	78.28
*Incentives recoverable in accordance with the State Industrial Policy of certain States.		
Note 17 - Other current assets		
Unsecured, considered good		
Advances other than capital advances		
- Advances to related parties *	7.46	9.05
- Advance for supply of goods	112.63	188.03
- Advances to contract packers	24.16	20.99
- Employee benefits - gratuity, net [Refer note 45 (b)]	2.44	1.68
Others		
- Prepayments	10.49	9.66
- Balance with government authorities	15.02	26.02
- Other advances	18.77	10.93
	190.97	266.36
* Forms a part of outstanding balances as disclosed under note 44.		

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2018	31 March 2017
Note 18 - Share capital		
Equity shares		
Authorised	50.00	50.00
[250,000,000 equity shares of ₹ 2/- each (31 March 2017: 250,000,000, equity shares of ₹ 2/- each)]		
Issued, subscribed and paid-up		
Equity shares fully paid-up	24.01	24.00
[120,059,148 equity shares of ₹ 2/- each (31 March 2017: 120,000,815, equity shares of ₹ 2/- each)]*		
* Of the total fully paid-up equity shares: 60,866,095 equity shares of ₹ 2/- each (31 March 2017: 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, 825,000 options have been granted and 608,333 options were exercised. 25,000 shares were allotted on 5 June 2017 at an exercise price of ₹ 2,332.05/- and 33,333 shares were allotted on 30 June 2017 at an exercise price of ₹2,771.40/- [Refer note (d) below]		
Also Refer note 49		
	24.01	24.00

₹ 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 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Number of shares
Holding Company				
Associated Biscuits International Limited (ABIL), UK	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
Dowbiggin Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Nacupa Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Spargo Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Valletort Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
	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 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	44.90%	53,904,500	44.92%

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

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	120,000,815	24.00	119,975,815	24.00
Shares issued on exercise of Employee Stock Option Scheme	58,333	0.01	25,000	0.00
Closing balance at the end of the reporting year	**120,059,148**	**24.01**	**120,000,815**	**24.00**

(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.

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/-; 100,000 options on 30 June 2016 at an exercise price of ₹ 2,771.40/- and 125,000 options on 25 May 2017 at an exercise price of ₹ 3,533.30/- 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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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 2018	31 March 2017
Movement in the options under the scheme:		
Options outstanding at the beginning of the year	150,000	75,000
Options granted during the year	125,000	100,000
Options vested during the year	58,333	25,000
Options exercised during the year	58,333	25,000
Shares allotted against options exercised during the year	58,333	25,000
Options lapsed during the year	-	-
Options outstanding at the end of the year	216,667	150,000
Options exercisable at the end of the year	-	-
Weighted average price per option (₹)	3,037.84	2,583.11

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 2018	31 March 2017
No. of options granted	125,000	100,000
Date of grant	25-May-17	30-Jun-16
Vesting period (years)	1 to 3	1 to 3
Expected life of option (years)	3	3
Expected volatility	22.12%	23.63%
Risk free rate	6.66%	7.45%
Expected dividends expressed as a dividend yield	0.62%	0.72%
Weighted-average fair values of options per share (₹)	722.52	617.19

(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.

₹ 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 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

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 2017	5.92	3.96	0.43	538.30	30.00	1,979.86	(0.49)	2,557.98
Additions:								
Share based payment expense	8.64	-	-	-	-	-	-	8.64
Transfer from Share options outstanding account	-	-	-	-	3.12	-	-	3.12
On issue of equity shares	-	-	-	-	15.05	-	-	15.05
Transfer from retained earnings	-	-	-	94.79	-	-	-	94.79
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(0.38)	(0.38)
Net profit after tax transferred from the Statement of Profit and Loss	-	-	-	-	-	947.89	-	947.89
	14.56	3.96	0.43	633.09	48.17	2,927.75	(0.87)	3,627.09
Deductions:								
Transfer to general reserve	-	-	-	-	-	94.79	-	94.79
Transfer to securities premiunm	3.12	-	-	-	-	-	-	3.12
Dividends	-	-	-	-	-	264.13	-	264.13
Tax on dividend	-	-	-	-	-	53.78	-	53.78
Balance as at 31 March 2018	11.44	3.96	0.43	633.09	48.17	2,515.05	(0.87)	3,211.27

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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 2018	31 March 2017
₹ 22 per equity share (31 March 2017: ₹20) to equity shareholders	264.00	239.95
₹ 22 per equity share (31 March 2017: ₹ Nil) issued under ESOS	0.13	-
Dividend distribution tax (DDT) on dividend to equity shareholders	53.75	48.85
Dividend distribution tax (DDT) on dividend on equity shares issued under ESOS	0.03	-
	317.91	**288.80**

After the reporting dates, dividend of ₹25 (31 March 2017: ₹22) per equity share was proposed by the directors subject to approval at the annual general meeting. The proposed dividend has not been recognised as liability. Dividend would attract dividend distibution tax when declared or paid.

Note 20 - Borrowings

Non- current		
Secured		
Long-term maturities of finance lease obligations	0.30	0.44
[Refer note 23 (a) for details of maturity period, repayment terms and rate of interest]		
[Secured by hypothecation of assets (vehicles) taken on lease]	**0.30**	**0.44**
Current		
Unsecured		
Bank overdraft*	9.01	-
	9.01	**-**

*Carrying interest at the prevailing MCLR and repayable on demand.

₹ in Crores

As at	31 March 2018	31 March 2017
Note 21 - Other financial liabilities		
Deposits from customers	24.97	22.86
	24.97	22.86
Note 22 - Trade payables		
Total outstanding dues of micro and small enterprises [Refer note below]	1.55	2.69
Total outstanding dues of other than micro and small enterprises*	864.81	641.13
	866.36	643.82

Note:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2018. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:		
- Principal	1.55	2.69
- Interest	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with 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 53.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2018	31 March 2017
Note 23 - Other financial liabilities		
Current maturities of finance lease obligations (Refer note (a) below)	0.20	0.18
Unpaid dividend *	3.90	3.37
Unclaimed debenture interest *	0.43	0.44
Unclaimed debenture redemption balance *	1.09	1.11
Interest accrued but not due	1.01	1.36
Creditors for capital goods	31.77	31.05
Book overdraft	13.06	9.92
Payroll related liabilities	51.83	28.95
Accrued expenses	45.50	33.43
Other payables	33.83	33.12
	182.62	142.93

* 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 17.36% 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)].

Note 24 - Other current liabilities		
Advance from customers	26.86	14.18
Statutory liabilities (TDS, PF, GST etc.)	50.46	60.84
Deferred revenue	4.73	10.60
	82.05	85.62
Note 25 -Provisions		
Provision for compensated absences	12.76	10.82
Others:		
Excise and service tax related issues (a)	48.73	55.91
Sales tax and other issues (a)	88.12	86.44
Trade and other issues (a)	21.44	21.31
	171.05	174.48

(a) Refer note 40.

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Note 26 - Revenue from operations		
Sale of goods	9,276.17	8,577.14
Customer loyalty programme	5.87	4.41
Total (a)	9,282.04	8,581.55
Other operating revenues		
Royalty income	16.28	16.10
Scrap sales	26.79	30.43
Other receipts [Refer note below]	54.95	51.04
Provisions and liabilities no longer required written back, net	0.11	5.27
Total (b)	98.13	102.84
Total revenue from operations (a+b)	9,380.17	8,684.39
Note: Includes incentives recognised in accordance with the State Industrial Policy of certain States.		
Note 27 - Other income		
Interest income from financial assets carried at amortised cost	102.97	92.86
Dividend income	-	0.02
Net gain on financial asset measured at fair value through profit and loss*	47.58	50.10
Profit on sale of property, plant and equipment	0.45	-
Foreign exchange gain, net	2.87	-
Other receipts	2.06	1.80
	155.93	144.78
*Includes net gains on fair value changes include ₹ 26.53 (31 March 2017: ₹ 23.72)		
Note 28 - Cost of materials consumed		
Inventory of materials at the beginning of the year	336.47	174.14
Add: Purchases	4,400.99	4,505.11
Less: Inventory of materials at the end of the year	332.29	336.47
	4,405.17	4,342.78
Note 29 - Purchase of stock-in-trade		
Biscuits and high protein food	724.73	512.57
Bread, bread toast and rusk	322.59	70.51
Cake	299.70	291.00
Others	25.44	30.70
	1,372.46	904.78

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Note 30 - Changes in inventories of finished goods, work-in-progress and stock- in-trade		
Opening inventory:		
- Finished goods	216.96	170.05
- Stock-in-trade	23.37	20.25
- Work-in-progress	1.81	0.28
Closing inventory:		
- Finished goods	195.28	216.96
- Stock-in-trade	38.00	23.37
- Work-in-progress	0.67	1.81
(Increase) / decrease in inventory	8.19	(51.56)
Less: Excise duty on opening stock of finished goods	(12.37)	(10.06)
Add: Excise duty on closing stock of finished goods	-	12.37
	(12.37)	2.31
	(4.18)	**(49.25)**
Note 31 - Employee benefits expense		
Salaries, wages and bonus*	263.74	216.46
Contribution to provident and other funds [Refer note 45]	9.88	8.88
Share based payment expense	8.64	5.47
Staff welfare expenses	12.61	10.87
	294.87	**241.68**
* Includes cost towards pension settlement.		
Note 32 - Finance costs		
Finance cost on finance lease obligation	0.16	0.07
Others	1.29	1.27
	1.45	**1.34**

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Note 33 - Other expenses		
Consumption of stores and spares	18.86	15.68
Power and fuel	94.98	75.04
Rent [Refer note 36 (a)]	50.68	56.37
Repairs and maintenance:		
- Plant and equipment (a)	12.39	9.16
- Buildings (a)	2.38	2.15
- Others	25.65	24.95
Insurance	3.17	2.14
Rates and taxes, net	8.13	29.57
Carriage, freight and distribution	467.69	426.30
Auditors' remuneration (b):		
- Audit fees	1.12	1.19
- Other services	0.22	0.09
- Expenses reimbursed	0.13	0.08
Corporate social responsibility [Refer note 48]	22.14	15.80
Allowance for doubtful receivables and loans, net	0.51	0.22
Provision for impairment in value of investments in subsidiaries	-	2.69
Advertising and sales promotion	345.43	322.07
Conversion charges	520.64	557.97
Foreign exchange loss, net	-	0.75
Loss on sale/ write off of property, plant and equipment, net	-	1.71
Miscellaneous	251.14	226.30
	1,825.26	**1,770.23**
(a) Includes stores and spares consumed	3.39	3.86
(b) Excluding applicable taxes		

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 2018	31 March 2017
Current tax	499.56	390.20
Deferred tax		
Attributable to origination and reversal of temporary differences	(2.25)	17.27
Tax expense for the year	**497.31**	**407.47**

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2018			31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to statement of profit and loss						
Remeasurements of the defined benefit plans	(0.58)	0.20	(0.38)	(0.37)	0.13	(0.24)
	(0.58)	**0.20**	**(0.38)**	**(0.37)**	**0.13**	**(0.24)**

(c) Reconciliation of effective tax rate

For the year ended	31 March 2018		31 March 2017	
Profit before tax		1,445.20		1,251.16
Tax using the Company's domestic tax rate (31 March 2018: 34.61% and 31 March 2017: 34.61%)	34.61%	500.23	34.61%	433.03
Tax effect of:				
Tax exempt income	(0.02%)	(0.35)	(0.03%)	(0.35)
Weighted deduction on research and development expenditure	(0.17%)	(2.50)	(0.96%)	(12.05)
Investment allowance deduction	-	-	(0.83%)	(10.35)
Others	(0.00%)	(0.07)	(0.22%)	(2.81)
	34.41%	**497.31**	**32.57%**	**407.47**

(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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Property, plant and equipment	-	-	41.52	43.52	(41.52)	(43.52)
Investment at fair value through profit and loss	-	-	9.29	4.59	(9.29)	(4.59)
Employee benefits, net	3.96	1.32	-	-	3.96	1.32
Statutory dues	46.74	44.13	-	-	46.74	44.13
Provisions	8.10	7.57	-	-	8.10	7.57
Other items	0.69	1.52	-	-	0.69	1.52
	59.49	**54.54**	**50.81**	**48.11**	**8.68**	**6.43**

₹ in Crores

(e) Movement in temporary differences

	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

	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2018
Property, plant and equipment	(43.52)	2.00	-	-	-	(41.52)
Investment at fair value through profit and loss	(4.59)	(4.70)	-	-	-	(9.29)
Employee benefits, net	1.32	2.64	-	-	-	3.96
Statutory dues	44.13	2.61	-	-	-	46.74
Provisions	7.57	0.53	-	-	-	8.10
Other items	1.52	(0.83)	-	-	-	0.69
	6.43	2.25	-	-	-	8.68

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

As at	31 March 2018	31 March 2017
Income tax assets (net)	14.07	16.58
Current tax liabilities (net)	54.23	41.86
Net current income tax asset / (liability) at the end	(40.16)	(25.28)

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

For the year ended	31 March 2018	31 March 2017
Net current income tax asset / (liability) at the beginning	(25.28)	(20.67)
Income tax paid	484.48	385.49
Current income tax expense	(499.56)	(390.20)
Income tax on other comprehensive income and others	0.20	0.13
Net current income tax asset / (liability) at the end	(40.16)	(25.28)

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 ₹ 47.69 (31 March 2017: ₹ 60.08)

(b) Bank guarantees and letters of credit for ₹ 22.68 (31 March 2017 : ₹ 43.75)

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 ₹ 139.99 (31 March 2017: ₹ 167.44).

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

Banking facilities given to		Name of the bank	31 March 2018	31 March 2017
(i)	Britannia and Associates (Mauritius) Private Limited, Mauritius * [Refer note 39]	Bank of Tokyo	84.72	84.31

* These are against outstanding loan balances

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 2018	31 March 2017
(i)	Strategic Food International Co. LLC, Dubai	Standard Chartered Bank	8.87	8.83
(ii)	Al Sallan Food Industries Co. SAOC	Standard Chartered Bank	8.46	8.42
(iii)	J B Mangharam Foods Private Limited	HSBC Bank	25.00	25.00
(iv)	Manna Foods Private Limited	ICICI Bank	3.50	3.50
	Manna Foods Private Limited	Standard Chartered Bank	60.00	-
(v)	International Bakery Private Limited	Standard Chartered Bank	30.00	-

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

₹ 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 ₹ 7.95 (31 March 2017: ₹ 8.89) 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 ₹ 42.73 (31 March 2017: ₹ 47.48) 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 2018		31 March 2017	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.26	0.20	0.24	0.18
Later than 1 year and not later than 5 years	0.32	0.30	0.46	0.44
	0.58	0.50	0.70	0.62

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.08 (31 March 2017: ₹ 0.08) 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 2017	Purchase during the year	Sold during the year	As at 31 March 2018
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
Britchip Foods Limited	₹10	-	16.20	-	16.20
Britannia Nepal Private Limited	NPR 100	-	10.00	-	10.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per unit	As at 1 April 2017	Purchase during the year	Sold during the year	As at 31 March 2018
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
Less: Provision for diminution in value of investments		(61.69)	-	-	(61.69)
		183.01	26.20	-	209.21
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
		15.10	-	-	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					
(a) Investments with insurance companies *		11.73	0.68	-	12.41
(b) Investments in debentures / bonds		25.00	42.29	-	67.29
(c) Investments in tax free bonds		14.11	-	-	14.11
(d) Investments in government securities		-	12.29	-	12.29
		260.82	81.46	-	342.28

* The movement is on account of fair valuation through profit and loss.

₹ in Crores

(ii) Details of non-current investments purchased and sold during the previous 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
Less: Provision for diminution in value of investments		(59.00)	-	-	(59.00)
Less: Provision made during the previous 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

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
Non-Trade investments					
(a) Investments with insurance companies*		10.67	1.06	-	11.73
(b) Investments in debentures / bonds		25.00	-	-	25.00
(c) Investments in tax free bonds		14.11	-	-	14.11
		247.95	15.56	-	260.82

* The movement is on account of fair valuation through profit and loss.

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

	Face value per unit	As at 1 April 2017	Purchase during the year	Sold during the year	As at 31 March 2018
(a) Investments in debentures / bonds		75.00	4.20	75.00	4.20
(b) Investments in government securities		-	0.95	-	0.95
(c) Investments in commercial paper		-	74.24	-	74.24
		75.00	79.39	75.00	79.39

(iv) Details of Current investments purchased and sold during the previous 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		75.00	-	-	75.00
		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 2017	Given during the year	Repayment during the year	As at 31 March 2018
Manna Foods Private Limited	Subsidiary	Unsecured	10%	10 years	62.31	0.33	62.64	-
International Bakery Products Limited	Subsidiary	Unsecured	10%	8 - 10 years	26.64	-	26.64	-
Purbasha Properties Private Limited	Others	Unsecured	10%	10 years	1.92	-	0.62	1.30
Real Agro Industries Private Limited	Others	Unsecured	10%	5 years	0.36	-	0.36	-
					91.23	0.33	90.26	1.30

Details of loans during the previous 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
					86.76	10.71	6.24	91.23

The loans have been given for expansion of projects.

(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 2017	Placed during the year	Refunded during the year	As at 31 March 2018
Bajaj Finance Limited	Others	Unsecured	7.40 - 9.00%	1 to 3 years	70.79	140.00	40.00	170.79
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	35.00	-	35.00	-
Shriram Transport Finance Company Limited	Others	Unsecured	7.50 - 7.85%	1 to 2 years	-	75.00	-	75.00
Infrastructure Leasing & Finance Company Limited	Others	Unsecured	8.17 - 9.15%	1 to 2 years	60.00	75.00	135.00	-
Tata Housing Development Company Ltd	Others	Unsecured	8.00%	6 months	-	25.00	-	25.00
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	10.00 - 12.00%	1 year	350.00	100.00	100.00	350.00

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2017	Placed during the year	Refunded during the year	As at 31 March 2018
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	Unsecured	12.00%	1 year	40.00	-	40.00	-
Macrofil Investments Limited	Others	Unsecured	11.00 - 12.25%	1 year	60.00	-	60.00	-
PNB Housing Finance Limited	Others	Unsecured	7.45- 7.95%	1 to 2 years	25.00	121.00	25.00	121.00
HDFC Limited	Others	Unsecured	7.50- 7.75%	1 year	150.00	75.00	150.00	75.00
Mahindra & Mahindra Financial Services Ltd.	Others	Unsecured	7.50%	1 year	-	25.00	-	25.00
Tata Capital Financial Services Ltd.	Others	Unsecured	7.70 -7.85%	6 months	-	50.00	-	50.00
					800.79	686.00	595.00	891.79

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 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 Company 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 Company Ltd	Others	Unsecured	9.45%	6 months	10.00	25.00	35.00	-
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 Housing 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

₹ in Crores

Note 39 **Details of corporate guarantee:**

	As at 1 April 2017	Given during the year	Withdrawn during the year	Adjustments *	As at 31 March 2018
Britannia and Associates (Mauritius) Private Limited - The Bank of Tokyo - Mitsubishi UFJ, Ltd.	84.31	-	-	0.41	84.72

	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

* The movement in corporate guarantee is on account of change in exchange rates.

Purpose: 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 2017	Additions *	Utilisation *	Reversals / adjustments *	31 March 2018
(a)	Excise duty and service tax related issues	55.91	18.80	-	(25.98)	48.73
(b)	Sales tax and other issues	86.44	23.95	(10.81)	(11.46)	88.12
(c)	Trade and other issues	21.31	0.13	-	-	21.44

		1 April 2016	Additions *	Utilisation *	Reversals / adjustments *	31 March 2017
(a)	Excise duty 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

(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 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 matter to Commissioner of Income Tax (CIT), Kolkata for disposal. Based on the directions of the courts, the Company was required to deposit ₹ 12.12 with a Nationalised Bank, which the Company did under protest.

In the suit filed by 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 the Pension Funds 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 Pension 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 of Calcutta for obtaining approval to use the fixed deposit held in the name of CSPF 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, the Company and Pension Funds. 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 of 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, Kolkata. 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 expeditiously. On 28 August 2017, the single bench of the Calcutta High Court remanded the matter back to CIT, Kolkata to decide on the original show-cause notice and the reply thereto in accordance with law. CIT, Kolkata passed an order on 6 October 2017 withdrawing the original show cause issued and revoking the earlier CIT order of de-recognising the Pension Fund.

The Company and Pension Funds, since then, have settled the amounts payable to eligible Pensioners, who have submitted the required documents, under the Memorandum of Settlement approved by the Honourable High Court of Karnataka. The impact of the settlement has been accounted in the financial statements.

Note 42 **Earnings per equity share**

		31 March 2018	31 March 2017
(a)	Net profit attributable to the equity shareholders	947.89	843.69
(b)	Weighted average number of equity shares outstanding during the year	120,046,477	119,991,020
(c)	Effect of potential equity shares on employee stock option outstanding	60,661	20,588
(d)	Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	120,107,138	120,011,608
	Nominal value of equity shares (₹)	2	2
	Basic earnings per share (₹)	78.96	70.31
	Diluted earnings per share (₹)	78.92	70.30

₹ 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
	Britannia Nepal Private Limited#
	Daily Bread Gourmet Foods (India) Private Limited
	Flora Investments Company Private Limited
	Ganges Vally Foods Private Limited
	Gilt Edge Finance and Investments Private Limited
	International Bakery Products Limited
	J B Mangharam Foods Private Limited
	Manna Foods Private Limited
	Strategic Brands Holding Company Limited, Dubai
	Strategic Food International Co. LLC, Dubai
	Sunrise Biscuit Company Private Limited
3. Fellow subsidiary companies	Bannatyne Enterprises Pte Limited, Singapore
	Dowbiggin Enterprises Pte Limited, Singapore
	Nacupa Enterprises Pte Limited, Singapore
	Spargo Enterprises Pte Limited, Singapore
	Valletort Enterprises Pte Limited, Singapore
4. Associates	Klassik Foods Private Limited
	Nalanda Biscuits Company Limited
	Sunandaram Foods Private Limited*
5. Other related party	Bombay Dyeing & Manufacturing Co. Ltd. (w.e.f 20 March 2017)
	Go Airlines (India) Limited

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

6.	Post employment-benefit plan entities	Britannia Industries Limited Management Staff Provident Fund
		Britannia Industries Limited Covenanted Staff Gratuity Fund
		Britannia Industries Limited Non Covenanted Staff Gratuity Fund
		Britannia Industries Limited Covenanted 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. Jairaj Bham***
		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 **
		Mr. Keki Elavia ^

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

On 22 December 2017, the Company formed the wholly owned subsidiary.

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

! Mr. Amlan Datta Majumdar relinquished office on 30 November 2016.

*** Mr. Jairaj Bham was appointed as Company Secretary and Compliance Officer of the Company w.e.f 15 May, 2018.

**** Mr. Rajesh Arora relinquished office on 30 June 2017.

Mr. Nasser Munjee resigned as director on 25 May 2017.

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

^ Mr. Keki Elavia was appointed as additional director of the Company on 7 August 2017.

₹ in Crores

	Relationship	31 March 2018	31 March 2017
Related party transactions during the year:			
Investments made			
Equity shares:			
Sunandaram Foods Private Limited	Associate	-	14.50
Britchip Foods Limited	Subsidiary	16.20	-
Britannia Nepal Private Limited	Subsidiary	10.00	-
Total		26.20	14.50
Inter-corporate deposits placed			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	100.00	-
Inter-corporate deposits redeemed			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	100.00	-
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	40.00	-
Total		140.00	-
Payment made to Officers Pension Fund			
Britannia Industries Limited Officers Pension Fund	Post employment-benfit plan entities	1.14	-
Purchase of securities / investments			
Britannia Industries Limited Covenanted Staff Pension Fund	Post employment-benfit plan entities	21.43	-
Britannia Industries Limited Officers Pension Fund		12.81	-
Total		34.24	-
Sale of land			
Britchip Foods Limited	Subsidiary	1.41	-
Travelling expenses			
Go Airlines (India) Limited	Other related party	0.48	1.24
Advance for purchase of shares			
Boribunder Finance and Investments Private Limited	Subsidiary	-	0.05
Purchase of property, plant and equipment			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	189.23	9.40
Purchase of materials			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	0.05	-

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2018	31 March 2017
Contributions during the year (includes Employees' share and contribution)			
Britannia Industries Limited Management Staff Provident Fund	Post employment-benfit plan entities	8.78	7.65
Britannia Industries Limited Covenanted Staff Gratuity Fund		1.22	1.11
Britannia Industries Limited Non Covenanted Staff Gratuity Fund		1.95	1.66
Britannia Industries Limited Covenanted Staff Pension Fund		0.27	0.28
Britannia Industries Limited Officers Pension Fund		0.30	0.32
Total		12.52	11.02
Shared service income			
Britannia Dairy Private Limited	Subsidiary	1.60	1.60
Rental income			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.04	0.02
Remittance of dividend			
Associated Biscuits International Limited (ABIL), UK	Holding Company	118.59	107.81
Others	Fellow subsidiary companies	15.32	13.95
Total		133.91	121.76
SAP license fee recovered from			
J B Mangharam Foods Private Limited	Subsidiary	0.03	0.02
International Bakery Products Limited	Subsidiary	0.04	0.04
Ganges Vally Foods Private Limited	Subsidiary	0.02	0.02
Manna Foods Private Limited	Subsidiary	0.03	0.02
Sunrise Biscuit Company Private Limited	Subsidiary	0.03	0.04
Strategic Food International Co. LLC, Dubai	Subsidiary	0.11	0.11
Al Sallan Food Industries Co. SAOC	Subsidiary	0.07	0.07
Total		0.33	0.32
Purchase of finished goods / consumables and ingredients			
Sunrise Biscuit Company Private Limited	Subsidiary	76.47	122.65
Nalanda Biscuits Company Limited	Associate	89.88	85.85
Sunandaram Foods Private Limited	Associate	81.75	19.93
J B Mangharam Foods Private Limited	Subsidiary	122.53	-
Total		370.63	228.43

₹ in Crores

	Relationship	31 March 2018	31 March 2017
Conversion and rental charges			
International Bakery Products Limited	Subsidiary	50.35	34.32
J B Mangharam Foods Private Limited	Subsidiary	18.57	37.29
Ganges Vally Foods Private Limited	Subsidiary	19.19	18.11
Manna Foods Private Limited	Subsidiary	56.61	38.99
Sunrise Biscuit Company Private Limited	Subsidiary	11.38	-
Klassik Foods Private Limited	Associate	3.62	4.60
Total		159.72	133.31
Sale of goods / consumables and ingredients			
Sunrise Biscuit Company Private Limited	Subsidiary	7.40	1.52
Strategic Food International Co. LLC, Dubai	Subsidiary	31.71	30.11
Britannia Dairy Private Limited	Subsidiary	-	0.28
Nalanda Biscuits Company Limited	Associate	1.62	1.23
Sunandaram Foods Private Limited	Associate	2.36	0.58
J B Mangharam Foods Private Limited	Subsidiary	17.70	-
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	1.43	-
Total		62.22	33.72
Interest, corporate guarantee fees and dividend income			
Manna Foods Private Limited	Subsidiary	2.94	6.27
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.25	0.23
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	0.71	4.80
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	39.32	24.89
International Bakery Products Limited	Subsidiary	1.29	2.68
Klassik Foods Private Limited	Associate	-	0.02
Total		44.51	38.89
Reimbursement of travelling & other expenses			
Strategic Food International Co. LLC, Dubai	Subsidiary	0.24	-
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	1.97	1.06
Britchip Foods Limited	Subsidiary	3.33	-
Total		5.54	1.06
Recovery of guest house expenses			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	0.12	0.03
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	0.04	0.02
Total		0.16	0.05

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2018	31 March 2017
Royalty income			
Strategic Food International Co. LLC, Dubai	Subsidiary	**13.83**	**13.58**
Key management personnel compensation			
Short-term employee benefits		10.35	9.11
Post-employment defined benefits		0.35	0.36
Other long term employee benefits		0.09	0.11
Share-based payments		8.64	5.47
Sitting fees		1.10	0.32
Commission		9.00	7.66
Travelling expenses & others		0.34	0.15
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		15.05	7.49
Total		**15.06**	**7.50**
Loan given to			
Manna Foods Private Limited	Subsidiary	0.33	6.65
International Bakery Products Limited	Subsidiary	-	4.06
Total		**0.33**	**10.71**
Loan repaid by			
Manna Foods Private Limited	Subsidiary	62.64	3.32
International Bakery Products Limited	Subsidiary	26.64	1.91
Total		**89.28**	**5.23**
Related party closing balances as on balance sheet date:			
Outstanding - net receivables / (payables)			
Ganges Vally Foods Private Limited	Subsidiary	(0.73)	(0.34)
J B Mangharam Foods Private Limited	Subsidiary	(5.16)	(2.44)
International Bakery Products Limited	Subsidiary	2.48	30.05
Sunrise Biscuit Company Private Limited	Subsidiary	(3.08)	0.97
Manna Foods Private Limited	Subsidiary	(1.27)	67.34
Al Sallan Food Industries Co. SAOC	Subsidiary	0.06	0.06
Strategic Food International Co. LLC, Dubai	Subsidiary	6.96	4.58
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.06	0.01

₹ in Crores

	Relationship	31 March 2018	31 March 2017
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	(3.80)	0.43
Britannia Dairy Private Limited	Subsidiary	0.46	0.70
Boribunder Finance and Investments Private Limited	Subsidiary	-	0.05
Nalanda Biscuits Company Limited	Associate	0.07	0.87
Klassik Foods Private Limited	Associate	(0.01)	0.08
Sunandaram Foods Private Limited	Associate	3.04	2.35
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	0.04	40.00
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	354.40	440.63
Go Airlines (India) Limited	Other related party	0.72	0.20
Total		354.24	585.54
Provision for doubtful loans / advances			
Manna Foods Private Limited	Subsidiary	**1.04**	**1.04**
Investment in debentures held			
International Bakery Products Limited	Subsidiary	**5.82**	**5.82**
Investment in shares held			
Britannia Dairy Private Limited	Subsidiary	76.02	76.02
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	121.69	121.69
Sunrise Biscuit Company Private Limited	Subsidiary	14.03	14.03
Ganges Vally Foods Private Limited	Subsidiary	0.72	0.72
J B Mangharam Foods Private Limited	Subsidiary	0.54	0.54
International Bakery Products Limited	Subsidiary	1.75	1.75
Boribunder Finance and Investments Private Limited	Subsidiary	2.58	2.58
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	28.69	28.69
Manna Foods Private Limited	Subsidiary	4.67	4.67
Britannia Dairy Holdings Private Limited, Mauritius	Subsidiary	0.06	0.06
Britchip Foods Limited	Subsidiary	16.20	-
Britannia Nepal Private Limited	Subsidiary	10.00	-
Klassik Foods Private Limited	Associate	0.32	0.32
Nalanda Biscuits Company Limited	Associate	0.28	0.28
Sunandaram Foods Private Limited	Associate	14.50	14.50
Total		292.05	265.85

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2018	31 March 2017
Provision for diminution in value of investment			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	35.00	35.00
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	26.69	26.69
Total		61.69	61.69
Corporate Guarantee			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	84.72	84.31
Letter of awareness / comfort			
Strategic Food International Co. LLC, Dubai	Subsidiary	8.87	8.83
Al Sallan Food Industries Co. SAOC	Subsidiary	8.46	8.42
J B Mangharam Foods Private Limited	Subsidiary	25.00	25.00
Manna Foods Private Limited	Subsidiary	63.50	3.50
International Bakery Products Limited	Subsidiary	30.00	
Total		135.83	45.75
Letter of financial and operational support / undertaking 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		

Note:

(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.

₹ in Crores

Note 45 Employee benefits

(a) Post retirement benefit - Defined contribution plans

The Company has recognised an amount of ₹ 3.59 (31 March 2017: ₹ 3.32) as expenses under the defined contribution plans in the Statement of Profit and Loss for the year:

	31 March 2018	31 March 2017
Benefit (Contribution to)		
Provident Fund	0.93	0.84
Family Pension Scheme	2.12	1.90
Pension Fund	0.54	0.58
Total	3.59	3.32

(b) Post retirement benefit - Defined benefit plans

I. Provident fund - Contribution made by the Company during the year to the self administered Trust fund is ₹ 4.74 (31 March 2017: ₹ 4.11). 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.

II. The Company has two funds: Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.

(i) The Scheme in relation to Britannia Industries Limited Non Covenanted Staff Gratuity Fund provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972.

(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 2018	31 March 2017
1.	Reconciliation of net defined benefit asset / (liability)		
(i)	Reconciliation of present value of defined benefit obligation		
	Obligations as at 1 April	15.39	13.25
	Service cost	1.84	1.55
	Interest cost	0.99	0.94
	Benefits settled	(2.08)	(0.98)
	Actuarial loss due to financial assumptions	0.43	0.67
	Actuarial (gain) / loss due to experience adjustments	0.63	(0.04)
	Obligations as at year end 31 March	17.20	15.39

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

		31 March 2018	31 March 2017
(ii)	Reconciliation of present value of plan asset:		
	Plan assets as at 1 April at fair value	17.07	14.13
	Expected return on plan assets	1.28	1.04
	Return on assets excluding interest income	0.48	0.26
	Contributions	2.89	2.62
	Benefits settled	(2.08)	(0.98)
	Plan assets as at 31 March at fair value	19.64	17.07
(iii)	Reconciliation of net defined benefit asset:		
	Present value of obligation as at 31 March	17.20	15.39
	Plan assets as at 31 March at fair value	19.64	17.07
	Amount recognised in balance sheet asset	2.44	1.68
2.	Expenses recognised in the Statement of Profit and Loss under Employee benefit expense:		
	Current service cost	1.84	1.55
	Interest cost	0.99	0.94
	Interest income	(1.28)	(1.04)
	Net cost	1.55	1.45
3.	Remeasurements recognised in statement of Other comprehensive income		
	Acturial loss on defined benefit obligation	1.06	0.63
	Return on plan assets excluding interest income	(0.48)	(0.26)
	Loss recognised in statement of other comprehensive income	0.58	0.37
4.	Amount recognised in the balance sheet:		
	Opening asset	(1.68)	(0.88)
	Expense as above	2.13	1.82
	Employers' contribution paid	(2.89)	(2.62)
	Closing asset	(2.44)	(1.68)
5.	Experience adjustment:		
	On plan liabilities (gain) / loss	0.63	(0.04)
	On plan assets gain	0.48	0.26

₹ in Crores

		31 March 2018	31 March 2017
6.	Investment details:	% Invested	% Invested
	Government of India securities	3.62	4.15
	State Government securities	37.83	36.07
	Public sector securities	50.70	51.17
	Mutual funds	4.70	4.45
	Special deposit scheme	3.02	3.45
	Short term deposit	0.13	0.71
		100.00	100.00
7.	Principal actuarial assumptions:		
	Discount factor [Refer note (i) below]	7.50%	6.90%
	Estimated rate of return on plan assets [Refer note (ii) below]	7.50%	6.90%
	Attrition rate:		
	Age related (Service related):		
	5 years and above	4%	4%
	Below 5 years	23%	16%
	Salary escalation rate [Refer note (iii) below]	6%	5%
	Retirement age (in years)	58	58
8.	Maturity profile of defined benefit obligation:		
	Within 1 year	1.77	2.04
	1-2 year	2.60	1.59
	2-3 year	1.79	2.44
	3-4 year	1.90	1.74
	4-5 year	2.94	1.82
	5-10 year	13.03	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.

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Sensitivity analysis

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

		31 March 2018	31 March 2017
A.	Discount rate		
	Discount rate -50 basis points	17.85	15.93
	Assumptions	7.00%	6.40%
	Discount rate +50 basis points	16.58	14.87
	Assumptions	8.00%	7.40%
B.	Salary escalation rate		
	Salary rate -50 basis points	16.61	14.89
	Assumptions	5.50%	4.50%
	Salary rate +50 basis points	17.82	15.90
	Assumptions	6.50%	5.50%
C.	Withdrawal rate		
	Withdrawal rate -50 basis points	17.11	15.29
	Withdrawal rate +50 basis points	17.26	15.46

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 2018	31 March 2017	31 March 2018	31 March 2017
Subsidiaries				
Manna Foods Private Limited	-	62.31	62.31	64.41
International Bakery Products Limited	-	26.64	26.64	28.01

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 2017: ₹ 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 ₹ 1.43 (31 March 2017: ₹ 2.15) 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 ₹ 20.14 (31 March 2017: ₹ 15.80) in accordance with Section 135 of the Act. The following amounts were spent during the current and previous years:

For the year ended		31 March 2018	31 March 2017
(i)	Amount spent other than for construction/ acquistion of any asset	22.14	15.80
(ii)	Amount accrued and spent	-	-
	Total	22.14	15.80

₹ in Crores

Note 49 During the 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.

Note 50 Research and Development expenses

For the year ended	31 March 2018	31 March 2017
Capital expenditure	1.86	21.70
Revenue expenditure	26.68	26.14
Total	28.54	47.84

Note 51 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 and bank overdraft.

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

As at	31 March 2018	31 March 2017
Total debt	9.51	0.62
Total equity	3,235.28	2,581.98
Debt to equity %	0.29%	0.02%

Note 52 During the year under review, the Company Secretary resigned from the services of the Company w.e.f 30 June, 2017. Mr. Jairaj Bham has been appointed as Company Secretary and Compliance Officer of the Company w.e.f 15 May, 2018.

₹ in Crores

Note 53 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 2018, 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	764.46	-	-	-	764.46	764.46	-	-	764.46
Investments with insurance companies	7	12.41	-	-	-	12.41	12.41	-	-	12.41
		776.87	-	-	-	776.87				
Financial assets not measured at fair value										
Investments in debentures/bonds	7 & 12	-	-	77.31	-	77.31				
Investments in in tax free bonds	7	-	-	14.11	-	14.11				
Investments in government securities	7 & 12	-	-	13.24	-	13.24				
Investments in commercial paper	12	-	-	74.24	-	74.24				
Loans	8 & 15	-	-	907.15	-	907.15				
Other financial assets	16	-	-	98.51	-	98.51				
Trade receivables	13	-	-	230.32	-	230.32				
Cash and cash equivalents	14	-	-	88.91	-	88.91				
Bank balances	14	-	-	8.34	-	8.34				
		-	-	1,512.13	-	1,512.13				
Financial liabilities not measured at fair value										
Borrowings	20	-	-	-	9.31	9.31				
Trade payables	22	-	-	-	866.36	866.36				
Other financial liabilities	21 & 23	-	-	-	207.59	207.59				
		-	-	-	1,083.26	1,083.26				

₹ in Crores

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	7 & 12	-	-	105.82	-	105.82				
Investments in in tax free bonds	7	-	-	14.11	-	14.11				
Loans	8 & 15	-	-	908.46	-	908.46				
Other financial assets	9 & 16	-	-	90.40	-	90.40				
Trade receivables	13	-	-	126.41	-	126.41				
Cash and cash equivalents	14	-	-	21.23	-	21.23				
Bank balances	14	-	-	32.32	-	32.32				
		-	-	1,298.75	-	1,298.75				
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				

The fair value of cash and cash equivalents, bank balances, trade receivables, loans, investments in tax-free bonds, investments in debentures/ bonds, investments in government securities, investments in commercial paper, 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 Board. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and 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. 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 by geographic region is as follows:

	Carrying amount	
	31 March 2018	31 March 2017
India	208.27	111.25
Others	28.51	21.11
	236.78	132.36

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

	Carrying amount	
	31 March 2018	31 March 2017
Institutional	86.69	64.71
Authorised wholesaler	125.24	56.94
Others	24.85	10.71
	236.78	132.36

Movement in the allowance for impairment in trade receivables

	31 March 2018	31 March 2017
Opening balance	5.95	5.68
Amount provided for	0.51	0.27
Net remeasurement of loss allowance	6.46	5.95

₹ 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 2018, the expected cash flows from trade receivables is ₹ 230.32 (31 March 2017: ₹ 126.41). 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, ₹ 224 (31 March 2017: ₹227) overdraft facility with various banks that is unsecured. Interest would be payable basis prevailing MCLR (31 March 2017 : prevailing base rate)

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018 and 31 March 2017:

Particulars	As at 31 March 2018		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	866.36	-	-
Other financial liabilities (Refer note 21 and 23)	182.42	24.97	-
Finance lease obligations	0.20	0.30	-
	1,048.98	25.27	-

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	23.05	0.25

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 Comapny hedges 95% to 100% of its estimated foreign currency exposure in respect of sales and purchases

NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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 gross exposure to currency risk is as follows:

	31 March 2018		31 March 2017	
	Euro	USD	Euro	USD
Export receivables	-	0.30	-	0.25
Overseas payables	(0.03)	-	(0.25)	-

The Company uses forward exchange contracts to hedge the currency exposure and is 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 54 Comparative figures have been regrouped/ reclassified wherever necessary to conform to current period's presentation.

Note 55 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.	Description	31 March 2018	31 March 2017
7	**Non-current investments:**		
(a)	Unquoted - Investments in debentures / bonds		
	The Bengal Chamber of Commerce and Industry 6 1/2% Non-redeemable registered debentures 1962	4	4
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 56 During the year ended 31 March 2018, no material foreseeable loss (31 March 2017: 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 Firm registration number: 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 15 May 2018

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
		Keki Elavia	Ness N Wadia
		Nimesh N Kampani	Y.S.P Thorat
		Avijit Deb	Ajay Shah
		Jeh N Wadia	
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Jairaj Bham	

Place : Mumbai
Date : 15 May 2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Britannia Industries Limited

Report on the Audit of the Consolidated Ind AS 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 2018, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/loss (and other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

The respective Board of Directors of the companies included in the Group and of its 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

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

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2018 and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other matters

a. We did not audit the financial statements of four subsidiaries included in the annual consolidated Ind AS financial statements incorporated outside India, whose financial statements reflect total assets of INR 468.43 crores and net assets of INR (38.43) crores as at 31 March 2018, total revenues of INR 535.88 crores and cash inflow of INR 4.33 crores for the year ended on that date. The financial statements of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') has been audited by other auditors duly qualified to act as auditor in those countries. The respective statutory audit reports of the other auditors have been furnished to us. For the purpose of preparation of the consolidated Ind AS financial statement, the aforesaid local GAAP financial statements have been restated by the Management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to consolidated Ind AS financial statements under the generally accepted accounting principles in India. Of the above, for two subsidiaries, the reporting packages made for this purpose have been reviewed by the other auditors and limited review reports (on the reporting packages) of the other auditors have been furnished to us. For the other two subsidiaries, the conversion adjustments made by the Company's management have been audited by us. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries are based on the aforesaid audit reports, limited review reports received from the other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

b. We did not audit the financial statements of three subsidiaries included in the annual consolidated Ind AS financial statements, whose financial statements reflect total assets of INR 256.36 crores and net assets of INR 171.05 crores as at 31 March 2018, total revenues of INR Nil and cash inflow of INR 0.88 crore for the year ended on that date. The consolidated Ind AS financial statement also includes the Group's share of net loss (and other comprehensive income) of INR 0.18 crore

for the year ended 31 March 2018 in respect of three associates, whose financial statements and financial information have not been audited. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of 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 Ind AS 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 and the other financial information of subsidiaries and associates 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 Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies incorporated in India, none of the directors of any such companies are disqualified as on 31 March 2018 from being appointed as a director of that company in terms of Section 164(2) of the Act;

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and associates, incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A;

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of subsidiaries and associates, as noted in the 'Other Matter' Paragraph.

      i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its

associates – Refer Note 38 (i) (a), 42 & 43 to the consolidated Ind AS 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 Ind AS financial statements in respect of such items as it relates to the Group and its associates;

iii. There has been no delay in transferring amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associates incorporated in India, wherever applicable during the year ended 31 March 2018; and

iv. The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

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

Supreet Sachdev
Partner
Membership Number: 205385

Place: Mumbai
Date: 15 May 2018

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS 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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Holding Company as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to the financial statements 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 with reference to the financial statements 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 with reference to the financial statements 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 with reference to the financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to the financial statements

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

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

Opinion

In our opinion, the Holding Company, its subsidiary companies and associates companies which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2018 based on the internal control with reference to the financial statements 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's Registration Number: 101248W/W-100022

Supreet Sachdev
Partner
Membership Number: 205385

Place: Mumbai
Date: 15 May 2018

CONSOLIDATED BALANCE SHEET

₹ in Crores

As at			Note	31 March 2018	31 March 2017
I.	ASSETS				
(1)	**Non-current assets**				
	(a)	Property, plant and equipment	4	1,194.44	1,005.29
	(b)	Capital work-in-progress	4	202.82	30.07
	(c)	Investment property	5	14.99	15.25
	(d)	Goodwill	6	128.20	127.84
	(e)	Other intangible assets	6	7.97	11.61
	(f)	Investment in associates	7	2.01	2.19
	(g)	Financial assets			
		(i) Investments	8	220.47	309.81
		(ii) Loans	9	134.24	45.92
		(iii) Others financial assets	10	-	12.12
	(h)	Deferred tax assets, (net)	19	22.57	23.11
	(i)	Income-tax assets, (net)	19	22.32	25.36
	(j)	Other non-current assets	11	86.61	160.99
	Total non-current assets			2,036.64	1,769.56
(2)	**Current assets**				
	(a)	Inventories	12	652.79	661.45
	(b)	Financial assets			
		(i) Investments	13	856.80	174.85
		(ii) Trade receivables	14	304.60	179.16
		(iii) Cash and cash equivalents	15	129.91	56.16
		(iv) Bank balances other than (iii) above	15	56.51	64.60
		(v) Loans	16	844.34	829.10
		(vi) Other financial assets	17	100.74	81.06
	(c)	Other current assets	18	205.59	292.86
	Total current assets			3,151.28	2,339.24
	Total assets			5,187.92	4,108.80
II.	EQUITY AND LIABILITIES				
	Equity				
	(a)	Equity share capital	20	24.01	24.00
	(b)	Other equity	21	3,382.22	2,672.42
	Equity attributable to equity holders of the parent			3,406.23	2,696.42
	Non-controlling interests			13.14	2.60
	Total equity			3,419.37	2,699.02
	Liabilities				
(1)	**Non-current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	22	84.57	31.40
		(ii) Other financial liabilities	23	25.20	23.09
	(b)	Government grant	24	1.94	2.27
	(c)	Provisions	25	8.87	7.62
	Total non-current liabilities			120.58	64.38
(2)	**Current liabilities**				
	(a)	Financial liabilities			
		(i) Borrowings	26	93.65	84.31
		(ii) Trade payables	27	994.09	757.31
		(iii) Other financial liabilities	28	234.77	185.37
	(b)	Other current liabilities	29	88.89	91.57
	(c)	Government grant	24	1.36	1.96
	(d)	Provisions	30	178.97	182.46
	(e)	Current tax liabilities, (net)		56.24	42.42
	Total current liabilities			1,647.97	1,345.40
	Total liabilities			1,768.55	1,409.78
	Total equity and liabilities			5,187.92	4,108.80
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 Firm registration number: 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 15 May 2018

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

Chairman : Nusli N Wadia
Managing Director : Varun Berry
Directors : A K Hirjee, S S Kelkar, Keki Elavia, Nimesh N Kampani, Avijit Deb, Jeh N Wadia, Keki Dadiseth, Ajai Puri, Ness N Wadia, Y.S.P Thorat, Ajay Shah

Chief Financial Officer : N.Venkataraman
Company Secretary : Jairaj Bham

Place : Mumbai
Date : 15 May 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Crores

For the year ended		Note	31 March 2018	31 March 2017
I.	**Revenue from operations**			
	Sale of goods / Income from operations	31	9,905.63	9,232.30
	Other operating revenues	31	84.47	91.81
			9,990.10	9,324.11
II.	**Other income**	32	166.37	150.54
III.	**Total Income (I+II)**		10,156.47	9,474.65
IV.	**Expenses**			
	Cost of materials consumed		4,906.08	4,839.57
	Excise duty		76.11	270.02
	Purchase of stock-in-trade	33	1,194.72	803.31
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	34	6.30	(54.20)
	Employee benefits expense	35	401.60	352.61
	Finance costs	36	7.59	5.45
	Depreciation and amortisation expense	4, 5, 6	142.07	119.27
	Other expenses	37	1,903.64	1,834.62
	Total expenses		8,638.11	8,170.65
V.	**Profit before share of profits / (loss) of associates (III-IV)**		1,518.36	1,304.00
	Share of (loss) / profit in associates		(0.18)	0.28
VI.	**Share of (loss) / profit of associates (net of income tax)**		(0.18)	0.28
VII.	**Profit before tax (V+VI)**		1,518.18	1,304.28
VIII.	**Tax expense:**			
	(i) Current tax	19	513.68	401.87
	(ii) Deferred tax	19	0.54	17.80
			514.22	419.67
IX.	**Profit for the year (VII+VIII)**		1,003.96	884.61
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		(1.06)	(0.23)
	Income tax relating to items not to be reclassified subsequently to statement of profit or loss		0.36	0.08
	Items that will be reclassified subsequently to statement of profit or loss			
	Foreign currency translation reserve		0.49	(2.08)
	Other comprehensive income, net of tax		(0.21)	(2.23)
XI.	**Total Comprehensive income for the year (IX+X)**		1,003.75	882.38
	Profit attributable to:			
	Owners of the Company		1,004.23	884.47
	Non-controlling interests		(0.27)	0.14
	Profit for the year		1,003.96	884.61
	Other comprehensive income attributable to:			
	Owners of the Company		(0.21)	(2.23)
	Non-controlling interests		-	-
	Other comprehensive income for the year		(0.21)	(2.23)
	Total comprehensive income attributable to:			
	Owners of the Company		1,004.02	882.24
	Non-controlling interests		(0.27)	0.14
	Total comprehensive income for the year		1,003.75	882.38
	Earnings per share (nominal value of ₹2 each)	44		
	Basic [in ₹]		83.65	73.71
	Diluted [in ₹]		83.61	73.70
	Weighted average number of equity shares used in computing earnings per share:			
	- Basic		120,046,477	119,991,020
	- Diluted		120,107,138	120,011,608
	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 Firm registration number: 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 15 May 2018

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

Chairman	:	Nusli N Wadia
Managing Director	:	Varun Berry
Directors	:	A K Hirjee, S S Kelkar, Keki Elavia, Nimesh N Kampani, Avijit Deb, Jeh N Wadia, Keki Dadiseth, Ajai Puri, Ness N Wadia, Y.S.P Thorat, Ajay Shah
Chief Financial Officer	:	N.Venkataraman
Company Secretary	:	Jairaj Bham

Place : Mumbai
Date : 15 May 2018

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 currrency 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

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 2017	24.00	30.00	2,116.87	0.63	3.96	515.44	5.92	0.35	-	(0.75)	2,696.42
Changes in equity for the year ended 31 March 2018											
Increase in share capital on exercise of employee stock options	0.01	-	-	-	-	-	-	-	-	-	0.01
Foreign currency translation reserve	-	-	-	-	-	-	-	0.49	-	-	0.49
Share based payment [Refer note 35]	-	-	-	-	-	-	8.64	-	-	-	8.64
Transfer to general reserve	-	-	(95.71)	-	-	-	-	-	-	-	(95.71)
Transfer from retained earnings	-	-	-	-	-	95.71	-	-	-	-	95.71
Transfer to securities premium on issue of equity shares	-	15.05	-	-	-	-	(3.12)	-	-	-	11.93
Transfer from share options outstanding account	-	3.12	-	-	-	-	-	-	-	-	3.12
Dividends (including corporate dividend tax)	-	-	(317.91)	-	-	-	-	-	-	-	(317.91)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	-	-	-	(0.70)	(0.70)
Profit for the year	-	-	1,004.23	-	-	-	-	-	-	-	1,004.23
Balance as at 31 March 2018	24.01	48.17	2,707.48	0.63	3.96	611.15	11.44	0.84	-	(1.45)	3,406.23

See accompanying notes to consolidated 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 : 15 May 2018

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
		Keki Elavia	Ness N Wadia
		Nimesh N Kampani	Y.S.P Thorat
		Avijit Deb	Ajay Shah
		Jeh N Wadia	
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Jairaj Bham	

Place : Mumbai
Date : 15 May 2018

CONSOLIDATED STATEMENT OF CASH FLOW

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Cash flows from operating activities		
Profit before tax	1,518.36	1,304.00
Adjustments for :		
Depreciation and amortisation expense	142.07	119.27
Share based payment expense	8.64	5.47
Net gain on financial asset measured at fair value through Statement of Profit and Loss	(55.24)	(56.90)
(Profit) / loss on disposal of property, plant and equipment	(0.43)	1.74
Interest income	(104.03)	(89.78)
Dividend income	-	(0.02)
Finance costs	7.59	5.45
Changes in		
Inventories	8.76	(221.35)
Trade receivables	(125.22)	(9.39)
Loans, other financial assets and other assets	82.15	(234.68)
Accounts payables, other financial laibilities, other liabilities and provisions	262.58	14.06
Cash generated from operating activities	**1,745.23**	**837.87**
Income tax paid , net of refund	(496.46)	(396.59)
Net cash from operating activities	**1,248.77**	**441.28**
Cash flow from investing activities		
Acquisition of property, plant and equipment	(422.93)	(359.78)
Investment in associate	-	(14.50)
Proceeds from sale of property, plant and equipment	1.76	7.95
(Purchase) / Sale of investments, net	(537.37)	359.33
Inter-corporate deposits placed	(767.22)	(512.51)
Inter-corporate deposits redeemed	660.39	294.75
Interest received	109.11	74.89
Dividend received	-	0.02
Net cash used in investing activities	**(956.26)**	**(149.85)**

CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Cash flow from financing activities		
Proceeds from share allotment	15.06	5.83
Interest paid	(7.48)	(5.53)
Proceeds from / (repayment) of borrowings	67.25	(6.96)
Contribution from Non-controlling interests	10.80	-
Dividends paid (including corporate dividend tax)	(317.38)	(288.42)
Net cash used in financing activities	**(231.75)**	**(295.08)**
Net change in cash and cash equivalents	**60.76**	**(3.65)**
Cash and cash equivalents at the beginning of the year	47.34	50.99
Cash and cash equivalents at the end of year	**108.10**	**47.34**
Cash and cash equivalents at the end of the year [Refer Note 15]	129.91	56.16
Book overdraft [Refer Note 28]	(13.06)	(9.92)
Bank overdraft [Refer Note 26]	(9.01)	-
Effect of exchange rate changes	0.26	1.10
	108.10	47.34
Significant accounting policies [Refer Note 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 Firm registration number: 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 15 May 2018

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
		Keki Elavia	Ness N Wadia
		Nimesh N Kampani	Y.S.P Thorat
		Avijit Deb	Ajay Shah
		Jeh N Wadia	
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Jairaj Bham	

Place : Mumbai
Date : 15 May 2018

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, as amended, notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 15 May 2018.

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 judgments, 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 lease classification.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 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 4 - useful life of property, plant and equipment;
- Notes - 8-10 and Notes - 13-17 - 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 54 - 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 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

These are 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 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.

vi. Subsidiaries and associate companies considered in the consolidated financial statements:

Name of the Company	Country of incorporation	Ownership interest (in %)	
		31 March 2018	31 March 2017
Subsidiary companies:			
Boribunder Finance and Investments Private Limited	India	100.00	100.00
Flora Investments Company Private Limited	India	40.53	40.53
Gilt Edge Finance and Investments Private Limited	India	46.13	46.13
Ganges Vally Foods Private Limited	India	51.00	51.00
International Bakery Products Limited	India	100.00	100.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Name of the Company	Country of incorporation	Ownership interest (in %)	
		31 March 2018	31 March 2017
J B Mangharam Foods Private Limited	India	100.00	100.00
Manna Foods Private Limited	India	100.00	100.00
Sunrise Biscuit Company Private Limited	India	99.16	99.16
Britannia and Associates (Mauritius) Private Limited	Mauritius	100.00	100.00
Britannia and Associates (Dubai) Private Co. Limited	Dubai, UAE	100.00	100.00
Al Sallan Food Industries Co. SAOC	Oman	65.46	65.46
Strategic Food International Co. LLC, Dubai	Dubai, UAE	100.00	100.00
Strategic Brands Holding Company Limited	Dubai, UAE	100.00	100.00
Daily Bread Gourmet Foods (India) Private Limited	India	100.00	100.00
Britannia Dairy Private Limited	India	100.00	100.00
Britannia Dairy Holdings Private Limited	Mauritius	100.00	100.00
Britannia Nepal Private Limited	Nepal	100.00	-
Britchip Foods Limited	India	60.00	100.00
Associates:			
Klassik Foods Private Limited	India	26.02	26.02
Nalanda Biscuits Company Limited	India	35.00	35.00
Sunandaram Foods Private Limited	India	26.00	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. The financial statements of Britannia and Associates (Dubai) Private Co. Limited, Dubai; Britannia Dairy Holdings Private Limited, Mauritius; Strategic Brands Holding Company Limited; Dubai, Britannia and Associates (Mauritius) Private Limited, Mauritius; Britannia Nepal Private Limited, Nepal; Klassik Foods Private Limited; Nalanda Biscuits Company Limited and Sunandaram Foods Private Limited and have been incorporated in the consolidated financial statements of Britannia Industries Limited based on unaudited financial statements.

(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. 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.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the 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	30 - 60 years
Leasehold land	Lease period

Freehold land is not depreciated.

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

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

iv. 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

v. Capital work-in-progress

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

(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 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 Group 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.

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.

(d) 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.

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.

(e) **Impairment**

(i) **Financial assets**

The Group 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 statement of 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 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.

(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.

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 statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lease 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 inflation.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(g) Inventories

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

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

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

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, non-refundable taxes and duties 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, non-refundable taxes and duties and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

In respect of following subsidiary, inventories are valued at cost, computed under first-in-first-out basis. The value of these inventories are as given below:

		₹ in crores
	31 March 2018	**31 March 2017**
Britannia Dairy Private Limited	13.97	24.73

(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.

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are carried at cost in the financial statements.

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.

(i) 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 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, Goods and Service Tax (GST) and net of sales return, trade discounts and volume rebates. Sales are presented gross of excise duties.

Income from royalties are recognised 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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 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) 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 Statement of 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, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which it relates. 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.

(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 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 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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the respective Group company will pay normal income tax during the specified period. Such asset is reviewed at each balance sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

(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.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

(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 in employee benefits expense, 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. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(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 in case of 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 effective on Balance Sheet date:

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

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

i. Sales of goods

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

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

For the loyalty programme operated by the Group, revenue is currently allocated between the loyalty programme and the goods using the residual value method i.e. consideration is allocated to the loyalty programme based on the fair value of the loyalty points and the remainder of the consideration is allocated to the goods. The amount allocated to the loyalty programme is deferred, and is recognised as loyalty points are redeemed or expire.

Under Ind AS 115, consideration will be allocated between the loyalty programme and the goods based on their relative stand-alone selling prices. As a consequence, a lower proportion of the consideration will be allocated to the loyalty programme, and therefore less revenue is likely to be deferred.

ii. Transition

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

Ind AS 21, The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the earlier of the date of initial recognition of the non-monetary prepayment asset or deferred income liability and the date that the related item is recognised in the financial statements. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Group is evaluating the impact of this amendment on its financial statements.

Ind AS 40, Investment Property

The amendment explains that the transfer to, or from, investment property is made when there is an actual change of use, that is, the asset meets or ceases to meet the definition of investmemt property and there is evidence of change in use. A change in management's intentions for the use of a property does not provide evidence of a change in use. The Group has evaluated the impact of this amendment and concluded that there shall be no impact on its 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 2017	Exchange difference	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Exchange difference	Depreciation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Own assets												
Freehold land		97.19	-	24.04	-	121.23	-	-	-	-	-	121.23
Leasehold land	(a)	30.49	-	94.72	-	125.21	0.70	-	0.38	-	1.08	124.13
Buildings	(b)	376.23	0.41	138.60	0.14	515.10	21.61	0.33	17.25	0.12	39.07	476.03
Plant and equipment		641.12	0.92	67.55	4.80	704.79	155.27	0.90	111.71	3.58	264.30	440.49
Furniture and fixtures		25.36	0.22	0.66	1.01	25.23	4.61	0.13	3.11	1.01	6.84	18.39
Motor vehicles		2.06	0.01	0.12	-	2.19	0.21	0.01	0.43	-	0.65	1.54
Office equipment		22.26	0.04	2.73	0.12	24.91	7.17	0.02	5.25	0.12	12.32	12.59
Leased assets												
Motor vehicles		0.34	-	0.15	0.23	0.26	0.19	-	0.17	0.14	0.22	0.04
Total		**1,195.05**	**1.60**	**328.57**	**6.30**	**1,518.92**	**189.76**	**1.39**	**(c)138.30**	**4.97**	**324.48**	**1,194.44**

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)	315.71	(1.82)	80.07	15.77	1.96	376.23	11.38	(1.49)	13.77	0.26	1.79	21.61	354.62
Plant and equipment		454.00	(5.40)	211.35	-	18.83	641.12	76.25	(4.38)	93.16	-	9.76	155.27	485.85
Furniture and fixtures		22.02	-	4.01	-	0.67	25.36	2.48	(0.09)	2.69	-	0.47	4.61	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		16.43	(0.28)	6.71	-	0.60	22.26	3.47	(0.20)	4.50	-	0.60	7.17	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		**915.32**	**(7.54)**	**326.07**	**15.77**	**23.03**	**1,195.05**	**94.32**	**(6.19)**	**(c)115.25**	**0.26**	**13.36**	**189.76**	**1,005.29**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Capital work-in-progress

Particulars	31 March 2018	31 March 2017
Carrying amount		
Opening carrying amount	30.07	90.07
Additions	187.39	33.25
Assets capitalised	14.64	93.25
Closing carrying amount	202.82	30.07

Notes:

(a) Agreement in respect of leasehold land at 31 March 2018 : one location (31 March 2017 : one location) 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 2017: 1 Co-operative Housing Society); 10 shares (31 March 2017: 10 shares) of ₹ 50/- each.

(ii) Net carrying value ₹ 0.72 (31 March 2017: ₹1.10) 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 ₹ 11.76 (31 March 2017: ₹12.77) constructed on a land leased from the Public Establishment for Industrial Estates (Sohar Industrial Estate) for a period of 25 years from 1 January 1994, which is renewable thereafter for a further period of 25 years in relation to Al Sallan Food Industries Co. SAOC (ASFI).

(c)

Depreciation:	31 March 2018	31 March 2017
Depreciation charge for the year	138.30	115.25
Depreciation charge on investment property for the year [Refer note 5]	0.26	0.26
Amortisation for the year [Refer note 6]	4.22	4.47
Transfer from capital subsidy [Refer note 3 (l) and 50]	(0.71)	(0.71)
Net depreciation charge for the year	142.07	119.27

(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 ₹ 34.67 (31 March 2017: ₹ 37.47). Substantially all the property, plant and equipment of Al Sallan Food Industries Co. SAOC (ASFI) are mortgaged as security against the Government and other term loans amounting to ₹ 17.12 (31 March 2017: ₹ 22.70).

₹ in Crores

Note 5 - Investment property

Particulars	31 March 2018	31 March 2017
Gross carrying amount		
Opening gross carrying amount	15.77	15.77
Additions during the year	-	-
Closing gross carrying amount	15.77	15.77
Accumulated depreciation		
Opening accumulated depreciation	0.52	0.26
Depreciation charge during the year	0.26	0.26
Closing accumulated depreciation	0.78	0.52
Net carrying amount	14.99	15.25

The fair value of investment property is ₹ 20.44 (31 March 2017: ₹ 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. 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 2017	Exchange difference	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Exchange difference	Amortisation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Own assets											
Trademarks	0.03	-	-	-	0.03	-	-	-	-	-	0.03
Designs	0.01	-	-	-	0.01	-	-	-		-	0.01
Computer software	20.04	-	0.58	-	20.62	8.47	-	4.22	-	12.69	7.93
	20.08	-	0.58	-	20.66	8.47	-	4.22	-	12.69	7.97
Goodwill on consolidation, net (a), (b)	127.84	0.36	-	-	128.20	-	-	-	-	-	128.20
Total	147.92	0.36	0.58	-	148.86	8.47	-	4.22	-	12.69	136.17

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

Notes:

(a) Goodwill on consolidation comprises goodwill of ₹ 129.25 (31 March 2017: ₹128.89) and capital reserve of ₹ 1.05 (31 March 2017: ₹ 1.05).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(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 charge is required for the year ended 31 March 2018 (31 March 2017: Nil).

Following key assumptions were considered while performing impairment testing:

Weighted Average Cost of Capital % (WACC) before tax	10%-12%
Average sale value growth	9%
Average gross margin growth	5%

The projections cover a period of five 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 conservative estimates from past performance.

As at	31 March 2018	31 March 2017
Note 7 - Investment in associates		
Investment in equity instruments - associates	2.02	2.20
Less: Provision for diminution in value of investments	(0.01)	(0.01)
	2.01	**2.19**

The following table illustrates the summarised financial information of the Group's investment in associates as at 31 March 2018.

Name of the entity	Klassik Foods Private Limited	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited	Total
Opening net assets	3.87	1.27	2.82	7.96
Add: profit for the year	0.08	0.58	(1.55)	(0.89)
Closing net assets	3.95	1.85	1.27	7.07
Group's share of net assets	**26.02%**	**35.00%**	**26.00%**	
Carrying amount of interest in associates	**1.04**	**0.64**	**0.33**	**2.01**

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**

Note 8 - Non-current investments			
At fair value through profit and loss			
(i)	Investments in mutual funds	114.37	258.97
(ii)	Investments with insurance companies	12.41	11.73
At amortised cost			
(i)	Investments in debentures / bonds	67.29	25.00
(ii)	Investments in tax free bonds	14.11	14.11
(iii)	Investments in government securities	12.29	-
		220.47	309.81

₹ in Crores

As at	31 March 2018	31 March 2017
Note 9 - Loans		
Unsecured		
Considered good:		
Inter-corporate deposits [Refer note 41(b)]	120.93	33.28
Security deposits	12.80	11.25
Other loans	0.51	1.39
	134.24	45.92
Note 10 - Other financial assets		
Other deposits [Refer note 43]	-	12.12
	-	12.12
Note 11 - Other non-current assets		
Unsecured		
Considered good		
Capital advances	39.52	117.77
Advances other than capital advances		
- Advances to statutory authorities	17.87	16.83
Others		
- Prepaid rent	19.42	15.50
- Receivable from others	9.80	10.89
Considered doubtful:		
Advances other than capital advances	8.93	8.98
Less: Allowance for doubtful advances	(8.93)	(8.98)
	86.61	160.99
Note 12 - Inventories*		
Raw materials	305.80	295.20
Packing materials	61.30	66.36
Work-in-progress	0.67	1.88
Finished goods	201.17	233.55
Goods-in-transit (Finished goods)	9.56	9.25
Stock-in-trade	38.00	23.37
Stores and spare parts	36.29	31.84
	652.79	661.45

* Refer note 3(g) for method of valuation for inventories.

The write down of inventories to net realisable value amounted to ₹1.38 (31 March 2017: ₹2.01). The write down are included in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2018	31 March 2017
Note 13 - Current investments		
At fair value through profit and loss		
(i) Investments in mutual funds	777.41	99.85
At amortised cost		
(i) Investments in debentures / bonds	4.20	75.00
(ii) Investments in government securities	0.95	-
(iii) Investments in commercial paper	74.24	-
	856.80	**174.85**
Note 14 - Trade receivables		
Unsecured		
Considered good	304.60	179.16
Considered doubtful	6.91	6.31
	311.51	**185.47**
Less: Allowance for doubtful debts	(6.91)	(6.31)
	304.60	**179.16**

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

Note 15 - Cash and bank balances		
Cash and cash equivalents:		
- Cash on hand	0.22	0.22
- Cheques on hand	91.11	20.46
- Current accounts	38.58	35.48
	129.91	**56.16**
Other bank balances:		
- Unpaid dividend accounts #	3.90	3.37
- Unclaimed debenture interest #	0.43	0.44
- Unclaimed debenture redemption proceeds #	1.09	1.11
- Deposit accounts	51.09	59.68
	56.51	**64.60**

Refer note 55

Note 16 - Loans		
Unsecured		
Considered good:		
Inter-corporate deposits [Refer note 41(b)]	839.41	820.23
Security deposits	4.14	7.82
Loans to others	0.79	1.05
	844.34	**829.10**
Note 17 - Other financial assets		
Interest accrued but not due	28.77	33.85
Incentives recoverable*	71.97	47.21
	100.74	**81.06**

*Incentives recoverable in accordance with the State Industrial Policy of certain States.

₹ in Crores

As at	31 March 2018	31 March 2017
Note 18 - Other current assets		
Unsecured, considered good		
Advances other than capital advances		
- Advance for supply of goods	113.68	188.03
- Advances to contract packers	24.16	20.99
Others		
- Prepayments	11.18	9.66
- Balance with Government authorities	21.00	34.12
- Other advances	35.57	40.06
Considered doubtful		
Advances other than capital advances	2.90	2.90
Less: Allowance for doubtful advances	(2.90)	(2.90)
	205.59	292.86

Note 19- Income-tax

(a) Amounts recognised in Statement of Profit and Loss

For the year ended	31 March 2018	31 March 2017
Current tax	513.68	401.87
Deferred tax		
Attributable to origination and reversal of temporary differences	0.54	17.80
Tax expense for the year	514.22	419.67

(b) Amounts recognised in other comprehensive income

For the year ended	31 March 2018			31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to Statement of Profit and Loss						
Remeasurements of the defined benefit plans	(1.06)	0.36	(0.70)	(0.23)	0.08	(0.15)
	(1.06)	0.36	(0.70)	(0.23)	0.08	(0.15)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

(c) Reconciliation of effective tax rate

For the year ended	31 March 2018		31 March 2017	
Profit before tax		1,518.36		1,304.00
Tax using the Company's domestic tax rate	34.61%	525.50	34.61%	451.31
Tax effect of:				
Tax Exempt Income	(0.02%)	(0.35)	(0.03%)	(0.35)
Weighted deduction on research and development expenditure	(0.16%)	(2.50)	(0.92%)	(12.05)
Investment allowance deduction	0.00%	-	(0.79%)	(10.34)
Different tax rates for components	(0.33%)	(4.96)	(0.32%)	(4.16)
Tax saving on brought forward losses	0.00%	-	(0.04%)	(0.52)
Others	(0.23%)	(3.47)	(0.32%)	(4.22)
	33.87%	**514.22**	**32.19%**	**419.67**

(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 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Property, plant and equipment	-	-	40.32	48.18	(40.32)	(48.18)
Investment at fair value through profit and loss	-	-	14.43	-	(14.43)	-
Employee benefits, net	8.35	1.62	-	-	8.35	1.62
Statutory dues	48.23	48.66	-	-	48.23	48.66
Provisions	8.10	7.57	-	-	8.10	7.57
Other items	3.90	1.54	-	-	3.90	1.54
Minimum alternative tax credit	8.74	11.90	-	-	8.74	11.90
	77.32	**71.29**	**54.75**	**48.18**	**22.57**	**23.11**

(e) Movement in temporary differences

Particulars	As at 1 April 2017	Recognised in Statement of Profit and Loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2018
Property, plant and equipment	(48.18)	7.86	-	-	-	(40.32)
Investment at fair value through profit and loss	-	(14.43)	-	-	-	(14.43)
Employee benefits, net	1.62	6.73	-	-	-	8.35
Statutory dues	48.66	(0.43)	-	-	-	48.23
Provisions	7.57	0.53	-	-	-	8.10
Other items	1.54	2.36	-	-	-	3.90
Minimum alternative tax credit	11.90	(3.16)	-	-	-	8.74
	23.11	**(0.54)**	**-**	**-**	**-**	**22.57**

₹ in Crores

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**

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

As at	31 March 2018	31 March 2017
Income tax assets	22.32	25.36
Current tax liabilities	56.24	42.42
Net current income tax asset / (liability) at the end	**(33.92)**	**(17.06)**

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

For the year ended	31 March 2018	31 March 2017
Net current income tax asset / (liability) at the beginning	(17.06)	(15.35)
Income tax paid	496.46	400.08
Current income tax expense	(513.68)	(401.87)
Income tax on other comprehensive income and others	0.36	0.08
Net current income tax asset / (liability) at the end	**(33.92)**	**(17.06)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2018	31 March 2017
Note 20 - Share capital		
Authorised		
Equity shares	50.00	50.00
[250,000,000 equity shares of ₹ 2/- each (31 March 2017: 250,000,000 equity shares of ₹ 2/- each)]		
Issued, subscribed and paid up		
Equity shares fully paid	24.01	24.00
[120,059,148 equity shares of ₹ 2/- each (31 March 2017: 120,000,815 equity shares of ₹ 2/- each)]*		
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (31 March 2017: 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 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, 825,000 options have been granted and 608,333 options exercised. 25,000 shares were allotted on 5 June 2017 at an exercise price of ₹ 2,332.05/- and 33,333 shares were allotted on 30 June 2017 at an exercise price of ₹ 2,771.40/-. [Refer note (d) below]		
Also refer note 55.		
	24.01	24.00

₹ 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 2018		31 March 2017	
	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
Subsidiaries of holding Company				
Bannatyne Enterprises Pte Limited, Singapore	1,391,555	0.28	1,391,555	0.28
Dowbiggin Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Nacupa Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Spargo Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
Valletort Enterprises Pte Limited, Singapore	1,392,510	0.28	1,392,510	0.28
	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 2018		31 March 2017	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	44.90%	53,904,500	44.92%

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

	31 March 2018		31 March 2017	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	120,000,815	24.00	119,975,815	24.00
Shares issued during the reporting year	58,333	0.01	25,000	0.00
Closing balance at the end of the reporting year	**120,059,148**	**24.01**	**120,000,815**	**24.00**

(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.

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/-; 100,000 options on 30 June 2016 at an exercise price of ₹ 2,771.40/- and 125,000 options on 25 May 2017 at an exercise price of ₹ 3,533.30/- 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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 2018	31 March 2017
Movement in the options under the scheme:		
Options outstanding at the beginning of the year	150,000	75,000
Options granted during the year	125,000	100,000
Options vested during the year	58,333	25,000
Options exercised during the year	58,333	25,000
Shares allotted against options exercised during the year	58,333	25,000
Options lapsed during the year	-	-
Options outstanding at the end of the year	216,667	150,000
Options exercisable at the end of the year	-	-
Weighted average price per option (₹)	3,037.84	2,583.11

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 2018	31 March 2017
No. of options granted	125,000	100,000
Date of grant	25-May-17	30-Jun-16
Vesting period (years)	1 to 3	1 to 3
Expected life of option (years)	3	3
Expected volatility	22.12%	23.63%
Risk free rate	6.66%	7.45%
Expected dividends expressed as a dividend yield	0.62%	0.72%
Weighted-average fair values of options per share (₹)	722.52	617.19

(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.

₹ in Crores

Note 21 - Other equity

Particulars	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 outstanding account	-	-	-	-	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

Particulars	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 2017	5.92	3.96	0.63	515.44	30.00	2,116.87	(0.75)	0.35	2,672.42
Additions:									
Share based payment expense	8.64	-	-	-	-	-	-	-	8.64
Transfer from Share options outstanding account	-	-	-	-	3.12	-	-	-	3.12
Foreign currency translation adjustment	-	-	-	-	-	-	-	0.49	0.49
On issue of equity shares	-	-	-	-	15.05	-	-	-	15.05
Transfer from retained earnings	-	-	-	100.42	-	-	-	-	100.42
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-	-	(0.70)	-	(0.70)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	1,004.23	-	-	1,004.23
	14.56	3.96	0.63	615.86	48.17	3,121.10	(1.45)	0.84	3,803.67
Deductions:									
Transfer to general reserve	-	-	-	-	-	100.42	-	-	100.42
Transfer to securities premium	3.12	-	-	-	-	-	-	-	3.12
Dividends	-	-	-	-	-	264.13	-	-	264.13
Tax on dividend	-	-	-	-	-	53.78	-	-	53.78
Balance as at 31 March 2018	11.44	3.96	0.63	615.86	48.17	2,702.77	(1.45)	0.84	3,382.22

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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 2018	31 March 2017
₹ 22 per equity share (31 March 2017: ₹ 20) to equity shareholders	264.00	239.95
₹ 22 per equity share (31 March 2017: ₹ Nil) issued under ESOS	0.13	-
Dividend distribution tax (DDT) on dividend to equity shareholders	53.75	48.85
Dividend distribution tax (DDT) on dividend on equity shares issued under ESOS	0.03	-
	317.91	288.80

After the reporting dates, dividend of ₹ 25 (31 March 2017: ₹22) per equity share were proposed by the directors subject to the approval at the annual general meeting. The proposed dividend has not been recognised as liability. Dividends would attract dividend distibution tax when declared or paid.

Note 22 - Borrowings

Secured		
Term loans from banks (Refer note (a) below)	84.27	30.96
Long-term maturities of finance lease obligations (Refer note (b) below and note 39 (b))	0.30	0.44
[Secured by hypothecation of assets (vehicles) taken on lease]		
	84.57	31.40

Notes:

(a) Term loan includes:

(i) ₹ 15.80 (31 March 2017: ₹ 19.02) taken from HSBC Bank by one of the subsidiaries, 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 of the subsidiary.

Out of the above loan, ₹ 3.17 (31 March 2017: ₹ 3.17) is repayable within 1 year and classified under "Other financial liabilities" and balance of ₹ 12.63 (31 March 2017: ₹ 15.85) has been classified under "Borrowings".

₹ in Crores

(ii) ₹ 75.50 taken from Sandard Chartered Bank by few subsidiaries, repayable in 24 equal quarterly installments starting from 21 September 2017. The rate of interest is 6% p.a. The outstanding term loan is secured by an exclusive charge on property, plant and equipment of the subsidiaries.

Out of the above loan, ₹ 13.73 is repayable within 1 year and classified under "Other financial liabilities" and balance of ₹ 61.77 has been classified under "Borrowings".

(iii) Interest free soft loan of ₹ 15.25 (31 March 2017: ₹ 20.61) taken from Government of Oman through Oman Development Bank by one of the subsidiaries, repayable in 13 annual installments from 1 August 2006. Loan is secured by first ranking mortgage on all the property, plant and equipment of the subsidiary.

Out of the above loan, ₹ 5.38 (31 March 2017: 5.67) is repayable within 1 year and classified under "Other financial liabilities" and balance of ₹ 9.87 (31 March 2017: 14.94) has been classified under "Borrowings".

(b) Rate of interest for finance lease obligations ranges from 15.54% to 17.36% 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 2018	31 March 2017
Note 23 - Other financial liabilities		
Deposits from customers	25.20	23.09
	25.20	**23.09**
Note 24 - Government grant		
Current		
Capital subsidy *	0.71	0.71
Deferred government grant- from Oman Government	0.65	1.25
	1.36	**1.96**
Non-current		
Capital subsidy *	0.72	1.44
Deferred government grant- from Oman Government	1.22	0.83
	1.94	**2.27**
* Refer note 50		
Note 25 - Provisions		
Provision for employee benefits	8.87	7.62
	8.87	**7.62**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2018	31 March 2017
Note 26 - Borrowings		
Unsecured		
From banks (Refer note (i) below)	84.64	84.31
Bank Overdraft (Refer note (ii) below)	9.01	-
	93.65	84.31

Note:

(i) Represents loan availed by one of the subsidiaries to support working capital requirement of its step down subsidiaries. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an Interest rate of applicable USD 1 month LIBOR + markup as agreed with the bank. The date of maturity of the loan is 06 October 2018.

(ii) Carrying interest at the prevailing MCLR and repayable on demand.

Note 27 - Trade payables		
Total outstanding dues of micro and small enterprises	1.55	2.69
Total outstanding dues of other than micro and small enterprises	992.54	754.62
	994.09	757.31
Note 28 - Other financial liabilities		
Current maturities of long term debt (Refer note 22(a))	22.28	8.67
Current maturities of finance lease obligations (Refer note 22(b))	0.20	0.18
Unpaid dividend *	3.90	3.37
Unclaimed debenture interest *	0.43	0.44
Unclaimed debenture redemption balance *	1.09	1.11
Interest accrued but not due	1.12	1.00
Creditors for capital goods	31.77	31.05
Book overdraft	13.06	9.92
Payroll related liabilities	57.52	30.02
Accrued expenses	45.50	55.38
Other liabilities	57.90	44.23
	234.77	185.37
* Investor Education and Protection Fund shall be credited when due.		
Note 29 - Other current liabilities		
Advance from customers	30.88	17.20
Statutory liabilities (TDS, PF, GST etc.)	53.28	63.77
Deferred revenue	4.73	10.60
	88.89	91.57

₹ in Crores

As at	31 March 2018	31 March 2017
Note 30 -Provisions		
Provision for compensated absences	13.90	12.32
Employee benefits - gratuity, net [Refer note 48(b)]	3.11	2.87
Others:		
Excise and service tax related issues (a)	48.78	55.96
Sales tax and other issues (a)	92.21	90.47
Trade and other issues (a)	20.97	20.84
	178.97	182.46

(a) Refer note 42.

For the year ended	31 March 2018	31 March 2017
Note 31 - Revenue from operations		
Sale of goods	9,899.76	9,227.89
Customer loyalty programme	5.87	4.41
Total (a)	9,905.63	9,232.30
Other operating revenues		
Royalty income	2.45	2.53
Scrap sales	26.79	30.43
Other receipts [Refer note below]	54.96	53.57
Provisions and liabilities no longer required written back, net	0.27	5.28
Total (b)	84.47	91.81
Total revenue from operations (a+b)	9,990.10	9,324.11

Note: Includes incentives recognised in accordance with the State Industrial Policy of certain States.

Note 32 - Other income		
Interest income from financial assets carried at amortised cost	104.03	89.78
Dividend income	-	0.02
Net gain on financial asset measured at fair value through profit and loss*	55.24	56.90
Profit on sale of fixed assets	0.43	-
Foreign exchange gain, net	2.85	-
Other receipts	3.82	3.84
	166.37	150.54

*Includes net gains on fair value changes include ₹ 32.12 (31 March 2017: ₹ 27.53)

Note 33 - Purchase of stock-in-trade		
Biscuits and high protein food	546.99	411.10
Bread, bread toast and rusk	322.59	70.51
Cake	299.70	291.00
Others	25.44	30.70
	1,194.72	803.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Note 34 - Changes in inventories of finished goods, stock- in-trade and work-in-progress		
Opening inventory:		
- Finished goods	242.80	191.02
- Stock-in-trade	23.37	20.25
- Work-in-progress	1.88	0.28
Closing inventory:		
- Finished goods	210.73	242.80
- Stock-in-trade	38.00	23.37
- Work-in-progress	0.67	1.88
(Increase)/Decrease in inventory	18.65	(56.50)
Less: Excise duty on opening stock of finished goods	(12.35)	(10.05)
Add: Excise duty on closing stock of finished goods	-	12.35
	(12.35)	2.30
	6.30	**(54.20)**
Note 35 - Employee benefits expense		
Salaries, wages and bonus *	357.31	314.57
Contribution to provident and other funds [Refer note 48]	16.74	15.60
Share based payment expense	8.64	5.47
Staff welfare expenses	18.91	16.97
	401.60	**352.61**
* Includes cost towards pension settlement.		
Note 36 - Finance costs		
Finance cost on finance lease obligation	0.16	0.07
Interest expense on financial liabilities measured at amortised cost	5.25	2.10
Others	2.18	3.28
	7.59	**5.45**
Note 37 - Other expenses		
Consumption of stores and spares	23.18	20.29
Power and fuel	128.83	104.28
Rent [Refer note 39 (a)]	35.52	42.89
Repairs and maintenance:		
- Plant and equipment (a)	20.10	15.70
- Buildings (a)	4.11	3.73
- Others	27.59	28.02
Insurance	4.90	3.59
Rates and taxes, net	13.64	35.94
Carriage, freight and distribution	486.41	445.93

₹ in Crores

For the year ended	31 March 2018	31 March 2017
Auditors' remuneration (b):		
- Audit fees	1.37	1.39
- Other services	0.22	0.13
- Expenses reimbursed	0.13	0.12
Corporate social responsibility [Refer note 46]	22.81	16.32
Advertising and sales promotion	411.29	385.02
Conversion charges	412.61	442.19
Foreign exchange loss, net	-	0.81
Loss on sale/ write off of property, plant and equipment, net	-	1.74
Miscellaneous	310.38	286.40
Allowance for doubtful receivables and loans, net	0.55	0.13
	1,903.64	1,834.62
(a) Includes stores and spares consumed	6.82	5.81
(b) Exculding applicable tax		

Note 38 - Contingent liabilities and commitments:

(i) Contingent liabilities:

(a) Claims / demands against the Group not acknowledged as debts including excise duty, income tax, sales tax and trade and other demands of ₹ 77.38 (31 March 2017: ₹ 90.13).

(b) Bank guarantee and letter of credit for ₹ 24.81 (31 March 2017: ₹ 45.87).

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 55].

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 140.28 (31 March 2017: ₹ 167.84)

.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 ₹ 8.78 (31 March 2017: ₹ 9.96) and ₹ 0.19 (31 March 2017: ₹ 0.25) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ 0.19 (31 March 2017: ₹ 0.44) and are due:

	31 March 2018	31 March 2017
Not later than 1 year	0.19	0.25
Later than 1 year and not later than 5 years	-	0.19
More than five years	-	-
	0.19	0.44

(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 ₹ 26.55 (31 March 2017: ₹ 32.68) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

(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 2018		31 March 2017	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.26	0.20	0.24	0.18
Later than 1 year and not later than 5 years	0.32	0.30	0.46	0.44
	0.58	0.50	0.70	0.62

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.08 (31 March 2017: ₹ 0.08) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

Note 40 (i) Details of non-current investments purchased and sold during the year:

	Face value per unit	As at 1 April 2017	Purchase during the year	Share of Profit / (loss) during the year	As at 31 March 2018
Trade Investment - Unquoted					
(a) Investments in equity instruments (fully paid)					
Associates					
Klassik Foods Private Limited	₹100	1.02	-	0.02	1.04
Nalanda Biscuits Company Limited	₹10	0.44	-	0.20	0.64
Sunandaram Foods Private Limited	₹10	0.73	-	(0.40)	0.33
		2.19	-	(0.18)	2.01
Non - Trade Investment					
(a) Investments with insurance companies*		11.73	0.68	-	12.41
(b) Investments in debentures / bonds		25.00	42.29	-	67.29
(c) Investments in tax free bonds		14.11	-	-	14.11
(d) Investments in government securities		-	12.29	-	12.29
		50.84	55.26	-	106.10

* The movement is on account of fair valuation through profit and loss.

₹ in Crores

(ii) **Details of non-current investments purchased and sold during the previous 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
Trade Investment - 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
Non - Trade Investment					
(a) Investments with insurance companies*		10.67	1.06	-	11.73
(b) Investments in debentures / bonds		25.00	-	-	25.00
(c) Investments in tax free bonds		14.11	-	-	14.11
		49.78	1.06	-	50.84

* The movement is on account of fair valuation through profit and loss.

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

	As at 1 April 2017	Purchase during the year	Sold during the year	As at 31 March 2018
(a) Investments in debentures / bonds	75.00	4.20	75.00	4.20
(b) Investments in government securities	-	0.95	-	0.95
(c) Investments in commercial paper	-	74.24	-	74.24
	75.00	79.39	75.00	79.39

(iv) **Details of Current investments purchased and sold during the previous year:**

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ 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 2017	Given during the year	Repayment during the year	As at 31 March 2018
Purbasha Properties Private Limited	Others	Unsecured	10%	10 years	1.92	-	0.62	1.30
Real Agro Industries Private Limited	Others	Unsecured	10%	5 years	0.36	-	0.36	-
					2.28	-	0.98	1.30

Details of loans during the previous 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
					3.29	-	1.01	2.28

The loans have been given for expansion of projects.

(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 2017	Placed during the year	Refunded during the year	As at 31 March 2018
Bajaj Finance Limited	Others	Unsecured	7.40 - 9.00.%	1 to 3 years	102.75	167.98	69.55	201.18
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	37.25	25.00	37.25	25.00
Shriram Transport Finance Company Limited	Others	Unsecured	7.50 - 7.85%	1 to 2 years	9.72	81.96	9.72	81.96
Infrastructure Leasing & Finance Company Limited	Others	Unsecured	8.17 - 9.15%	1 to 2 years	68.79	90.08	158.87	-
Tata Housing Development Company Ltd	Others	Unsecured	8.00%	6 months	-	25.00	-	25.00
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	10.00 - 12.00%	1 year	350.00	100.00	100.00	350.00
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	Unsecured	12.00%	1 year	40.00	-	40.00	-

₹ in Crores

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2017	Placed during the year	Refunded during the year	As at 31 March 2018
Macrofil Investments Limited	Others	Unsecured	11.00 - 12.25%	1 year	60.00	-	60.00	-
PNB Housing Finance Limited	Others	Unsecured	7.45- 7.95%	1 to 2 years	25.00	127.20	25.00	127.20
HDFC Limited	Others	Unsecured	7.50- 7.75%	1 year	150.00	75.00	150.00	75.00
Mahindra & Mahindra Financial Services Ltd.	Others	Unsecured	7.50%	1 year	-	25.00	-	25.00
Tata Capital Financial Services Ltd.	Others	Unsecured	7.70 -7.85%	6 months	-	50.00	-	50.00
					853.51	767.22	660.39	960.34

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 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 Company 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 Company 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	-
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 Housing 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

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 2017	Additions *	Utilisation *	Reversals / adjustments *	31 March 2018
(a) Excise duty and service tax related issues	55.96	18.80	-	(25.98)	48.78
(b) Sales tax and other issues	90.47	23.95	(10.81)	(11.40)	92.21
(c) Trade and other issues	20.84	0.13	-	-	20.97
	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

(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 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 matter to Commissioner of Income Tax (CIT), Kolkata for disposal. Based on the directions of the courts, the Company was required to deposit ₹ 12.12 with a Nationalised Bank, which the Company did under protest.

In the suit filed by 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 the Pension Funds 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 Pension 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 of Calcutta for obtaining approval to use the fixed deposit held in the name of CSPF 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, the Company and Pension Funds. 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 of 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, Kolkata. 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

₹ in Crores

expeditiously. On 28 August 2017, the single bench of the Calcutta High Court remanded the matter back to CIT, Kolkata to decide on the original show-cause notice and the reply thereto in accordance with law. CIT, Kolkata passed an order on 6 October 2017 withdrawing the original show cause issued and revoking the earlier CIT order of de-recognising the Pension Fund.

The Company and Pension Funds, since then, have settled the amounts payable to eligible Pensioners, who have submitted the required documents, under the Memorandum of Settlement approved by the Honourable High Court of Karnataka. The impact of the settlement has been accounted in the financial statements.

Note 44 Earnings per equity share

		31 March 2018	31 March 2017
(a)	Net profit attributable to the equity shareholders	1,004.23	884.47
(b)	Weighted average number of equity shares outstanding during the year	120,046,477	119,991,020
(c)	Effect of potential equity shares on employee stock option outstanding	60,661	20,588
(d)	Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	120,107,138	120,011,608
	Nominal value of equity shares (₹)	2	2
	Basic earnings per share (₹)	83.65	73.71
	Diluted earnings per share (₹)	83.61	73.70

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 2018	31 March 2017
Information by Geographies		
Revenue by Geographical Market		
India	9,379.65	8,743.41
Outside India	610.45	580.70
	9,990.10	9,324.11
Segment non current assets*		
India	1,503.20	1,307.83
Outside India	156.16	70.77
	1,659.36	1,378.60

* 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 2018	31 March 2017
(a)	**Revenue comprises :**		
	Revenue from food products*	9,905.63	9,232.30

*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 ₹ 20.81 (31 March 2017: ₹ 16.32) in accordance with Section 135 of the Act, 2013. The following amounts were actually spent during the current and previous year:

For the year ended	31 March 2018	31 March 2017
(i) Amount spent other than for construction/ acquisition of any asset	22.81	16.32
(ii) Amount accrued and not spent	-	-
Total	22.81	16.32

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)
	Go Airlines (India) Limited
5. Post employment-benefit plan entities	Britannia Industries Limited Management Staff Provident Fund
	Britannia Industries Limited Covenanted Staff Gratuity Fund
	Britannia Industries Limited Non Covenanted Staff Gratuity Fund
	Britannia Industries Limited Covenanted 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. Jairaj Bham***
	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**
	Mr. Keki Elavia ^

₹ in Crores

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

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

! Mr. Amlan Datta Majumdar relinquished office on 30 November 2016.

*** Mr. Jairaj Bham was appointed as Company Secretary and Compliance Officer of the Company w.e.f 15 May 2018.

**** Mr Rajesh Arora relinquished office on 30 June 2017.

Mr. Nasser Munjee resigend as director on 25 May 2017.

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

^ Mr. Keki Elavia was appointed as additional director of the Company on 7 August 2017.

	Relationship	31 March 2018	31 March 2017
Related party transactions during the year:			
Purchase of Property, plant and equipment			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	189.23	9.40
Purchase of materials			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	0.05	-
Contributions during the year (includes Employees' share and contribution)			
Britannia Industries Limited Management Staff Provident Fund	Post employment-benefit plan entities	8.78	7.65
Britannia Industries Limited Covenanted Staff Gratuity Fund		1.22	1.11
Britannia Industries Limited Non Covenanted Staff Gratuity Fund		1.95	1.66
Britannia Industries Limited Covenanted Staff Pension Fund		0.27	0.28
Britannia Industries Limited Officers Pension Fund		0.30	0.32
Total		12.52	11.02
Remittance of dividend			
Associated Biscuits International Limited (ABIL), UK	Holding Company	118.59	107.81
Others	Fellow subsidiary companies	15.32	13.95
Total		133.91	121.76
Purchase of finished goods			
Nalanda Biscuits Company Limited	Associate	89.88	85.85
Sunandaram Foods Private Limited	Associate	81.75	19.93
Total		171.63	105.78
Conversion charges			
Klassik Foods Private Limited	Associate	3.62	4.60
Investments made			
Equity shares:			
Sunandaram Foods Private Limited	Associate	-	0.62

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2018	31 March 2017
Key management personnel compensation			
Short-term employee benefits		10.35	9.11
Post-employment defined benefit		0.35	0.36
Other long term benefits		0.09	0.11
Share-based payments		8.64	5.47
Sitting fees		1.10	0.32
Commission		9.00	7.66
Travelling expenses & others		0.34	0.15
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		15.05	7.49
Total		**15.06**	**7.50**
Share of current year profit / (loss)			
Klassik Foods Private Limited	Associate	0.02	0.05
Nalanda Biscuits Company Limited	Associate	0.20	0.12
Sunandaram Foods Private Limited	Associate	(0.40)	0.11
Total		**(0.18)**	**0.28**
Sale of goods / consumables and ingredients			
Nalanda Biscuits Company Limited	Associate	1.62	1.23
Sunandaram Foods Private Limited	Associate	2.36	0.58
Total		**3.98**	**1.81**
Interest and dividend income			
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	0.71	4.80
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	39.32	24.89
Klassik Foods Private Limited	Associate	-	0.02
Total		**40.03**	**29.71**
Reimbursement of Travelling & other expenses			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	**1.97**	**1.06**
Recovery of Guest house expenses			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	0.12	0.03
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	0.04	0.02
Total		**0.16**	**0.05**

₹ in Crores

	Relationship	31 March 2018	31 March 2017
Inter-corporate deposits placed			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	100.00	-
Inter-corporate deposits redeemed			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	100.00	-
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	40.00	-
Total		140.00	-
Payment made to Officers Pension Fund			
Britannia Industries Limited Officers Pension Fund	Post employment-benfit plan entities	1.14	-
Purchase of securities/investments			
Britannia Industries Limited Covenanted Staff Pension Fund	Post employment-benfit plan entities	21.43	-
Britannia Industries Limited Officers Pension Fund		12.81	-
Total		34.24	-
Travelling expenses			
Go Airlines (India) Limited	Other related party	0.48	1.24
Related party closing balances as on balance sheet date:			
Outstanding - net receivables / (payables)			
The Bombay Burmah Trading Corporation Limited	Ultimate holding Company	0.04	40.00
Klassik Foods Private Limited	Associate	(0.01)	0.08
Nalanda Biscuits Company Limited	Associate	0.07	0.87
Sunandaram Foods Private Limited	Associate	3.04	2.35
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	354.40	440.63
Go Airlines (India) Limited	Other related party	0.72	0.20
Total		358.26	484.13
Investments (including goodwill)			
Klassik Foods Private Limited	Associate	1.04	1.02
Nalanda Biscuits Company Limited	Associate	0.64	0.44
Sunandaram Foods Private Limited	Associate	0.33	0.73
Total		2.01	2.19

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 ₹ 6.39 (31 March 2017: ₹ 6.09) as expenses under the defined contribution plans in the Statement of Profit and Loss for the year:

	31 March 2018	31 March 2017
Benefit (Contribution to)		
Provident Fund	3.00	2.91
Family Pension Scheme	2.76	2.51
Pension Fund / Scheme	0.63	0.67
Total	**6.39**	**6.09**

(b) Post retirement benefit - Defined benefit plans

(1) Provident fund - Contribution made by the Group during the year to the self administered Trust fund is ₹ 4.74 (31 March 2017: ₹ 4.11). 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.

(2) 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.

(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.

(3) The amount recognised in the balance sheet and the movements in the net defined benefit obligation for the Group is as follows:

	31 March 2018	31 March 2017
1. Reconciliation of net defined benefit asset / (liability)		
(i) Reconciliation of present value of defined benefit obligation		
Obligations at 1 April	27.46	24.43
Service cost	2.66	2.23
Interest cost	1.81	1.75
Benefits settled	(3.28)	(1.40)
Actuarial (gain) / loss due to financial assumptions	0.38	1.59
Actuarial (gain) / loss due to experience adjustments	1.16	(1.14)
Obligations at the year end 31 March	30.19	27.46

₹ in Crores

		31 March 2018	31 March 2017
(ii)	Reconciliation of present value of plan asset:		
	Plan assets at 1 April at fair value	24.59	20.94
	Expected return on plan assets	1.82	1.56
	Return on assets excluding interest income	0.48	0.21
	Contributions	3.47	3.28
	Benefit settled	(3.28)	(1.40)
	Plan assets as at 31 March at fair value	27.08	24.59
(iii)	Reconciliation of net defined benefit asset/(liability):		
	Present value of obligation as at 31 March	30.19	27.46
	Plan assets at 31 March at fair value	27.08	24.59
	Amount recognised in balance sheet asset / (liability)	(3.11)	(2.87)
2.	Expenses recognised in the Statement of Profit and Loss under Employee benefit expense:		
	Current service cost	2.66	2.23
	Interest cost	1.81	1.75
	Interest income	(1.82)	(1.56)
	Net cost	2.65	2.42
3.	Remeasurements recognised in statement of Other comprehensive income		
	Actuarial (gain) / loss on defined benefit obligation	1.54	0.44
	Return on plan assets excluding interest income	(0.48)	(0.21)
	Loss recognised in statement of other comprehensive income	1.06	0.23
4.	Amount recognised in the balance sheet:		
	Opening asset / (liability)	2.87	3.50
	Expense as above	3.71	2.65
	Employers contribution paid	(3.47)	(3.28)
	Closing (asset) / liability	3.11	2.87
5.	Experience adjustment:		
	On plan liabilities (gain) / loss	1.16	(1.14)
	On plan assets gain / (loss)	0.48	0.21
6.	Investment details:	% Invested	% Invested
	Government of India securities	2.63	2.88
	State Government securities	27.44	25.02
	Public sector securities	36.77	35.50
	Mutual funds	3.50	3.09
	Special deposit scheme	2.19	2.89
	Others	27.47	30.62
		100.00	100.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

		31 March 2018	31 March 2017
7.	Principal actuarial assumptions:		
	Discount factor [Refer note (i) below]	7.50%	6.90%
	Estimated rate of return on plan assets [Refer note (ii) below]	7.50%	6.90%
	Attrition rate:		
	Age related (Service related):		
	5 years and above	4%	4%
	Below 5 years	23%	16%
	Salary escalation rate (Refer note (iii) below)	6%	5%
	Retirement age (in years)	58	58
8.	Maturity profile of defined benefit obligation:		
	Within 1 year	2.43	2.41
	1-2 year	4.13	2.68
	2-3 year	3.15	3.58
	3-4 year	3.66	2.86
	4-5 year	4.75	3.34
	5-10 year	22.56	20.74

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 ₹ 2.96 (31 March 2017: ₹ 2.98).

Sensitivity analysis

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

		31 March 2018	31 March 2017
A.	Discount rate		
	Discount rate -50 basis points	31.24	28.12
	Assumptions	7.00%	6.40%
	Discount rate +50 basis points	29.06	26.73
	Assumptions	8.00%	7.40%
B.	Salary escalation rate		
	Salary rate -50 basis points	29.13	26.44
	Assumptions	5.50%	4.50%

₹ in Crores

	Salary rate +50 basis points	31.19	28.40
	Assumptions	6.50%	5.50%
C.	Withdrawal rate		
	Withdrawal rate -50 basis points	29.87	28.56
	Withdrawal rate +50 basis points	30.35	29.03

Note 49 With respect to Al Sallan Food Industries Co. SAOC, the Company's income tax assessments for the year 2012 to 2015 have not been agreed with the Secretariat General for Taxation at the Ministry of Finance, Oman. Management believes that additional taxes, if any, that may become payable on finalisation of the assessments in respect of these open years would not be material to the Company's financial position as at 31 March 2018. No tax has been recognised due to carried forward accumulated losses of prior years.

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 2017: ₹ 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 ₹ 1.43 (31 March 2017: ₹ 2.15) has been classified as government grant in the balance sheet [Refer note 3 (l)].

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 51 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

Name of the entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated Net Assets	Amount (₹ in Crores)	As a % of consolidated profit or loss	Amount (₹ in Crores)	As a % of consolidated other comprehensive income	Amount (₹ in Crores)	As a % of total comprehensive income	Amount (₹ in Crores)
Parent								
Britannia Industries Limited	89.00%	3,235.28	94.45%	947.89	54.29%	(0.38)	94.43%	947.51
India Subsidiaries								
Boribunder Finance and Investments Private Limited	0.04%	1.32	0.00%	-	0.00%	-	0.00%	-
Flora Investments Company Private Limited	0.06%	2.12	0.01%	0.10	0.00%	-	0.01%	0.10
Gilt Edge Finance and Investments Private Limited	0.06%	2.17	0.01%	0.11	0.00%	-	0.01%	0.11
Ganges Vally Foods Private Limited	0.13%	4.69	0.01%	0.06	(4.81%)	0.03	0.01%	0.09
International Bakery Products Limited	0.21%	7.67	0.45%	4.51	26.54%	(0.18)	0.43%	4.33
J B Mangharam Foods Private Limited	0.15%	5.60	0.11%	1.12	14.29%	(0.10)	0.10%	1.02
Manna Foods Private Limited	0.23%	8.39	0.50%	5.03	(5.71%)	0.04	0.51%	5.07
Sunrise Biscuit Company Private Limited	0.54%	19.70	0.25%	2.48	11.43%	(0.08)	0.24%	2.40
Daily Bread Gourmet Foods (India) Private Limited	0.19%	6.81	0.01%	0.09	0.00%	-	0.01%	0.09
Britannia Dairy Private Limited	5.00%	181.82	3.17%	31.82	4.00%	(0.03)	3.17%	31.79
Britannia Nepal Private Limited	0.27%	9.92	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Britchip Foods Limited	0.72%	26.20	(0.08%)	(0.80)	0.00%	-	(0.08%)	(0.80)
Britannia Employees General Welfare Association Private Limited	0.01%	0.30	0.00%	-	0.00%	-	0.00%	-
Britannia Employees Medical Welfare Association Private Limited	0.01%	0.27	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Britannia Employees Educational Welfare Association Private Limited	0.01%	0.31	0.00%	(0.01)	0.00%	-	0.00%	(0.01)

Name of the entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated Net Assets	Amount (₹ in Crores)	As a % of consolidated profit or loss	Amount (₹ in Crores)	As a % of consolidated other comprehensive income	Amount (₹ in Crores)	As a % of total comprehensive income	Amount (₹ in Crores)
Foreign Subsidiaries								
Britannia and Associates (Mauritius) Private Limited	4.44%	161.48	0.10%	0.97	0.00%	-	0.10%	0.97
Britannia and Associates (Dubai) Private Co. Limited	(0.51%)	(18.46)	(0.12%)	(1.21)	0.00%	-	(0.12%)	(1.21)
Al Sallan Food Industries Co. SAOC	(0.98%)	(35.55)	0.94%	9.41	0.00%	-	0.94%	9.41
Strategic Food International Co. LLC, Dubai	0.45%	16.30	0.22%	2.20	0.00%	-	0.22%	2.20
Strategic Brands Holding Company Limited	(0.02%)	(0.72)	(0.01%)	(0.06)	0.00%	-	(0.01%)	(0.06)
Britannia Dairy Holdings Private Limited	(0.01%)	(0.35)	(0.01%)	(0.08)	0.00%	-	(0.01%)	(0.08)
Foreign currency translation reserve						0.49		0.49
	100.00%	**3,635.27**	**100.00%**	**1,003.59**	**100.00%**	**(0.21)**	**99.95%**	**1,003.38**
Adjustment arising out of Consolidation		(217.91)		0.28				0.28
Non-controlling interests in all Subsidiaries /Associates (Investment as per the Equity method)								
Non-controlling interest in Subsidiaries								
Ganges Vally Foods Private Limited		(2.43)		(0.03)				(0.03)
Sunrise Biscuit Company Private Limited		(0.23)		(0.02)				(0.02)
Britchip Foods Limited		(10.48)		0.32				0.32
Associates								
Klassik Foods Private Limited		1.04		0.02				0.02
Nalanda Biscuits Company Limited		0.64		0.20				0.20
Sunandaram Foods Private Limited		0.33		(0.40)				(0.40)
Total		**3,406.23**		**1,003.96**		**(0.21)**		**1,003.75**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Note 52 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 2018	31 March 2017
Total debt	200.70	124.56
Equity	3,406.23	2,696.42
Debt to equity %	5.89%	4.62%

Note 53 Research and development expenses

For the year ended	31 March 2018	31 March 2017
Capital expenditure	1.86	21.70
Revenue expenditure	26.68	26.14
Total	28.54	47.84

₹ 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 2018, 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	891.78	-	-	-	891.78	891.78	-	-	891.78
Investments with insurance companies	8	12.41	-	-	-	12.41	12.41	-	-	12.41
		904.19	-	-	-	904.19				
Financial assets not measured at fair value										
Investments in debentures / bonds	8, 13	-	-	71.49	-	71.49				
Investments in tax free bonds	8	-	-	14.11	-	14.11				
Investments in government securities	8, 13	-	-	13.24	-	13.24				
Investments in commercial paper	13	-	-	74.24	-	74.24				
Loans	9, 16	-	-	978.58	-	978.58				
Other financial assets	10, 17	-	-	100.74	-	100.74				
Trade receivables	14	-	-	304.60	-	304.60				
Cash and cash equivalents	15	-	-	129.91	-	129.91				
Bank balances	15	-	-	56.51	-	56.51				
		-	-	1,743.42	-	1,743.42				
Financial liabilities not measured at fair value										
Borrowings	22, 26	-	-	-	178.22	178.22				
Trade payables	27	-	-	-	994.09	994.09				
Other financial liabilities	23, 28	-	-	-	259.97	259.97				
		-	-	-	1,432.28	1,432.28				

₹ in Crores

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	-	-	93.18	-	93.18				
Trade receivables	14	-	-	179.16	-	179.16				
Cash and cash equivalents	15	-	-	56.16	-	56.16				
Bank balances	15	-	-	64.60	-	64.60				
		-	-	1,382.23	-	1,382.23				
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				

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.

₹ 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 Board. The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity 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. 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 receivable by geographic region is as follows:

	Carrying amount	
	31 March 2018	31 March 2017
India	232.04	127.02
Others	79.47	58.45
	311.51	185.47

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

	Carrying amount	
	31 March 2018	31 March 2017
Institutional	86.69	64.71
Authorised wholesaler	199.97	110.05
Others	24.85	10.71
	311.51	185.47

Movement in the allowance for impairment in trade receivables

	31 March 2018	31 March 2017
Opening balance	6.31	6.11
Amount provided for	0.60	0.20
Net remeasurement of loss allowance	6.91	6.31

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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.

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 2018, the expected cash flows from trade receivables is ₹ 304.60 (31 March 2017: ₹179.16). 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, ₹ 224 (31 March 2017: ₹ 227) overdraft facility with various banks that is unsecured. Interest would be payable basis prevailing MCLR/LIBOR rates (31 March 2017 : MCLR/LIBOR rates)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018 and March 31, 2017:

Particulars	As at 31 March 2018		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	994.09	-	-
Borrowings	115.93	22.28	62.00
Other financial liabilities (Refer note 28 and 23)	212.29	25.20	-
Finance lease obligations	0.20	0.30	-
	1,322.51	47.78	62.00

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	37.63	16.86

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.

₹ in Crores

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.

Exposure to currency risk

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

	31 March 2018		31 March 2017	
	Euro	USD	Euro	USD
Export receivables	-	0.30	-	0.25
Overseas payables	(0.03)	-	(0.25)	-

The Group uses 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 2018 would decrease / increase by ₹ 0.85 (31 March 2017: ₹ 0.18).

Note 55 During the 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.

Note 56 During the year under review, the Company Secretary resigned from the services of the Company w.e.f 30 June 2017. Mr. Jairaj Bham has been appointed as Company Secretary and Compliance Officer of the Company w.e.f 15 May 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 57 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 2018	31 March 2017
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)		
51.	**Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements:**		
	(a) Sunrise Biscuit Company Private Limited	-	24
	(b) Boribunder Finance and Investments Private Limited	(46)	-
	(c) Britannia Employees General Welfare Association Private Limited	(38)	-

Note 58 Comparative figures have been regrouped/ reclassified wherever necessary to conform to current period's presentation.

Note 59 During the year ended 31 March 2018, no material foreseeable loss (31 March 2017: 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 Firm registration number: 101248W/W-100022

Supreet Sachdev
Partner
Membership number: 205385

Place : Mumbai
Date : 15 May 2018

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
		Keki Elavia	Ness N Wadia
		Nimesh N Kampani	Y.S.P Thorat
		Avijit Deb	Ajay Shah
		Jeh N Wadia	
Chief Financial Officer	:	N.Venkataraman	
Company Secretary	:	Jairaj Bham	

Place : Mumbai
Date : 15 May 2018

SIGNIFICANT RATIOS

(on standalone basis)

			2017-18	2016-17
Measures of Investment				
Return on equity	Net profit / Shareholders' funds	%	29.3	32.7
Book value per share	Shareholders' funds / Number of equity shares	₹	269.47	215.16
Dividend cover	Earnings per share (Basic) / Dividend (plus tax) per share	times	2.6	2.7
Measures of Performance				
Profit margin	Profit before tax and exceptional items / Revenue from operations + Other income	%	15.2	14.2
Debtors turnover	Sale of products / Trade receivables	times	40.3	67.9
Stock turnover	Sale of products / Inventories (Finished goods + Stock-in-trade+Goods in transit)	times	39.8	35.7
Measures of Financial Status				
Debt equity ratio	Long-term borrowings + Short-term borrowings + Current maturities of long-term debt and finance lease obligations / Shareholders' funds	%	0.3	0.0
Current ratio	Current assets / Current liabilities - Current maturities of long-term debt and finance lease obligations	times	2.0	1.8
Tax ratio	Provision for tax / Profit before tax	%	34.4	32.6

TEN YEAR FINANCIAL STATISTICS : 2009 - 2018
(STANDALONE FINANCIAL STATEMENTS)

₹ in Crores

	Previous GAAP $							IND AS #		
As at / Year ended 31 March	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Assets employed										
Property, plant and equipment	283.86	291.47	315.40	458.82	580.12	642.88	574.16	716.29	869.09	**1,231.55**
Financial assets - Investments	423.10	490.64	545.00	428.94	279.60	372.99	661.04	921.33	599.91	**1,186.13**
Other Financial assets, net	116.10	43.76	22.34	66.78	(7.83)	(161.96)	1.39	379.09	1,113.60	**827.11**
Miscellaneous expenditure	26.64	-	-	-	-	-	-	-	-	
	849.70	**825.87**	**882.74**	**954.54**	**851.89**	**853.91**	**1,236.59**	**2,016.71**	**2,582.60**	**3,244.79**
Financed by										
Equity shares	23.89	23.89	23.89	23.89	23.91	23.99	23.99	24.00	24.00	**24.01**
Other equity	800.65	372.36	427.41	496.15	612.50	829.47	1,211.63	1,992.03	2,557.98	**3,211.27**
Loan funds	25.16	429.62	431.44	434.50	215.48	0.45	0.97	0.68	0.62	**9.51**
	849.70	**825.87**	**882.74**	**954.54**	**851.89**	**853.91**	**1,236.59**	**2,016.71**	**2,582.60**	**3,244.79**
Profits and appropriations										
Sale of goods	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	**9,282.04**
Profit before tax	232.52	120.78	198.06	252.37	332.18	542.62	882.61	1,149.13	1,251.16	**1,445.20**
Tax	52.12	4.27	52.77	65.63	98.31	172.79	260.20	385.82	407.47	**497.31**
Net profit	180.40	116.51	145.29	186.74	233.87	369.83	622.41	763.31	843.69	**947.89**
Dividend (including tax on dividend)	111.80	69.65	90.24	118.00	118.94	168.37	230.94	288.80	317.75	**361.84***
Profit for the year after dividend and tax thereon	68.60	46.86	55.05	68.74	114.93	201.46	391.47	474.51	525.94	**586.05**

* Proposed dividend

$ Numbers are as per Previous GAAP

Numbers are as per Ind AS

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THE WADIA GROUP

The Group has scaled great heights in innovation and entrepreneurship, inspired by the centuries-old legacy of goodwill and trust. The British Coat of Arms, granted to Nowrosjee Wadia, symbolises this legacy and the Wadia Group's commitment to advancement and innovation.

The crest is a representation of the Group, its philosophy, beliefs and businesses.

The crest and base of the shield represent the family origins in the shipbuilding industry during the 1700s. The middle and upper parts of the shield depict the Group's interests in cotton growing and its links with England in the form of the Lancastrian rose. The hand holding the hammer atop the shield signifies industriousness, together with workmanship and skill. The sun that surrounds the hand stands for global recognition and merit. The motto, IN DEO FIDE ET PRESERVERANTIA means 'Trust in God and Perseverance'.

AFTER 282 YEARS, OUR BRANDS:

FLY SMART 90

SINCE 2005

Bombay Dyeing

SINCE 1879

BRITANNIA

SINCE 1918

NBI

SINCE 1954

Bombay Burmah

SINCE 1863

BOMBAY REALTY

A BETTER LIFE

SINCE 2011

Home & You Bombay Dyeing

SINCE 2015

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

100 years it has been thus far,
but we still have so much to offer,
because everything we have done
and all that we have known
was only possible because
of the seeds you had sown.

As we cross this milestone
with your support as the fulcrum,
we resolve to make the world our own.



Britannia Industries Limited
a Wadia Enterprise

ANNUAL REPORT
2017 - 2018