BRITANNIA INDUSTRIES LIMITED

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

NOTICE

Notice is hereby given that the Ninety-fourth Annual General Meeting of the Members of Britannia Industries Limited will be held on Monday, 12 August 2013, at 11 a.m. at The Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata 700 098 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31st March 2013 and the Balance Sheet as on that date and the Reports of the Directors and the Auditor's thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. Nasser Munjee who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ness N Wadia who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Dr. Vijay L Kelkar who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Mr. Nusli N Wadia who retires by rotation and being eligible, offers himself for re-appointment.
7. To appoint Messrs B S R & Co., Chartered Accountants, (Reg. No. 101248W) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the Ninety-fifth Annual General Meeting of the Company and to authorise the Board of Directors of the Company to fix their remuneration.

NOTES:

a. A member entitled to attend and vote at the meeting, is entitled to appoint one or more proxies to attend and vote on a poll only instead of himself / herself and the proxy need not be a member of the Company.

   A proxy form duly completed and stamped, must reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

b. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 25 July 2013 to Monday, 12 August 2013 (both days inclusive).

c. Pursuant to the provisions of Section 205A of the Companies Act 1956 (the Act), dividend for the financial years ended 31 March 2006 and onwards, which remains unpaid or unclaimed for a period of seven (7) years from the date of its transfer to the unpaid dividend account of the Company would be transferred to Investor Education and Protection Fund (IEPF) on the dates given in the table below:

Financial Year	Date of Declaration of Dividend	Last date for Claiming Unpaid Dividend	Due date for Transfer to IEPF
2005 – 06	01-08-2006	07-09-2013	07-10-2013
2006 – 07	19-09-2007	26-10-2014	25-11-2014
2007 – 08	28-07-2008	03-09-2015	03-10-2015
2008 – 09	27-05-2009	03-07-2016	02-08-2016
2009 – 10	09-08-2010	15-09-2017	15-10-2017
2010 – 11	06-08-2011	12-09-2018	12-10-2018
2011 – 12	06-08-2012	12-09-2019	12-10-2019

   Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claim to the Company's Registrar and Transfer Agents at their address given herein below immediately, quoting their folio number / DP ID and Client ID. It may be noted that once the unclaimed dividend is transferred to IEPF as aforesaid, no claim shall lie in respect of such amount by the Members.

d. Members are requested to intimate immediately change of address, if any, to the Company's Registrar and Transfer Agents or Depository Participant, as the case may be.

e. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. Members / Proxies should bring the Attendance Slip to the Meeting duly filled in, for attending the Meeting.

f. Members, who hold shares under more than one folio in name(s) in the same order, are requested to send the relative Share Certificate(s) to the Company's Registrar and Transfer Agents for consolidating the holdings into one account. The share certificate(s) will be returned after consolidation.

g. Members holding shares in dematerialised form may please note that, while opening a depository account with Participants they may have given their bank account details, which will be printed on their dividend warrants. However, if members want to change / correct the bank account details, they should send the same immediately to the Depository Participant concerned. Members are also requested to give the MICR code of their bank to their Depository Participant. The Company will not entertain any direct request from Members for cancellation / change in the bank account details furnished by Depository Participants to the Company.

h. Members who hold shares in the physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest, to avail of the nomination facility by filling Form No. 2B. Members holding shares in the dematerialised form may contact their Depository Participant for recording the nomination in respect of their holdings.

i. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agents.

j. All documents, transfers, dematerialisation requests and other communications in relation thereto should be addressed direct to the Company's Registrar and Transfer Agents, M/s. Sharepro Services (India) Private Limited, at the address mentioned below:

   M/s. Sharepro Services (India) Private Limited
   Unit: Britannia Industries Limited
   13 AB, Samhita Warehousing Complex, II Floor,
   Sakinaka Telephone Exchange Lane,
   Off Andheri - Kurla Road, Sakinaka, Andheri (East),
   Mumbai - 400 072.
   Telephone Nos : 022-67720300 / 400
   Fax No.: 022-28591568
   e-mail : indira@shareproservices.com or
   sharepro@shareproservices.com

k. Pursuant to Clause 47(f) of the Listing Agreement entered into with the Stock Exchanges, the Company has created an exclusive e-mail ID - investorrelations@britindia.com for quick redressal of shareholders / investors grievances.

l. In terms of the Circulars No. 17/2011 of 21 April 2011 and 18/2011 of 29 April 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its "Green Initiative in Corporate Governance", MCA allows paperless compliances including service of a notice / document by companies to their shareholders through electronic mode. Therefore, as was done last year, the Company proposes to send documents required to be sent to shareholders like Notices of General Meetings (including AGM), Audited Financial Statements, Directors' Report, Auditor's Report, etc. to the shareholders in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website - www.britindia.co.in for download by the shareholders. The physical copies of the Annual Report will also be available at the Company's Registered Office in Kolkata for inspection during office hours. Shareholders will be entitled to be furnished, free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto including the Statement of Profit and Loss and Auditor's Report, upon receipt of a requisition from the shareholders, any time as a Member of the Company.

   In order to enable the Company to send such documents in electronic form, the shareholders are requested to register their e-mail IDs either with the Company on its e-mail ID - investorrelations@britindia.com or with the Company's Registrars and Transfer Agents, M/s. Sharepro Services (India) Private Limited, on their e-mail ID - britannia@shareproservices.com.

By Order of the Board of Directors
For BRITANNIA INDUSTRIES LIMITED

Registered Office:
5/1A, Hungerford Street,
Kolkata - 700 017.
24 May 2013

P Govindan
Company Secretary

INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49(IV)(G) OF THE LISTING AGREEMENT:

Mr. Nasser Munjee

Mr. Nasser Munjee, 60, is an eminent economist. He obtained his Masters Degree from London School of Economics, UK. He spent a short while at the University of Chicago, USA, before returning to India in 1977. He joined as the Chairman of one of India's leading development banks – ICICI, to establish the first housing finance company in India – the first retail institution serving customers directly for their housing needs. Against many odds HDFC Group, as it is known today, grew to be a financial conglomerate with assets of over $50 billion in banking, insurance, mutual funds as well as its prime business – housing finance. He rose to be an executive director on the Board, on which he continues even today, although in a non-executive capacity.

In 1997, the Finance Minister of India requested the Chairman of HDFC to consider setting up an infrastructure finance company as India faced acute challenges in this field. Mr. Nasser Munjee was asked to think through this challenge and as a result, Infrastructure Development Finance Company (IDFC) was born. IDFC charted the course of private investment in infrastructure with great success. Much of the conditions for private investment in infrastructure in India were created by IDFC between 1997 and 2004. Mr. Nasser Munjee left IDFC in 2004.

Since 2004, Mr. Nasser Munjee has been pursuing his interests in his own way. He sits on several eminent Corporate Boards in India which include Tata Motors, Tata Chemicals, Voltas, Cummins India, ABB India and Ambuja Cements (now part of the HOLCIM group). Apart from being the Chairman of Development Credit Bank, he chairs a couple of other Aga Khan institutions in India. He was the President of the Bombay Chamber of Commerce and Industry during the year 2003-04 and has served on numerous Government Task Forces on Housing and Urban Development.

Mr. Nasser Munjee is the Chairman of the Audit Committee and also a Member of the Remuneration / Compensation Committee and Executive Committee of the Company's Board.

He is also on the Board and Committees of the Board of several other leading companies below:

Name of the Company	Nature of interest	Committees of the Board
(a) Public Limited Companies		
Development Credit Bank Ltd	Chairman	Chairman - Capital Raising Committee, Executive Committee and Nomination Committee Member - Customer Service Committee
ABB Limited	Director	Chairman - Audit Committee Member - Authorisation Committee
Ambuja Cements Limited	Director	Member - Audit Committee Member - Remuneration Committee, Capex Committee, CSR Committee
Reid & Taylor (India) Limited	Chairman	–
Cummins India Limited	Director	Chairman - Audit Committee
Go Airlines (India) Limited	Director	–
HDFC Limited	Director	–
Shipping Corporation of India Limited	Director	Member - Strategy Committee, Remuneration Committee Chairman of Sub-committee for Raising Finance
Tata Chemicals Limited	Director	Chairman - Audit Committee Member - Remuneration Committee
Tata Motors Limited	Director	Chairman - Audit Committee Member - Executive Committee
Tata Motors Finance Limited	Chairman	Chairman - Nomination and Remuneration Committee
Unichem Laboratories Ltd	Director	Member - Audit Committee

Name of the Company	Nature of interest	Committees of the Board
Voltas Limited	Director	Member - Audit Committee, Remuneration Committee, Ethics & Compliance Committee, Chairman Nomination Committee.
HUDCO	Director	Member - Audit Committee, Committee for revision of financial aspects / issues, Committee for Computerisation - implementation of ERP & other IT initiatives, Committee for Revision of Recruitment & Promotion Rules, 2009, IPO Committee
(b) Private Limited Companies		
Aarusha Homes Private Limited	Chairman	–
First American Securities Pvt. Ltd.	Director	–
GIBA Holdings Pvt. Ltd.	Director	–
(c) Foreign Companies		
EMSAF - Mauritius	Director	–
Tata Chemicals North America Inc., USA	Director	–
Jaguar Land Rover Automotive Plc., UK	Director	–
(d) Section 25 Companies		
Aga Khan Support Programme, India	Chairman	–
Indian Institute for Human Settlements	Director	–

Mr. Munjee does not hold any shares of the Company.

Mr. Ness N Wadia

Mr. Ness Wadia, 41, is Master in Science from the Warwick University in Coventry, UK. He has had extensive training with The Bombay Dyeing and Manufacturing Company Limited (Bombay Dyeing) in various areas of management. He was closely involved in marketing and retail distribution of the Textile Division of Bombay Dyeing. He has been actively associated with the Wadia Group for over 20 years including about 5 years as Deputy Managing Director and 5 years as Joint Managing Director of Bombay Dyeing and 2 years as Managing Director of Bombay Burmah Trading Corporation Ltd.

Mr. Ness Wadia is deeply involved in philanthropic activities and is associated with leading educational institutions and charitable hospitals.

He holds Directorship and Committee Membership in various other leading companies listed below:

Name of the Company	Nature of interest	Committees of the Board
(a) Public Limited Companies		
National Peroxide Ltd.	Chairman	Member - Remuneration Committee
The Bombay Dyeing & Mfg. Co. Ltd.	Director	Member - Finance Committee
Wadia Techno Engineering Services Ltd.	Director	–
Go Airlines (India) Ltd.	Director	–
The Bombay Burmah Trading Corporation Limited	Managing Director	–
Wadia Investments Ltd.	Director	–
(b) Private Limited Companies		
Go Investment & Trading Pvt. Ltd.	Director	–
Virtual Education Network Pvt. Ltd.	Director	–
KPH Dreams Cricket Pvt. Ltd.	Director	–
(c) Foreign Companies		
Naira Holdings Limited, (British Virgin Islands)	Director	–
Leila Lands SDN BHD (Malayasia)	Director	–

Mr. Ness N Wadia is a Trustee of the following Trusts:

1.	Sir Ness Wadia Foundation
2.	Neville Wadia Charity Trust
3.	Nusli Wadia Charity Trust
4.	Kachaldara Charity Trust
5.	The Bombay Dyeing & Mfg. Co. Ltd. Employees' Provident Fund
6.	The Bombay Dyeing & Mfg. Co. Ltd. Superannuation Fund

Mr. Ness Wadia is on the Board of Management of the following Hospitals:

1.	Bai Jerbai Wadia Hospital for Children
2.	Nowrosjee Wadia Maternity Hospital

Mr. Ness N Wadia does not hold any shares of the Company.

Mr. Ness N Wadia is a Member of the Audit Committee, Investment / Finance Committee, Innovation Committee and Executive Committee of the Company's Board.

Dr. Vijay L Kelkar

Dr. Vijay L Kelkar, 71, holds a Doctorate degree from the University of California at Berkeley, USA. Dr. Kelkar has held many senior level positions in the Government of India including the most recent position as the Chairman of the Finance Commission of the rank of Cabinet Minister. He also served as Advisor to Minister of Finance, Finance Secretary, Government of India, Secretary of Ministry of Petroleum & Natural Gas, Government of India and Chairman of the Tariff Commission. He has served in several key posts in international organizations such as Director and Co-Coordinator of International Trade Division, UNCTAD, Switzerland and Executive Director for India, Sri Lanka, Bangladesh and Bhutan at the International Monetary Fund, USA. He was elected as the Chairman of the Forum of Federations, Ottawa, Canada (2010-2013).

He is currently the Chairman of India Development Foundation, New Delhi and a Director of Indian Institute for Human Settlements (a Section 25 company).

Dr. Kelkar is a Member of the Executive Committee of the Company's Board.

He also holds Directorship / Committee Membership in the following Companies.

Name of the Company	Nature of interest	Committees of the Board
(a) Public Limited Companies		
GO Airlines (India) Limited	Director	–
Green Infra Ltd	Chairman	–
J M Financial Limited	Director	Member - Audit Committee, Shareholders' Grievance Committee
JSW Steel Ltd.	Director	–
Lupin Limited	Director	Chairman - Shareholders' Grievance Committee
Tata Chemicals Limited	Director	–
Tata Consultancy Services Limited	Director	Member - Audit Committee, Member - Health, Environment and Safety Committee.
(b) Private Limited Companies		
CSIR-Tech Private Limited	Director	–
(c) Section 25 Companies		
Indian Institute of Human Settlements	Director	–

Dr. Kelkar does not hold any shares in the Company.

Mr. Nusli N Wadia

Mr. Nusli N. Wadia, 69, was inducted on the Company's Board on 5 September 1993 and has been the Chairman of the Company since 8 September 1993. Mr. Wadia is a well-known Indian Industrialist. He is the Chairman of Wadia Group companies and also Director on the Board of several Indian companies. Mr. Wadia has contributed actively in the deliberations of various organisations such as the Cotton Textiles Export Promotion Council (TEXPROCIL), Mill Owners' Association (MOA), Associated Chambers of Commerce & Industry, etc. He is the former Chairman of TEXPROCIL and also of MOA. Mr. Wadia was appointed on the Prime Minister's Council on Trade & Industry during 1998 to 2004. He was the Convenor of the Special Group Task Force on Food and Agro Industries Management Policy in September, 1998. He was a Member of the Special Subject Group to review regulations and procedures to unshackle Indian Industry and on the Special Subject Group on Disinvestment. He was a member of ICMF from 1984-85 to 1990-91. He is Trustee of the Executive Committee of the Nehru Centre, Mumbai. Mr. Wadia has a distinct presence in public affairs and has been actively associated with leading charitable and educational institutions.

Mr. Nusli N Wadia holds Directorships and Committee Memberships in the following companies:

Name of the Company	Nature of interest	Committees of the Board
(a) Public Limited Companies		
The Bombay Dyeing & Manufacturing Co. Ltd.	Chairman	Member - Remuneration Committee
Wadia Techno-Engineering Services Ltd. (Formerly Gherzi Eastern Ltd.)	Director	–
The Bombay Burmah Trading Corp Ltd.	Chairman	–
Tata Steel Ltd.	Director	Chairman - Nominations Committee Member - Remuneration Committee
Tata Motors Ltd.	Director	Chairman - Remuneration Committee Chairman - Nominations Committee
Tata Chemicals Ltd.	Director	Chairman - Remuneration Committee
Go Airlines (India) Ltd.	Chairman	–
(b) Private Limited Companies		
Go Investments and Trading Private Limited	Director	–
(c) Foreign Companies		
Leila Lands SDN. BHD. (Malaysia)	Chairman	–
Strategic Food International Co. LLC, Dubai, UAE	Director	–
Strategic Brand Holdings Co. Ltd., UAE	Director	–
Al Sallan Food Industries Co. SAOC, Oman	Director	–
Britannia and Associates (Dubai) Pvt. Limited	Director	–
Al Fayafi General Trading Co. LLC, UAE	Director	–

Mr. Nusli N Wadia is the Chairman of the Nomination Committee and also the Executive Committee (COB) and a Member of the Remuneration / Compensation Committee of the Company's Board. Mr. Wadia holds 2,250 equity shares of Rs. 2 each of the Company.

By Order of the Board of Directors
For BRITANNIA INDUSTRIES LIMITED

Registered Office:
5/1A, Hungerford Street,
Kolkata - 700 017.
24 May 2013

P Govindan
Company Secretary

FORM A

Covering letter to the annual audit report to be filed with the stock exchanges

1.	Name of the Company	Britannia Industries Limited
2.	Annual financial statements for the year ended	31 March 2013
3.	Type of Audit Observation	Unqualified
4.	Frequency of observation	Not applicable

for **B S R & Co.**
Chartered Accountants
Firm registration no.101248W

Natrajh Ramakrishna
Partner
Membership No.: 32815

Place: Mumbai
Date: 24 May 2013

for **Britannia Industries Limited**

Vinita Bali
Managing Director

Place: Mumbai
Date: 24 May 2013

Vinod Krishna Menon
Chief Financial Officer

Place: Mumbai
Date: 24 May 2013

Nasser Munjee
Chairman- Audit Committee

Place: Mumbai
Date: 24 May 2013

ANNUAL REPORT
2012-13

BRITANNIA INDUSTRIES LIMITED
A WADIA ENTERPRISE

THE BRITANNIA PROMISE

OUR PURPOSE:

- *To facilitate every Indian to experience Britannia products 4 times a day*
- *To make Britannia products accessible for the heterogeneous people of India across all demographics - age, income, ethnicity, behaviour & living situations, meeting their ever changing expectations and palates*
- *To balance cost, quality and aspiration in the brand for consumer affordability at every price point.*

OUR OBJECTIVE:

We must always deliver products that are inviting and have ecstatic and organoleptics appeal. They must be distinctive in shape & character and perceptibly superior to competition when consumers see, smell, taste and feel satisfied in the health and indulgent experience of our products at anytime, anywhere, everyday.

Our packaging design must be user friendly, exciting, aspirational & distinctive, making it perceptibly superior to competitors.

We must engineer our company to go-to-market with a winning mind-set and high speed with consistent manufacturing process discipline.

Quality of our retail presence must be exciting and magnetic, not only to retain, but also to grow our market leadership.

OUR PEOPLE:

- *With pride in ourselves as Britannians we will respect one another, and work in cross functional teams sharing knowledge.*
- *We will be accountable to ourselves for delivery to our consumers.*
- *We will upgrade our skills & capability, enhance our will to transform the way we work.*
- *We will deliver continuous and sustainable financial performance for the company and all its stakeholders.*

BOARD OF DIRECTORS

CHAIRMAN :

Nusli N Wadia

MANAGING DIRECTOR :

Vinita Bali

DIRECTORS :

A K Hirjee

S S Kelkar

Avijit Deb

Nimesh N Kampani

Jeh N Wadia

Keki Dadiseth

Ajai Puri

Nasser Munjee

Ness N Wadia

Vijay L Kelkar

MANAGEMENT TEAM :

Varun Berry	- Chief Operating Officer
Vinod Krishna Menon	- Chief Financial Officer
Vinay Singh Kushwaha	- Vice President-Supply Chain
Ashok Namboodiri	- Head-Dairy Business
Manoj Balgi	- Head-Procurement
Prashant Vatkar	- Chief Executive Officer-Britannia International Business

COMPANY SECRETARY :

Vivek P Raizada *(w.e.f. 1 June 2013)*

AUDITORS :

B S R & Co.
Chartered Accountants
Maruthi Info-Tech Centre,
11-12/1, Inner Ring Road, Koramangala,
Bangalore - 560 071.

BANKERS :

Bank of America N. A.
Bank of Tokyo-Mitsubishi UFJ
Citibank N. A.
HDFC Bank Limited
Indian Bank
Standard Chartered Bank
State Bank of India
The Hongkong and Shanghai Banking Corporation Limited
The Royal Bank of Scotland N. V.

Registered Office : 5/1A, Hungerford Street, Kolkata - 700 017.
Executive Office : Britannia Gardens, Old Airport Road, Vimanapura, Bangalore - 560 017.

CONTENTS

FINANCIAL HIGHLIGHTS

₹ in crores	2012-13	2011-12	% Change
STANDALONE			
Net Sale of Products	5,564.38	4,947.04	12%
Profit from Operations	314.45	231.91	36%
Shareholders' Funds	636.41	520.04	22%
Capital Expenditure	192.88	191.20	1%
Profit Before Tax	332.18	252.37	32%
Net Profit	233.87	186.74	25%
Cash Profit	290.95	234.06	24%
Per Equity Share (Nominal value of ₹ 2/- each)			
Earnings (Basic)	19.57	15.63	25%
Dividend	8.50	8.50	-
Dividend + Tax	9.94	9.88	1%
CONSOLIDATED			
Net Sale of Products	6,135.91	5,460.75	12%
Profit from Operations	347.49	249.04	40%
Profit Before Tax	358.43	266.58	34%
Net Profit	259.50	199.55	30%

REPORT OF THE DIRECTORS

The Directors present their Annual Report together with the Statement of Accounts for the year ended 31 March 2013.

1. FINANCIAL RESULTS

₹ in crores

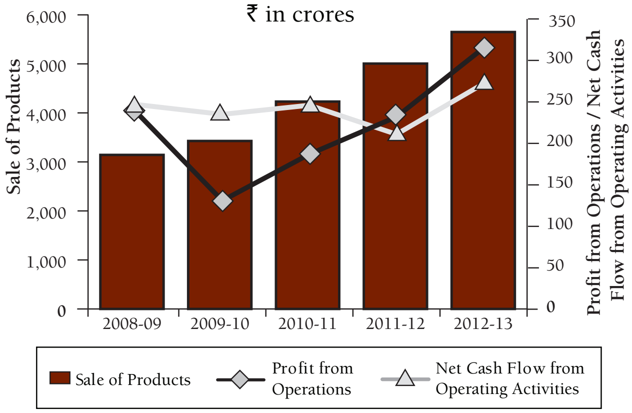
Particulars	Year ended 31 March 13	Year ended 31 March 12
Sale of Products	5,649.66	5,005.66
Other Operating Revenues	51.11	27.15
Other Income	55.47	58.53
Profit from Operations (PBT before other income and finance costs)	314.45	231.91
Profit Before Tax	332.18	252.37
Less: Tax Expense	98.31	65.63
Net Profit	233.87	186.74
Add: Profit brought forward	235.35	185.29
Profit available for appropriation	469.22	372.03
Less: Proposed Dividend	101.66	101.53
Less: Tax on Proposed Dividend	17.28	16.47
Less: Transfer to General Reserve	23.39	18.68
Balance carried forward to Balance Sheet	326.89	235.35
Net Cash Flow from Operating Activities	272.01	210.66

2. OVERVIEW OF COMPANY PERFORMANCE

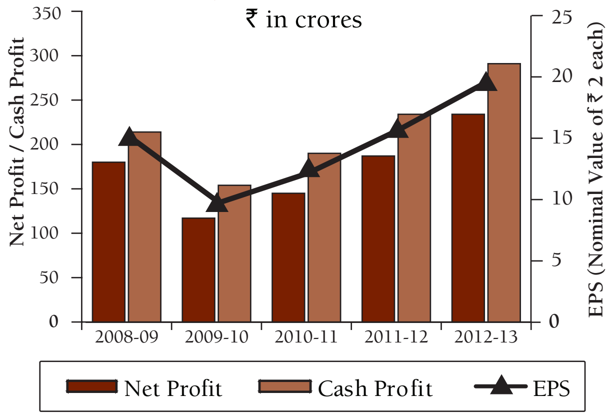
In an increasingly competitive market place and continuing commodity inflation during the year, Profit from Operations increased 35.6%, from ₹ 231.91 crores to ₹ 314.45 crores. Against an overall revenue growth of 12.5%, several of your Company's iconic brands grew at a significantly higher rate, whilst a few were laggards. Your Company added ₹ 644 crores to its Operating Revenue (Sale of Products) and ₹ 82.54 crores to its Profit from Operations. Earnings per share (Basic) of ₹ 2 were ₹ 19.57.

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

Performance Trends



PAT, Cash Profit and EPS



During the year, your Company won several accolades and prestigious awards, notable among which are:

1. 'Best In Class' Global Performance Excellence Award 2012 from Asia Pacific Quality Organization, under the category of 'Large Manufacturing Organization', for its manufacturing facilities at Delhi, Gwalior, Bidadi and Khopoli and the Corporate Office at Bangalore.
2. The Golden Peacock National Quality Award by the Institute of Directors, for its manufacturing facility at Kolkata.
3. Global Award for Excellence in Quality Management and Leadership by World Quality Congress.
4. The Namma Bengaluru Award from Namma Bengaluru Foundation for the year 2012-13 for effective solid waste management.

5. IWLF (International Women Leadership Forum) Award for 'Solid Waste Management' and the work of 'The Britannia Nutrition Foundation'.

Britannia was once again rated the "Most Trusted Food Brand" by consumers across India in the annual survey done by Nielsen for The Economic Times. This is the fourth year in succession that your Company has achieved this distinction. Additionally, Brand Britannia also rose to the No. 2 position across all product categories amongst India's Most Trusted Brands, as voted by consumers.

A focus on Revenue management, Cost management and Innovation forms the basis of your Company's operations. As in previous years, the Company's focus on creating and delivering relevant and differentiated propositions across the portfolio of products continued and will be elaborated later in the section on Brands. The year 2012 also marked the Silver Jubilee year of your Company's most iconic brand - Good Day which saw new advertising and several consumer activities, culminating with the "Heart of Gold" program, that showcased stories of ordinary people doing extraordinarily compassionate acts.

Cost effectiveness has been a key pillar of your Company's value creation strategy. As in the past, your Company addressed the cost challenge by continuing to build on several cost effectiveness and efficiency initiatives through a special program spanning the entire value chain. This program involved 400 projects across functions and geographies. In parallel, your Company continues to foster several improvement tools, using Kaizen, Total Productive Maintenance, Total Quality Management and Six Sigma in several manufacturing units. Your Company believes that these programs implemented continually will hardwire a culture of efficiency and effectiveness.

Your Company's international business also expanded with export from India growing 28.1% and the two companies in the Middle East growing at 21.2%. International revenue now account for ₹ 340.73 crores.

3. CONSOLIDATED FINANCIAL RESULTS

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standard 21 (AS21) issued by the Institute of Chartered Accountants of India. The Consolidated Statements reflect the results of the Company and those of its Subsidiaries. As required by Clause 32 of the Listing Agreement with the Stock Exchanges, the Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and form part of this Annual Report.

Consolidated Sale of Products of your Company for the year ended 31 March 2013 was ₹ 6,221.82 crores compared with ₹ 5,519.96 crores in the previous year, a growth of 12.7%.

Consolidated Net Profit for the year ended 31 March 2013 was ₹ 259.50 crores compared with ₹ 199.55 crores in the previous year, a growth of 30%.

₹ in crores

Particulars	Year ended 31 March 13	Year ended 31 March 12
Sale of Products	6,221.82	5,519.96
Other Operating Revenues	49.50	24.62
Other Income	52.24	59.14
Profit from Operations (PBT before other income and finance costs)	347.49	249.04
Profit Before Tax	358.43	266.58
Net Profit	259.50	199.55

Performance of Subsidiaries is discussed below:

SUBSIDIARIES

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

Britannia Dairy Private Limited (BDPL)

Despite heightened competition both from local and international players, the Dairy business of your Company grew profitably by focusing on differentiated products. It more than doubled its Net Profit and registered a turnover of ₹ 309.19 crores compared to ₹ 293.06 crores in the previous year, a growth of 5.5%. The business achieved a Net Profit of ₹ 35 crores compared to ₹ 15.51 crores in the previous year, a growth of 125.6%. Your Company achieved this by focusing on its core brands like Cheese etc., by driving innovation and improving overall realisation.

With more value-added products in the pipeline, your Company's dairy business continues to be anchored in increasing distribution and reach for its products.

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

Daily Bread is a manufacturer of premium gourmet bakery products, including specialty breads, cakes, pastries and cookies which it sells through its own retail stores directly to consumers. It also sells a part of its bread range through modern trade and to institutions. Its operations are largely confined to Bangalore.

The turnover (net sale of products) of Daily Bread was ₹ 23.06 crores during the year, compared with ₹ 23.69 crores in the previous year.

Strategic Food International Co. LLC, Dubai (SFIC)

Regional upheaval continued in the Middle East which negatively impacted business and for the year ended 31 March 2013 SFIC sales increased by 8.4% at AED 15.53 crores (₹ 229.92 crores) compared with AED 14.32 crores (₹ 186.28 crores) for the previous year. Saudi Arabia, a market the company entered last year, grew over 60% offering great promise for the future. Currency depreciation in South Africa and certain import restrictions in Nigeria and Angola limited growth. Soft Commodity prices coupled with several initiatives aimed at containing cost, helped support higher marketing investments to build the business. SFIC posted a net loss of AED 0.33 crore (₹ 4.91 crores), almost at the previous year's levels. Gross Margins improved with an unrelenting focus on containing cost, improving the product and geographic mix and concentrating on key categories like cookies, sugar free digestives and wafers to drive growth.

Al Sallan Food Industries Co. SAOC (ASFI)

ASFI sales are primarily to SFIC and for the year ended 31 March 2013 closed at RO 0.89 crore (₹ 125.17 crores), higher by 3.2% compared with RO 0.86 crore (₹ 106.99 crores) in the previous year. Persistent focus on cost reduction, productivity improvement and efficiency related initiatives helped post a net profit of RO 0.1 lakh (₹ 0.12 crore) against a net loss of RO 1.31 lakhs (₹ 1.63 crores) in the previous year.

Royal Decrees and Governmental directives issued in Oman for increments and wage increases for Omani nationals (who constitute a mandatory minimum of 35% of the workforce) continue to add to cost pressures and the company has adopted various innovative techniques to be competitive in this environment.

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

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

The combined revenue and loss of holding companies for the year ended 31 March 2013 was USD 0.12 crore (₹ 6.53 crores) and USD 0.01 crore (₹ 0.25 crores) compared to USD 0.13 crore (₹ 6.35 crores) and USD 0.02 crore (₹ 1.10 crores) respectively, for the period ended 31 March 2012.

Investment Companies

M/s. Boribunder Finance and Investments Private Limited (Boribunder), M/s. Flora Investments Company Private Limited (Flora) and M/s. Gilt Edge Finance and Investments Private Limited (Gilt Edge) form the Investment subsidiaries of your Company. Boribunder is a wholly owned subsidiary of your Company.

The combined revenue and profit of the investment companies for the year ended 31 March 2013 was ₹ 0.65 crore and ₹ 0.47 crore respectively.

Further, pursuant to Section 4 of the Companies Act 1956, the following companies engaged in manufacture of biscuits at various locations are also subsidiaries of your Company. The Revenue from Operations and Net Profit of the said subsidiaries during 2012-13 are as under:

₹ in crores

Name of Subsidiary	Revenue from Operations	Net Profit
International Bakery Products Limited, Puducherry	14.28	0.23
J B Mangharam Foods Private Limited, Gwalior	18.80	0.10
Manna Foods Private Limited, Madurai	23.21	0.05
Ganges Vally Foods Private Limited, Hoogly	16.11	0.15
Sunrise Biscuit Company Private Limited, Guwahati	123.58	0.22

Welfare Companies

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

4. DIVIDEND

The Board of Directors are pleased to recommend a dividend of 425% on the paid-up equity share capital of the Company, which amounts to ₹ 8.50 per share, for consideration and approval by the shareholders at the Annual General Meeting. The total payout amounts to ₹ 118.94 crores including dividend distribution tax of ₹ 17.28 crores.

5. THE BRITANNIA PROMISE

It is the conviction of your Company that the fountainhead of its performance is the supremacy of its brands in terms of the unique delight they deliver – which starts with the look and feel of the pack and ends with the pleasurable satisfaction consumers experience after they have enjoyed the product. With the quest to understand and fully embrace this thought in every activity that leads to the final moment of purchase and consumption, your Company has engaged the services of a specialized consultant who will work closely with the Management to help uncover the needs and desires of the heterogeneous base of consumers in India. Your Company will design products that are distinctive and appeal to the sensory aspirations of the consumers as they see, smell, taste and feel satisfied after consuming the products. An objective analysis has revealed the opportunities to pursue and it is with this conviction that everybody in your Company has taken an oath to create and make available products that coalesce cost, quality and aspiration imaginatively to create experiences that are unique and differentiated. This process is deeply rooted in the understanding of consumers and the science of organoleptics. Through this process, your Company will make its products even more delightful, affordable and accessible to the heterogeneous people of India – across age, ethnicity and socio-economic status - anytime, anywhere – every day. With this Promise as the beacon to guide all actions, your Company will clearly differentiate its products and its performance in the marketplace. This is the 'Britannia Promise'.

6. BRANDS

Brands form the core of your Company's business and keeping them relevant and differentiated is the first priority of your Company. 2012-13 has been a year of consolidating and growing base brands and brands launched in the previous year. Concurrently, your Company has kept up the pace of innovation by working and investing aggressively behind new consumer understanding, new technologies and capability programs. Your Company has also collaborated with reputed academic institutions and other companies to complement its efforts and build strong platforms for sustained and significant product categories and businesses.

Good Day completed 25 years and it was appropriate to celebrate this milestone with consumers, who, for the last 25 years have chosen Good Day as their favorite cookie. Towards the close of the anniversary, Good Day ran a programme - 'Heart of Gold', which was enthusiastically received by consumers.

Contributing significantly to the healthy snacking objectives has been an important objective of your Company. Consistent with this objective your Company launched several products under the umbrella of NutriChoice. These diabetic friendly products were made available to more people across the country through extending their reach and distribution by almost 50%. Your Company believes that there is scope for further expansion.

Another aspect of the Company's healthy snacking promise to the consumers has been to address the pervasive micro-nutrient deficiency among the children of India. Brand 'Tiger' has been at the forefront of this, with each serving designed to deliver 25% of RDA of Iron. Other brands that are enriched with micro-nutrients include Milk Bikis, Britannia Marie Gold, VitaMarie, Britannia Bread, Tiger Chocolate and Badaam Milk and Britannia Flavored Yoghurt.

7. SUPPLY CHAIN AND MANUFACTURING OPERATIONS

Your Company has been focusing on improving operational efficiencies in Supply Chain and Manufacturing. New biscuit manufacturing facilities at Hajipur, Khurda and Madurai were optimally utilized. Your Company has added a state-of-the-art facility for cake manufacturing at Rudrapur and along with its co-packer, a Greenfield factory for biscuit manufacturing at Hyderabad. Capacity and capability continued to be enhanced both in your

Company's manufacturing units and co-packers. All these have helped in creating the right capacity with superior technology to better serve the market. Additionally, fiscal benefits in several of these regions have helped contain cost. To improve the back-end planning process and availability, your Company is in the process of implementing Advanced Planning & Optimizing (APO) which is progressing as per plan.

8. QUALITY STANDARDS

Your Company assiduously works on raising the delivered quality of its products and processes through its 'Q Next' Program. The culture of continuous improvement is being created through deploying various initiatives like Kaizen, Total Productive Maintenance (TPM) and Total Quality Management (TQM). The Lean Six Sigma methodology has been adopted in solving complex issues in the organization, thereby improving the effectiveness of processes and systems. Consumer connect processes have been improved with respect to promptness in response to consumer queries. As mentioned earlier, several of the Company's manufacturing units were recognized in India and Asia for delivering excellence in quality.

9. INFORMATION TECHNOLOGY

During 2012-13, your Company implemented best in class Supply Chain IT capabilities enabled through SAP to transform and integrate end-to-end supply chain covering demand, capacity, production and material planning. This will enable dynamic demand planning and accurate forecasting in both the short and long term and provide the capability to quickly respond to changing market needs.

Your Company has also successfully implemented a handheld based system to enable its sales people to drive efficiencies in generating and servicing retail orders. 'BritanniaKonnect' is another world class capability that was launched during the year to enable tighter collaboration, communication and knowledge management within the organization.

In 2013-14, your Company proposes to build powerful IT capabilities for marketing. Your Company will also be implementing analytics in procurement to enable its procurement team to gain greater visibility and better forecast commodity price trends.

10. ENVIRONMENT AND SAFETY

Energy conservation and the use of clean fuels continue to be a priority area for your Company. Creation of multi-fuel flexibility has led to a significant shift towards use of cleaner fuels where available and more of these opportunities will be harnessed in the future. A biomass gasifier has been successfully commissioned at one factory and more will be installed in the coming year. Following a successful pilot, a new design oven to conserve energy was commissioned with improved benefits. A focused Energy Program has been conceived with a view to carrying out specific initiatives in the field of Energy Efficiency and Conservation. The program looked at fuel conservation by reviewing the design and usage of ovens, and making requisite improvements in both the design and technology. The endeavour is to continually look for opportunities to shift to cleaner fuels and conserve energy.

The initiative of setting up a wet waste composting facility at the Bangalore Office, last year, received the prestigious Namma Bengaluru Award from Namma Bengaluru Foundation for the year 2012-13 for effective solid waste management. This award recognises the extensive efforts made by Britannia in making Bangalore a cleaner city. As part of the continuous effort to encourage the culture of reducing and recycling, a waste management initiative has also been set up with the Company's co-packer in Bangalore and several projects rolled out at other units are at various stages of completion.

With the objective of providing a healthy and safe environment, your Company's Environment Health and Safety (EHS) program has been strengthened with dedicated resources and your Company has undertaken several safety measures at all its manufacturing units that include:

- Communicating the EHS Policy to all stakeholders.
- Assessing and identifying unsafe conditions at work place.
- Conducting Hazard and Risk Study at units.
- Monitoring Unit level performance through Total Reportable Incident Frequency Rate (TRIFR).
- Documenting and implementing Safe Operational Control Procedures at units.
- Training people on good sefety practices on the shop floor and elsewhere in the factory.

Your Company strives for a Zero Accident Culture through building a robust EHS Management System to ensure the health and safety of all its employees, contractors and visitors at the work place. As part of this, your Company is adopting Accident Prevention Program at the work place through structured Safety Committees, Systematic Awareness Programs, Periodic Monitoring and

Measurement Systems and regular reviews along with business metrics.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. This covers the two broad areas of food-based solutions to increasing nutrition as well as energy conservation, which includes waste management. The solid waste management system of your Company is a first of its kind initiative and works on the credo of "reduce, recycle and re-use". The Company's Executive Office in Bangalore is a Zero Waste generator unit. An effective system of 'segregation at source' has been put in place and practised by all employees in the Company's Executive Office. The dry waste is converted into paper through a collaboration with Khadi Gram Udyog. The wet waste is processed in an eco-centre on campus and 350 kgs of it is composted into manure on a daily basis.

As shared earlier, your Company's commitment to health includes removal of harmful ingredients such as transfats from its recipes and addition of micronutrients (vitamins and minerals). This has been achieved through active redesign of recipes. Products like "NutriChoice Diabetic Friendly Essentials" have also been introduced. During 2012-13, your Company continued its partnership with Karnataka Nutrition Mission in 2 villages to comprehensively address health and nutrition concerns of children, adolescent girls, pregnant and lactating women. Part of the program was to provide biscuits fortified with micronutrients to the target audience. A study done amongst children (6-12 years) and adolescent girls (11-18 years) who consumed the fortified biscuits for 4 months has shown an improvement in anthropometric parameters like height and weight and a reduction in anemia. This work will continue till December 2013 when the project report will be presented to the Karnataka State Government.

As mentioned in previous reports, the "Britannia Nutrition Foundation" was set up with the belief that every child in India has the right to growth and development through good food - every day. The Foundation disseminates scientific knowledge in the area of nutrition, builds awareness of the massive malnutrition challenge and its solutions and creates a platform for multi-sectoral dialogue and informed action. In September 2012, as part of the national nutrition week, the Foundation partnered a leading English news channel to produce and air a 4 week series titled 'India@65: The Nutrition Challenge'. The series included an eclectic mix of participants from the nutrition, policy making, development, corporate and communication sectors, in addition to participation from the audience, several of whom are members of civil society networks and working in the development sector on issues relating to health and nutrition. The program was a platform to throw light on the magnitude of the issue and share success stories in combating malnutrition along with social and scientific advancements in the area.

In addition to engaging with the external world, your Company is conducting internal employee programs to boost awareness of the causes and effects of Iron deficiency.

12. REDEMPTION OF BONUS DEBENTURES

The Company has fully redeemed on the due date i.e. 22 March 2013 the 23,890,163 8.25% Secured Redeemable Non-convertible Debentures of ₹ 170 each, amounting to an aggregate value of around ₹ 406.13 crores, issued and allotted in March 2010 from the General Reserve by way of distribution as bonus.

13. PENSION

The proceedings in the suit filed by the Pensioners Welfare Association (the Association) are in progress in the Hon'ble City Civil and Sessions Court, Bangalore. In the meanwhile, the Company's Pension Funds continue to pay pension to the members, in terms of the Hon'ble Court's interim order passed on 1 January 2009 as reiterated by the Hon'ble Supreme Court in its order passed in January 2011, in accordance with the computation made on defined contribution basis and submitted by the Pension Funds to the Court.

Pending disposal by the Hon'ble High Courts of Madras and Calcutta of the petitions filed by some Pensioners and the Association, the CIT, Kolkata, is yet to pass any orders on the Deeds of Variation filed by the Pension Funds in view of the interim restraint orders passed by these Hon'ble High Courts.

These and related matters have been dealt with in Note 30 to the financial statements, which are self-explanatory.

14. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Details of energy conservation, technology absorption, foreign exchange earnings and outgoings in accordance with the provisions of clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of the Particulars in the Report of Board of Directors) Rules, 1988, are given as Annexure 'A' to this Report.

15. CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, a separate report on corporate governance along with the Auditor's Certificate on its compliance is attached to this Report.

16. DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Nasser Munjee, Mr. Ness N Wadia, Dr. Vijay L Kelkar and Mr. Nusli N Wadia, Directors, retire by rotation at the forthcoming Annual General Meeting and are eligible for re-appointment.

17. PARTICULARS OF EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, (the Act) read with the Companies (Particulars of Employees) Rules, 1975, forms part of this Report. However, as per the provisions of Section 219(1) (b) (iv) of the Act, the report and accounts are being sent, excluding the statement containing the particulars to be provided under Section 217(2A) of the Act. Any member interested in obtaining such particulars may inspect the same at the Registered Office of the Company or write to the Company Secretary for a copy thereof.

18. EMPLOYEE STOCK OPTION SCHEME (ESOS)

Requisite disclosure in respect of the Employee Stock Option Scheme (ESOS) in terms of Guideline 12 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Share Purchase Scheme) Guidelines 1999, has been provided in Annexure 'B' to this Report.

The Share Capital of the Company has gone up from ₹ 23.89 crores as at 31 March 2012 to ₹ 23.91 crores as at 31 March 2013 and to ₹ 23.92 crores as on the date of this Report consequent upon allotment of 75,000 equity shares each on two occasions upon the exercise by the Managing Director of stock options granted under the ESOS in 2008 and 2009 respectively.

19. COST AUDIT

The Order dated 24 January 2012 issued by the Ministry of Corporate Affairs (MCA) – Cost Audit Branch, Government of India, mandating Cost Audit applies to the Company as it manufactures packaged food products falling within Chapter 19 of the Central Excise Tariff Act, 1985. The Company is accordingly required to get its cost accounting records in respect of the financial year commencing from 1 April 2012 audited by a Cost Auditor. Pursuant to Section 233B(2) of the Companies Act, 1956 the Board of Directors on the recommendation of the Audit Committee appointed M/s. N I Mehta & Co., Cost Accountants, as Cost Auditors for conducting Cost Audit for the financial year 2012-13. The Cost Audit Report is required to be filed within 180 days from the end of the financial year. The Cost Audit Report for the financial year ended 31 March 2013 will be filed within the prescribed period.

20. AUDITORS

M/s. B S R & Co. retire in accordance with the provisions of the Companies Act, 1956. They have indicated their willingness to continue in office and are recommended for re-appointment as the Company's Auditors for the ensuing year.

21. DIRECTORS' RESPONSIBILITY

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors, based on representations from the Operating Management, confirm that:

(a) In the preparation of annual accounts, the applicable Accounting Standards have been followed and there are no material departures;

(b) They have, in selection of the accounting policies, consulted the statutory auditors and applied these policies consistently, making 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 2013 and of the profit of the Company for the year ended 31 March 2013;

(c) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) They have prepared the annual accounts on a going concern basis.

22. 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

Mumbai
24 May 2013

Nusli N Wadia
Chairman

ANNEXURE 'A' TO THE DIRECTORS' REPORT

Information under Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31 March 2013.

A. CONSERVATION OF ENERGY

(a) **Some of the energy conservation measures undertaken during 2012-13 are:**

(i) Successful commissioning of a new design oven using a different heating system that significantly reduces energy consumption.

(ii) Use of fuel conservators in units running on gas.

(iii) Installation of additional capacitor bank to improve the Power Factor. Preheating of water used in process through waste heat recovery.

(iv) Reduction of unloading and loading of compressors by reducing the differential pressure.

(v) Provision of servo voltage stabilizer for lighting loads, reducing the 3 Phase voltage.

(vi) Installation of clock timers to control running times of high energy consuming equipment.

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

Your Company has already implemented the initiatives stated above and will extend and expand them wherever applicable. Additional investment of ₹ 7 crores has been planned for 2013-14 in various projects related to further savings in energy consumption.

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

In spite of a significant increase in fuel and energy costs and a shift in the product-mix in the factories towards products which consume more energy per tonne of biscuits produced, both electricity and baking fuel consumptions were maintained with a marginal increase.

Form 'A'

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

For the year ended	31 March 2013	31 March 2012
ELECTRICITY		
(a) **Purchased (gwh)**	**16.28**	13.47
Total amount (₹ crores)	**9.85**	7.53
Rate / Unit (₹ / kwh)	**6.05**	5.59
(1gwh = 1,000,000 kwh)		
(b) **Own generation**		
(i) **Through diesel generator (gwh)**	**2.31**	1.56
Unit per litre of diesel oil (kwh / litre)	**3.07**	3.19
Cost / Unit (₹ / kwh)	**13.63**	11.45
(1gwh = 1,000,000 kwh)		
(ii) **Through steam turbine / generator**		
Units (KL)	**NIL**	NIL
Unit per litre of fuel oil / gas	**NIL**	NIL
Cost / Unit (₹ / KL)	**NIL**	NIL
(iii) **Others / Internal generation (Baking fuel consumption) ***		
Quantity (Billion cal)	**76,065**	64,587
Total Cost (₹ crores)	**36.7**	28.3
Rate / Unit (₹ / Billion cal)	**4,824**	4,386
Consumption per unit of production		
Bakery products		
Biscuits & Cakes (MT)	**135,571**	126,008
Electricity (kwh / MT)	**137**	119
Baking Fuel (Billion cal / MT)	**0.56**	0.51

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

The rate per unit of electricity purchased was higher at ₹ 6.05 per kwh, compared with ₹ 5.59 per kwh in the previous year, owing to increase in rate of grid power.

The increase in cost per unit of own generation of power as well as the rate per unit of baking fuel is due to the increase in price of HSD and other fuels used for baking. Consumption of energy per tonne of biscuit produced has marginally increased in own factories because of a higher proportion of premium varieties in the product-mix as well as new production line for manufacturing cake at Rudrapur.

Consumption of fuel was higher than the normative standard, during commissioning, trials and stabilization of the varieties produced at Khurda factory during its start-up phase.

Technology absorption, adaptation and innovation

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

Various actions were initiated for upgradation of technology and automation in specific areas:

- Technology initiatives like continuous mixing, new design oven using a different heating system and high speed Packing Machines with auto feeders, secondary packing system and end of line conveyorisation implemented in the Greenfield unit at Khurda, have yielded desired results.
- Using renewable fuels (biomass) as a baking fuel through the gasifier technology has helped in reducing the carbon footprint as well as cost of baking fuel.

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

The above initiatives resulted in improved productivity, better energy utilisation and reduced energy cost and enhanced process and product quality.

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

(i) Technology imported:

(a) Multihead co-extruder line.

(b) 5 roll mills for improved quality of cream.

(ii) Year of import: 2012-13.

(iii) Has the technology been fully absorbed : Being absorbed as per plan.

(iv) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action: Not applicable.

B. TECHNOLOGY ABSORPTION

Research and Development (R&D)

Details of efforts made in technology absorption are:

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

(i) Creation of a range of differentiated products / packaging for premium health, premium creams and premium cookies.

(ii) Continuous interaction and partnership with institutions and subject matter experts to derive improvements in ingredients, process technologies and cost-effective solutions.

(iii) Continuous research in the area of nutrition, analytical techniques, ingredients, packaging materials, process technology and food safety.

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

(i) New products launched:

- Differentiated variants of Time Pass Classic Salted.
- New coffee variant in Bourbon.

(ii) Packaging upgradation for differentiation and serving different consumption occasions and consumer segments:

- Transition from PVC to PP trays for greener packaging.
- Tighter pack configurations for brands like Good Day and Tiger.
- Tighter pack for Good Day.
- Tighter pack for Tiger.

3. **Future plan of action:**

In keeping with its belief, the Company will continue to focus on technology led innovations to create different, better and special product experiences. It will:

(i) Focus on technological solutions to introduce new products with new benefits and upgrade existing offerings.

(ii) Provide value through differentiated product / pack propositions and cutting edge technologies.

(iii) Explore new ingredients, processes and technologies to create new propositions and taste experiences.

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

₹ in crores

Particulars	31 March 13
Capital	0.52
Recurring	7.81
Total	**8.33**
Total R&D expenditure as a % of turnover (sale of products)	0.15%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports:

(i) The Company actively pursued and secured new export markets for its core products.

(ii) Total foreign exchange used and earned:

₹ in crores

Particulars	31 March 13
Foreign exchange used *	74.18
Foreign exchange earned	96.44

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

On behalf of the Board

Mumbai
24 May 2013

Nusli N Wadia
Chairman

ANNEXURE 'B' TO THE DIRECTORS' REPORT

Disclosure pursuant to the provisions of SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

Particulars	
(a) Options granted	No. of Options Financial Year: 2008-09 75,000 * Financial Year: 2009-10 75,000 * Financial Year: 2010-11 100,000 * Financial Year: 2011-12 125,000 Financial Year: 2012-13 100,000 Total 475,000 * Adjusted number of options consequent upon sub-division of the equity shares on and from 9 September 2010.
(b) The pricing formula	The exercise price was determined in accordance with the pricing formula approved by the shareholders 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 Remuneration / Compensation Committee in which options were granted. Accordingly the options were granted at an exercise price of ₹ 1,125.30, ₹ 1,698.15, ₹ 1,668.55, ₹ 391.75 and ₹ 528.75 being the closing market price on the previous date of grant, i.e. 28 October 2008, 26 May 2009, 26 May 2010, 26 May 2011 and 25 May 2012 respectively for the grants made on 29 October 2008, 27 May 2009, 27 May 2010, 27 May 2011 and 28 May 2012. The prices relating to the options granted on 29 October 2008 and 27 May 2009 were adjusted downwards by ₹ 170, being the face value of bonus debenture, issued as per Scheme of Arrangement approved by Hon'ble High Court of Calcutta by its order dated 11 February 2010. Consequent upon the sub-division of equity shares on and from 9 September 2010, the exercise prices were further adjusted as under: Date of Grant — Adjusted Exercise Price (₹ / share) 29 October 2008 — 191.06 27 May 2009 — 305.63 27 May 2010 — 333.71
(c) Options vested (as at 31 March 2013)	225,000 Options. Options vest 1 year after date of grant of options. The third lot of 100,000 options which were granted on 27 May 2010 vested on 27 May 2011 the fourth lot of 125,000 options granted on 27 May 2011 vested on 27 May 2012 and while fifth lot of 100,000 options granted on 28 May 2012 are due for vesting in the next financial year (i.e. 28 May 2013).
(d) Options exercised (as at 31 March 2013)	150,000 Options.
(e) The total number of shares arising as a result of exercise of option	150,000 Equity Shares.

(f) Options lapsed	Nil.
(g) Variation of terms of options	Not applicable.
(h) Money realized by exercise of options	₹ 37,251,750
(i) Total number of options in force	325,000 Options.
(j) Employee wise details of options granted to:	
(i) Senior managerial personnel	475,000 Options granted to the Managing Director, Ms. Vinita Bali.
(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Not applicable.
(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Not applicable.
(k) Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Accounting Standard 20 (AS20) - "Earnings Per Share"	₹ 19.55
(l) Employee compensation cost	
(i) Method of calculating employee Compensation cost	The Company has calculated the employee compensation cost using the intrinsic value method of accounting for the options granted under the Scheme.
(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options	₹ 1.19 crores.
(iii) The impact of this difference on the profits and on EPS of the Company	Had the Company considered 'fair value' method then the additional employee compensation cost would be ₹ 1.19 crore. The profit before tax and EPS would be lower by ₹ 1.19 crore and ₹ 0.10 respectively.
(m) Weighted average exercise price and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock [Also refer point (b)]	Weighted average Exercise Price for the options granted during the year : ₹ 416.05. Weighted average Fair Value of Option: ₹ 113.91 per option.
(n) Description of method and significant assumptions used during the year to estimate the fair values of options:	Black-Scholes Model.
(i) Risk-free interest rate	8.08%
(ii) Expected life of options	3 years.
(iii) Expected volatility	22.16%
(iv) Expected dividends	425% of face value of share.
(v) Market price (latest available closing price prior to the date of the meeting of the Board for grant)	₹ 1,125.30, ₹ 1,698.15, ₹ 1,668.55, ₹ 391.75 and ₹ 528.75 as on 28 October 2008, 26 May 2009, 26 May 2010, 26 May 2011 and 25 May 2012 respectively.

AUDITOR'S CERTIFICATE

To the Board of Directors of Britannia Industries Limited

We have examined the records and documents maintained by Britannia Industries Limited ('the Company') and based on the information and explanations given to us and to the best of our knowledge and belief, we confirm that the Britannia Industries Limited Employee Stock Option Scheme (ESOS) approved by the Company at its Annual General Meeting held on 28 July 2008, duly amended by the special resolutions passed by the Company at its Annual General Meeting held on 9 August 2010 and 6 August 2011, have been implemented in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 as amended up to Circular No. SEBI/CFD/DIL/ESOP/5/2009/03/09 dated 3 September 2009 ('the Guidelines') and in accordance with the terms of the aforesaid resolutions passed by the Company.

The certificate is issued on the request of the management of the Company and is solely for the purposes as stated in clause 14 of the Guidelines. This certificate is not intended to be and should not be used for any other purpose.

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

Natrajh Ramakrishna
Partner
Membership number: 32815

Place: Mumbai
Date : 24 May 2013

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT

Bakery

Your Company's Bakery portfolio includes biscuit, bread, cake and rusk. Biscuit is the largest of these categories, and has attracted a vast array of competitors ranging from multinationals, on the one hand, to large national local companies and smaller regional players. Cake, rusk and bread on the other hand compete mostly with regional brands with Britannia being the only national player. Overall Bakery, despite the general economic sluggishness, is still growing at 12-14%, with specific segments within that, growing faster – at the top end, driven by differentiation and new taste experiences, and at the bottom end, through availability and affordability. Britannia, with about a third share of the biscuit market and a dominant share of other baked categories is well poised to benefit from this growth, driven by the diversity of its product range and its availability footprint.

The food market itself has seen some interesting structural changes in the past few years with the emergence of a diversified palate of choices across functional and indulgent products. Additionally, with greater affluence and exposure, consumers are increasingly migrating from unbranded commodities, sold loose, to branded and packaged solutions that are hygienic and convenient. The Company, therefore expects the overall Bakery market to grow 13-15% in the coming year.

Dairy

India continues to be world's largest producer and consumer of dairy products. While liquid milk consumption continues to drive the industry, the dairy market is also witnessing a significant shift in value added milk products like branded and packaged dahi, yoghurt, cheese, UHT milk and other milk based beverages. Milk prices remained stable during the year which gave a further boost to the industry.

As mentioned earlier, with higher disposable income, a greater array of choices and an increasing health and nutrition consciousness, the dairy industry will continue to benefit from the migration to branded and value-added milk and milk based products. This has also increased industry competitiveness with local and regional players going national and international players extending their presence and business portfolio. Accessibility, coupled with superior differentiation is creating new categories and usage occasions in dairy. Increasing competitive intensity also means increased investment in infrastructure creation, all of which will ultimately benefit the Indian consumers, as more and better quality products are created and launched.

B) BUSINESS STRATEGY

Your Company's strategy is based on aspirational growth, in the context of the opportunities and challenges that the Indian market presents – an increasing consumer appetite to continually upgrade, irrespective of price points, demanding value for money propositions at all times and a more intense and vibrant competitive scenario, juxtaposed by the pricing policies of agricultural commodities that form the major input.

Bakery

The focus continues to be on profitable growth, driven through innovation and operational excellence right through the value chain. Revenue and cost management form an intrinsic part of operational excellence and will continue to be monitored closely for improvement. The role of innovation in your Company is about creating new sources of value. These include completely new or renovated products and packs that create greater consumer delight or the application of new technology that reduces cost and increases quality delivery, or a process innovation that reduces time to completion and increases efficiency. This comprehensive view of innovation enables your Company to experiment and pilot new initiatives and scale those that are successful. An in-depth understanding of consumers and what excites and motivates them forms the backbone of all our actions – from product design and benefit propositions, to their delivery. Building, improving and maintaining consumer preference and purchase form the basis of your Company's business and long-term success. This involves considerable investment both in the business infrastructure and in Marketing and Sales. Consequently, and in line with its strategy your Company has invested in creating new capacity, both through its own Greenfield units and through expansion with its existing partners. Your Company continues to enhance processes that enable it to focus on extracting the maximum out of its investment in brands behind advertising, promotions and display at point of sale. Your Company is aggressively building and deploying its information technology infrastructure and capability to enable this more effectively. As shared last year, 'Go-to-Market' synergies have been created through the integration of the bakery and dairy sales and distribution system, to present 'One Face of Britannia' to its customers. One example of this is providing the front-end sales people with handheld devices for order taking and analysis. Additionally, your Company is using sophisticated analytical tools to isolate the impact of different elements of the marketing mix, like price, promotions, advertising, availability, etc., on consumer purchases.

Dairy

The Dairy strategy of your Company, focusing on growing the differentiated portfolio, extracting benefits from an integrated sales and distribution system and diversified sourcing, led to creating profitable growth and will be intensified in the coming year. A greater marketing thrust and increased investment in brand building and innovation will help sustain higher levels of consumer preference, purchase and consumption.

Your Company has implemented several initiatives in all areas of operations to create an efficient and robust supply chain and build cold chain capabilities to enhance sales and service to the trade and final consumers.

C) SEGMENT INFORMATION

The primary business segment of your Company is Foods comprising (i) bakery products - biscuit, bread, cake and rusk, and (ii) dairy products – milk, butter, cheese, ghee, dahi, milk-based ready to drink beverages and dairy whitener.

D) OUTLOOK

As discussed previously, the domestic market for packaged, branded food is expected to grow 13-15% in the near term. The challenge to profitable growth comes from the trend in commodity prices, the general economic sentiment and a macro environment that contributes to operational stability in the manufacturing units and markets. Simultaneously, the Indian market opportunity and food market growth will attract new local and international players with deep pockets and a differentiated capability in their domains of operation to enter and expand operations in India. Creating a leadership position in this environment will demand that your Company's brands and their propositions are relevant and exciting for consumers and differentiated enough to create a higher preference and purchase. Your Company's focus is on differentiating its products and continually renovating and innovating them to create unique and superior experiences for its consumers and customers. This, combined with effective cost management will generate profitable growth.

International markets present an opportunity to segment and channel resources to generate profitable growth which is accretive to the domestic business and which your Company has demonstrated. Based on the opportunities in international markets which your Company has isolated, the strategy focuses on key brands in key markets to commercialise those opportunities by sourcing from its factories in India, Dubai and Sohar. Britannia brands are now available in over 30 Countries.

E) FINANCIAL AND OPERATIONAL PERFORMANCE

Sale of Products in the domestic market for bakery products and exports from India representing the standalone performance of your Company, grew 12.9% from ₹ 5,005.66 crores in 2011-12 to ₹ 5,649.66 crores in 2012-13. Net Profit grew 25.2% from ₹ 186.74 crores to ₹ 233.87 crores.

The key financials are as under:

₹ in crores

Particulars	2012-13	2011-12
Sales of Products	5,649.66	5,005.66
Total Expenditure	5,338.78	4,780.35
Profit Before Tax	332.18	252.37
Tax Expense	98.31	65.63
Net Profit	233.87	186.74

F) OPPORTUNITIES AND THREATS

The opportunity for your Company is the large base of consumers in India seeking upgradation at every price point – from unbranded to branded at one end and to highly differentiated and indulgent products at the other end. With increasing exposure, disposable income and new experiences, their expectations will become more demanding and hence superior consumer understanding and the ability to continually engage and delight them will be imperative for success and leadership. Paradoxically, the large and growing base of consumers in India attracts international and local competition. As discussed earlier, branded food is relatively nascent in the Indian market and poised for fast growth in line with the experience of other countries.

Internationally, the opportunities for your Company continue to be the ability to service countries in the GCC and Middle East and selectively enter North America and other select markets, with the differentiated and successful product range from India.

G) RISKS AND CONCERNS

The major risks and areas of concern stem from the aspiration to drive high double digit growth in an environment of economic sluggishness in India, coupled with the volatility of commodity prices and policies. Additionally, greater competitive intensity in this context could drive up the cost of doing business.

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.

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 Audit also evaluates the functioning and quality of internal controls and provides assurance of its 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 conduct by its employees.

The Audit Committee also reviews the risk management framework periodically and ensures it is updated and relevant.

I) HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company is committed to driving an effective and transparent Performance Culture and mindset wherein people take higher ownership and accountability for their own performance and contribute positively and collaboratively to your Company's Business Goals. The same is facilitated through a structured goal alignment and cascading process that links Company goals with individual and functional goals. Your Company has also rolled out functional competency frameworks that measure not just results but "how results are achieved" through the introduction of 'Core Values & Leadership behaviour'. Top performers and high achievers are recognized for their exemplary performance as part of the formal rewards and recognition program launched in 2011-12.

To create an environment of learning and development, your Company has created specific programs where employees take ownership for their own learning and development and your Company provides these opportunities through classroom learning, workshops and experiential learning through cross-functional projects, programs and assignments.

Creating a robust talent pipeline is another priority for your Company and in the last year, several senior positions were filled through internal resources. Your Company has created a strong on-boarding program that includes Know Your Britannia (KYB), New Manager Orientation and in the last year launched the Mentor program for new external hires.

Various forums have been created to engage with people right across the Company. These include small group informal interactions that focus on values, behaviour and culture. There are also ongoing employee forums that focus on challenging tasks using the tools and processes of Quality Circles, Kaizen, Six-Sigma, TQM, etc. Participation is encouraged at the grassroot level – vertically within the function and horizontally across functions.

In 2012-13, Britannia continued to work towards improving its Industrial relations environment by focusing on increasing worker engagement through formal and informal programs. Your Company completed the long term settlement for 2 of its factories.

As of 31 March 2013, your Company had 2,190 employees (including workmen - 906) 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 the 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.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

2. BOARD OF DIRECTORS

The Board is headed by a Non-Executive Chairman, Mr. Nusli N Wadia, and comprises eminent persons with considerable professional experience and expertise in diverse fields. Over three-fourths of the Board consists of Non-Executive Directors. As of 31 March 2013, the Board comprised six independent directors constituting 50% of the total Board strength.

During the year 2012-13, six (6) Board Meetings were held, the dates of the Meetings being 28 May 2012, 12 July 2012, 6 August 2012, 21 September 2012, 6 November 2012 and 11 February 2013. The maximum gap between any two Board Meetings held during the year was not more than four (4) months.

The details of composition of the Board, Directors' attendance at the Board Meetings and at the last Annual General Meeting, Outside Directorships and the Board Committee Memberships as at 31 March 2013 are given hereunder:

Name of the Director	Nature of Directorship	No. of Board Meetings attended	Whether attended last AGM held on 06.08.2012	No. of outside Directorship held #	No. of Board Committee of other Companies in which a Member / Chairman ##
Mr. Nusli N Wadia	Promoter and Non-Executive Chairman	6	Yes	7	Nil
Ms. Vinita Bali	Managing Director	6	Yes	5	Member - 1
Mr. Keki Dadiseth	Non-Executive and Independent	4	Yes	8	Member - 3 / Chairman - 3
Mr. Avijit Deb	Non-Executive and Independent	5	Yes	1	Nil
Mr. A K Hirjee	Promoter and Non-Executive	5	Yes	4	Member - 3 / Chairman - 3
Mr. Nimesh N Kampani	Non-Executive and Independent	5	Yes	6	Member - 1 / Chairman - 1
Mr. S S Kelkar	Promoter and Non-Executive	6	Yes	8	Member - 4
Mr. Jeh N Wadia	Promoter and Non-Executive	5	Yes	3	Nil
Dr. Ajai Puri	Non-Executive and Independent	4	Yes	Nil	Nil
Mr. Nasser Munjee	Non-Executive and Independent	4	Yes	14	Member - 5 / Chairman - 4
Mr. Ness N Wadia	Promoter and Non-Executive	5	Yes	6	Nil
Dr. Vijay L Kelkar	Non-Executive and Independent	2	Yes	7	Member - 3 / Chairman - 1

Excludes alternate directorship and directorship in foreign companies, private companies and companies governed by Section 25 of the Companies Act, 1956.

Excludes Committees other than Audit Committee and Shareholders' / Investors' Grievance Committee and companies other than Public Limited Companies.

Note:

Mr. Nusli N Wadia, Mr. Jeh N Wadia and Mr. Ness N Wadia are relatives in terms of Section 6 of the Companies Act, 1956.

3. BOARD COMMITTEES

The Board has constituted the following Committees of Directors:

(a) **Audit Committee:**

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Audit Committee, as on 31 March 2013, comprised the following six Non-Executive Directors:

Mr. Nasser Munjee – Chairman of the Committee
Mr. Nimesh N Kampani
Mr. Keki Dadiseth
Mr. Avijit Deb
Mr. A K Hirjee
Mr. Ness N Wadia

The Chairman of the Committee, Mr. Nasser Munjee is an Independent Director. Apart from Mr. Nasser Munjee, the other Independent Directors are Mr. Nimesh N Kampani, Mr. Keki Dadiseth and Mr. Avijit Deb.

All the members of the Audit Committee are financially literate and Mr. Nasser Munjee, Mr. Nimesh N Kampani, Mr. Keki Dadiseth and Mr. A K Hirjee have financial management expertise. Mr. P Govindan, Company Secretary, is the Secretary to the Audit Committee. Mr. Vivek P Raizada, Head Legal will take over as Company Secretary effective 1 June 2013 and thereafter, he will act as the Secretary of the Committee.

The role and terms of reference of the Audit Committee include review of Internal Audit reports and Statutory Auditor's report on Financial Statements, general interaction with Internal Auditors and Statutory Auditors, selection and establishment of Accounting Policies, review of Financial Statements both Quarterly and Annual before submission to the Board, review of Management Discussion and Analysis of financial condition and results of operations, review of the performance of Statutory and Internal Auditors, review of risk assessment framework of the Company and adequacy of Internal Control Systems and other matters specified under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Audit Committee also reviews statement of related party transactions, management letters and the response thereto by the management.

During the year under review, the Audit Committee held four (4) Meetings, the dates of meetings being 28 May 2012, 6 August 2012, 6 November 2012 and 8 February 2013.

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

Name	No. of Audit Committee Meetings Attended
Mr. Nasser Munjee	3
Mr. Nimesh N Kampani	4
Mr. Keki Dadiseth	3
Mr. Avijit Deb	3
Mr. A K Hirjee	4
Mr. Ness N Wadia	3

At the Annual General Meeting of the Company held on 6 August 2012, the then Chairman of the Audit Committee, Mr. Nimesh N Kampani, was present.

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

Internal Audit and Control:

M/s. Aneja & Associates, Chartered Accountants, are the Internal Auditors of the Company and their internal audit plan and remuneration are approved by the Audit Committee. The reports and findings of the Internal Auditor and the internal control system are periodically reviewed by the Audit Committee.

(b) Remuneration / Compensation Committee:

The Committee as on 31 March 2013 comprised the following Directors:

Mr. Keki Dadiseth – Chairman of the Committee

Mr. Nusli N Wadia

Mr. A K Hirjee

Mr. Nimesh N Kampani

Mr. Nasser Munjee

Dr. Ajai Puri

The Chairman of the Committee, Mr. Keki Dadiseth, is an Independent Director.

Broad terms of reference of the Remuneration / Compensation Committee include:

(i) Recommendations to the Board, of salary / perquisites, commission and retirement benefits and finalisation of the perquisite package payable to the Company's Managing Director / Wholetime Directors.

(ii) To evolve and bring into effect the Employee Stock Option Scheme (ESOS) within the broad parameters approved by the Board / Shareholders and formulate the detailed terms and conditions of the ESOS.

(iii) To be responsible for the administration and superintendence of the ESOS.

During the year under review, the Remuneration / Compensation Committee met once on 28 May 2012. Mr. Nusli N Wadia, Mr. Nimesh N Kampani and Mr. Nasser Munjee were present at the Meeting.

Remuneration Policy:

Managing Director

Ms. Vinita Bali was re-appointed as Managing Director for a period of five years effective 31 May 2011 by the Board of Directors at their Meeting held on 27 May 2011 on expiry of her earlier term of office. The said re-appointment was approved by the shareholders at the Annual General Meeting held on 6 August 2011. The terms and conditions of re-appointment and remuneration payable to the Managing Director were fixed by the Board of Directors of the Company and an agreement dated 24 August 2011 was entered between the Managing Director and the Company.

The details of remuneration paid to Ms. Vinita Bali for the year 2012-13 are as follows:

Name	Salary / Benefits (₹) *	No. of Stock Options granted on				
		29 October 2008	27 May 2009	27 May 2010	27 May 2011	28 May 2012
Ms. Vinita Bali	40,955,921	75,000 **	75,000 **	100,000 **	125,000	100,000

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

** Adjusted numbers consequent upon sub-division of 1 equity share of ₹ 10 into 5 equity shares of ₹ 2 each on and from 9 September 2010.

Notes:

(i) Vesting period of Options: A minimum period of 1 year from the date of grant.

(ii) Exercise period of Options: A maximum period of 3 years from the date of vesting.

(iii) Allotment of 75,000 equity shares each was made on 21 September 2012 and 2 April 2013 upon exercise of options granted in 2008 and 2009. Arising from these allotments, Ms. Vinita Bali, Managing Director, holds 150,000 equity shares of ₹ 2 each of the Company.

(iv) Details of the options granted including Exercise Price, etc. are given in Annexure B to the Directors' Report.

The remuneration to Ms. Vinita Bali comprises basic salary (upto a maximum of ₹ 20 lakhs per month), allowances, commission based on net profits, perquisites, contributions to provident fund, superannuation fund, gratuity based on basic salary and encashment of unavailed leave. Notwithstanding anything to the contrary, in the event of there being no profits or inadequate profits, the Company will pay remuneration by way of salary and perquisites and allowances as specified above to Ms. Bali in compliance with Schedule XIII of the Companies Act, 1956 and with the approval of the Central Government, if and to the extent necessary.

As per the agreement referred to above, either party to the agreement is entitled to terminate the employment by giving not less than six calendar months prior notice in writing to the other party; provided however that the Company shall be entitled to terminate the incumbent's employment at any time by payment to her of six months' basic salary in lieu of such notice. In addition, the Company has a right to terminate the agreement by giving at least 30 days notice in writing in case of any misconduct or any breach of the agreement by the incumbent.

Non-Executive Directors

The Non-Executive Directors do not draw any remuneration from the Company other than sitting fees and commission on the net profits of the Company. The Board collectively decides the aggregate amount of commission for each year and the amount of commission payable to individual Non-Executive Directors is determined based on their attendance at the meetings of the Board of Directors and its Committees and their contribution. The shareholders of the Company have approved the payment of commission to Non-Executive Directors at the Annual General Meeting held on 9 August 2010.

Details of remuneration to Non-Executive Directors for the year 2012-13 are given below:

Name	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Nusli N Wadia	140,000	8,000,000	8,140,000
Mr. A K Hirjee	280,000	1,976,000	2,256,000
Mr. S S Kelkar	240,000	1,694,000	1,934,000
Mr. Nimesh N Kampani	240,000	1,835,000	2,075,000
Mr. Avijit Deb	160,000	1,129,000	1,289,000
Mr. Jeh N Wadia	140,000	988,000	1,128,000
Mr. Keki Dadiseth	140,000	1,059,000	1,199,000
Dr. Ajai Puri	80,000	706,000	786,000
Mr. Nasser Munjee	160,000	1,200,000	1,360,000
Mr. Ness N Wadia	160,000	1,129,000	1,289,000
Dr. Vijay L Kelkar	40,000	284,000	324,000

The commission amount, as mentioned above, will be paid, subject to deduction of tax, after the adoption of accounts for the year ended 31 March 2013 by the shareholders at the Annual General Meeting to be held on 12 August 2013. The Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company.

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

(c) **Share Transfer & Shareholders' / Investors' Grievance and Ethics / Compliance Committee:**

The Share Transfer & Shareholders' / Investors' Grievance and Ethics / Compliance Committee consisted of four (4) Non-Executive Directors and Managing Director namely:

Mr. A K Hirjee	–	Non-Executive Director (Chairman)
Mr. S S Kelkar	–	Non-Executive Director
Mr. Nimesh N Kampani	–	Non-Executive Director
Mr. Jeh N Wadia	–	Non-Executive Director
Ms. Vinita Bali	–	Managing Director

The Committee:

(i) approves and monitors transfers, transmission, splitting, consolidation, dematerialisation, rematerialisation of securities and issue of duplicate share certificates by the Company over and above the delegated power as detailed below;

(ii) looks into various issues relating to shareholders, including redressal of complaints relating to transfer of shares, non-receipt of annual reports, dividends, etc.; and

(iii) carries out the functions envisaged under the Code of Conduct for Prevention of Insider Trading adopted by the Company in terms of Regulation 12(1) of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

The Board at its meeting held on 10 November 2010 had delegated the powers to approve transfer and transmission of securities, issuance of duplicate certificates of securities, etc. subject to certain guidelines and limits laid down and as modified by the Board at its meeting held on 6 August 2011, severally to the Chief Financial Officer and the Company Secretary.

During the year under review, the Committee held two (2) meetings, the dates of meetings being 21 September 2012 and 18 March 2013.

The attendance of the members of the Committee at its meetings held during the year under review is as follows:

Name	No. of Meetings Attended
Mr. A K Hirjee	1
Mr. S S Kelkar	2
Mr. Nimesh N Kampani	2
Mr. Jeh N Wadia	2
Ms. Vinita Bali	2

Mr. P Govindan, Company Secretary, is the Compliance Officer of the Company till 31 May 2013 and Mr. Vivek P Raizada, Head-Legal, will takeover as Company Secretary effective 1 June 2013 and act as Compliance Officer thereafter.

Complaints received and resolved during the year:

No. of shareholders' complaints received during the year	28
No. of complaints not resolved to the satisfaction of shareholders	Nil
No. of pending share transfers	Nil

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

Shareholders' requests for transfer / transmission of equity shares were effected within 15 days from the date of receipt. There were no valid transfers pending for registration as of 31 March 2013.

(d) **Executive Committee of Board:**

The Executive Committee of the Board (COB) consisted of Mr. Nusli N Wadia, Chairman, Mr. A K Hirjee, Dr. Ajai Puri, Mr. Nasser Munjee, Mr. Ness N Wadia and Dr. Vijay L Kelkar. The broad terms of reference of the COB included review and discussion from time to time of business plans and strategies, procurement strategies in respect of key commodities, business performance, etc., and addressing issues related to capital expenditure. During the year under review, no meeting of the COB was held since the business performance, business plans and strategies were reviewed and deliberated upon from time to time by the full Board.

(e) **Other Committees of the Board:**

In addition to the above Committees, the Board has constituted the following Committees:

(i) **Investment / Finance Committee:**

The Committee comprises Mr. A K Hirjee, Chairman of the Committee, Mr. S S Kelkar, and Mr. Ness N Wadia, all being Non-Executive Directors.

The brief terms of reference of this Committee are to approve investments / divestments of the funds of the Company within the limits prescribed by the Board from time to time. During the year under review, four (4) meetings of the Committee were held, the dates of meetings being 8 May 2012, 12 July 2012, 25 October 2012 and 29 January 2013. While Mr. A K Hirjee and Mr. S S Kelkar attended all the 4 meetings, Mr. Ness N Wadia could not attend any meeting. Further, telephone meetings were held by the Committee members every month to review investments / disinvestments / re-investments, and related issues.

(ii) **Nomination Committee:**

The Nomination Committee comprises Mr. Nusli N Wadia, Chairman and Mr. Nimesh N Kampani.

The terms of reference of this Committee were to identify and recommend to the Board the appointment of the Managing Director / Wholetime Director / Chief Executive Officer of the Company. During the year under review, no meeting of the said Committee was held as there were no appointments for consideration.

(iii) **Innovation Committee:**

The Committee consisted of the following Members:

Dr. Ajai Puri	–	Non-Executive Director (Chairman)
Ms. Vinita Bali	–	Managing Director
Mr. Keki Dadiseth	–	Non-Executive Director
Mr. Ness N Wadia	–	Non-Executive Director

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

During the year under review no Innovation Committee Meeting was held since the matters relating to the Company's products and technical development activities were taken up and reviewed in separate forums and also at the Board Meetings from time to time.

4. GENERAL BODY MEETINGS

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

Date	Location	Time	Special Resolutions Passed
6 August 2012	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098.	11.00 a.m.	Nil
6 August 2011	The Oberoi Grand, 15, Jawaharlal Nehru Road, Kolkata - 700 013.	11.00 a.m.	Enhancement of number of options to be granted under the Employee Stock Option Scheme.
9 August 2010	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098.	10.30 a.m.	1. Payment of commission to Non-Executive Directors. 2. Alteration of Articles of Association. 3. Amendment to Employee Stock Option Scheme.

(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: No.

5. DISCLOSURES

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

Related party transactions in the ordinary course of business are reported to the Audit Committee. None of them were (i) not in the normal course of business, or (ii) not on arms length basis, or (iii) in conflict with the interests of the Company at large, including the related party transactions that are disclosed under Note 41 of the notes to financial statements for the year 2012-13.

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

(c) Risk Management:

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

(d) Code of Conduct:

The Company has laid down a Code of Conduct for the members of the Board as well as for all employees of the Company. The code has also been posted on the Company's website – www.britannia.co.in. The Managing Director has confirmed and declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

(e) Public, Rights and Other Issues: None.

(f) The financial statements for the year 2012-13 have been prepared in accordance with the applicable Accounting Standards prescribed by the Institute of Chartered Accountants of India and as required under the Companies (Accounting Standards) Rules, 2006.

(g) CEO / CFO Certification:

Ms. Vinita Bali, Managing Director and Mr. Vinod Krishna Menon, Chief Financial Officer, have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO / CFO certification for the financial year ended 31 March 2013.

(h) Management Discussion and Analysis Report:

This has been separately attached to the Directors' Report.

(i) Compliance Reports:

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

6. MEANS OF COMMUNICATION

Quarterly, Half-Yearly and Annual Results:

Quarterly, half-yearly and yearly financial results are published within the stipulated time as per the Listing Agreement in leading newspapers, i.e. Financial Express (all editions) and Pratidin (Kolkata edition). The Company also uploads financial results on its website – www.britannia.co.in.

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

Two presentations were made to the institutional investors and to the analysts during the year 2012-13 which are available on the website of the Company – www.britannia.co.in.

7. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting – Date, time and venue:

12 August 2013 – 11 a.m. at Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata 700 098.

(b) Financial calendar (tentative):

Period	Approval of Quarterly Results
For the first quarter ending 30 June 2013	2nd week of August 2013
For the second quarter and half year ending 30 September 2013	2nd week of November 2013
For the third quarter ending 31 December 2013	2nd week of February 2014
For the year ending 31 March 2014	Last week of May 2014

(c) Book closure period : Thursday, 25 July 2013 to Monday, 12 August 2013 (both days inclusive).

(d) Dividend payment date : On or from 23 August 2013

(e) Listing on Stock Exchanges:

The Company's equity shares are listed on:

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

Debentures remained on the list of securities listed on BSE, NSE and Calcutta Stock Exchange Limited (CSE) till their redemption on 22 March 2013 when the Debt Listing Agreement stood terminated.

Listing fees for equity shares as prescribed have been paid to BSE and NSE up to 31 March 2014.

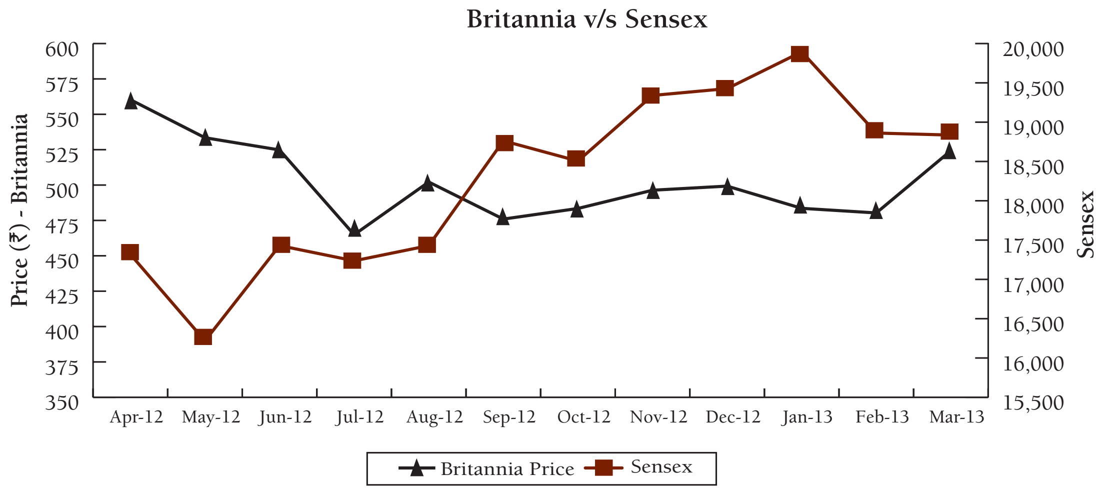
(f) Stock Code:

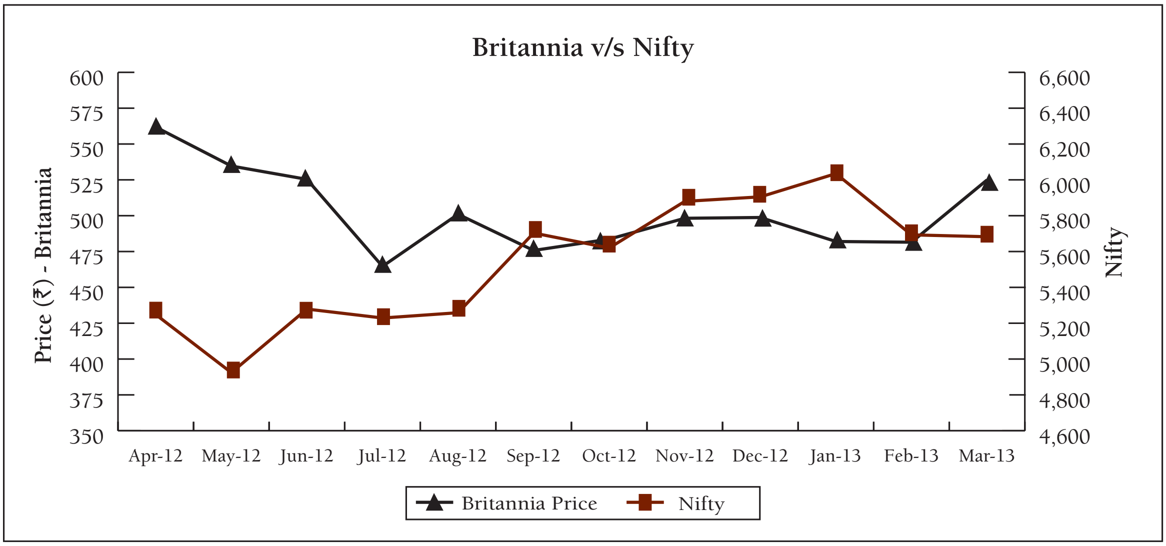
Stock Exchange	Equity Shares
Bombay Stock Exchange Limited	500825
National Stock Exchange of India Limited	BRITANNIA

(g) Stock Price Data:

Year / Month	Bombay Stock Exchange (BSE) (Closing Stock Price) (in ₹)		BSE (Sensex) (Monthly Closing)	National Stock Exchange (NSE) (Closing Stock Price) (in ₹)		NSE (Nifty) (Monthly Closing)
	High	Low		High	Low	
2012						
April	599.90	543.20	17,318.81	599.90	530.10	5,248.15
May	566.95	506.60	16,218.53	566.10	506.50	4,924.25
June	549.00	511.10	17,429.98	547.90	494.95	5,278.90
July	552.90	462.00	17,236.18	552.15	462.05	5,229.00
August	505.00	450.00	17,429.56	505.00	380.00	5,258.50
September	509.00	468.15	18,762.74	510.00	468.00	5,703.30
October	524.80	462.95	18,505.38	524.90	470.60	5,619.70
November	504.00	400.00	19,339.90	503.80	458.50	5,879.85
December	509.25	486.15	19,426.71	505.00	444.90	5,905.10
2013						
January	566.00	468.20	19,894.98	574.90	470.00	6,034.75
February	595.00	463.00	18,861.54	519.00	455.90	5,693.05
March	548.20	478.25	18,835.77	548.15	476.80	5,682.55

(h) Stock Performance (Comparison of closing price / index value on the respective monthly closing):





(i) In terms of Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001, during the year ended 31 March 2013, the Company has credited an aggregate amount of ₹ 1,234,520 to the Investor Education and Protection Fund (IEPF).

As at 31 March 2013, the Company's unpaid / unclaimed dividend / interest / debenture redemption proceeds account had a balance of ₹ 87,853,387.94 in various dividend / interest / debenture redemption proceeds accounts. The Company sends out reminders to those shareholders who have not claimed the dividends for earlier years to claim the same from the Company failing which the Company would be required to transfer the same to IEPF after seven years.

(j) Registrar and Transfer Agents:

M/s. Sharepro Services (India) Private Limited, is the Registrar and Transfer Agents of the Company and handles the entire share registry work, both Physical and Electronic. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the Registrar and Transfer Agents at the address mentioned below:

Sharepro Services (India) Private Limited
13 AB, Samhita Warehousing Complex, II Floor,
Sakinaka Telephone Exchange Lane,
Off Andheri - Kurla Road, Sakinaka, Andheri (East),
Mumbai - 400 072.
Telephone Nos : 022-67720300 / 400
Fax No : 022-28591568
Contact Person: Ms. Indira P. Karkera
Email : indira@shareproservices.com or sharepro@shareproservices.com

Share transfers, where documents were found to be in order, were registered and returned in the normal course within a period of two weeks from the date of receipt of the documents. Requests for dematerialisation / rematerialisation of shares were processed and confirmation was given to the depositories i.e. National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL), as the case may be, within 15 days of receipt.

(k) (i) Distribution of Shares according to Size, Class and Categories of Shareholding as on 31 March 2013:

Group of Shares	No. of Shareholders	Percentage to Total Shareholders	No. of Shares held	Percentage to Total Shares
1 to 500	34,247	80.896	2,882,376	2.412
501 to 1,000	4,067	9.607	2,683,446	2.245
1,001 to 2,000	2,402	5.674	3,221,080	2.695
2,001 to 3,000	633	1.495	1,517,237	1.269
3,001 to 4,000	208	0.491	729,225	0.610
4,001 to 5,000	135	0.319	625,019	0.523
5,001 to 10,000	291	0.687	2,107,661	1.763
10,001 & above	352	0.831	105,759,771	88.483
Total	**42,335**	**100.000**	**119,525,815**	**100.000**

(ii) Shareholding Pattern as on 31 March 2013:

Category of Shareholder	No. of Shareholders	Total No. of Shares held	Percentage of Shareholding
Promoters *	7	60,868,345	50.92
Mutual Funds	57	4,099,433	3.43
Banks & Financial Institutions	24	9,384,845	7.85
Foreign Institutional Investors	97	21,383,695	17.89
Bodies Corporate & Trusts	848	2,617,198	2.19
Director & Relatives	1	75,000	0.06
Foreign Nationals & NRIs	888	706,886	0.53
Indian Public	40,413	20,390,413	17.13
Total	**42,335**	**119,525,815**	**100.00**

* Includes 2,250 equity shares of ₹ 2 each held by Mr. Nusli N Wadia, Promoter Director.

(l) Dematerialisation of Shares:

114,620,701 equity shares representing 95.90% of the total equity capital were held in dematerialised form with the National Securities Depository Limited and Central Depository Services (India) Ltd. as on 31 March 2013.

(m) Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion dates and likely impact on equity: Not applicable.

(n) Plant Locations:

Kolkata	15, Taratola Road, Kolkata - 700 088.
Delhi	33, Lawrence Road, Delhi - 110 035.
Uttarakhand	Plot No.1, Sector 1, Integrated Industrial Estate (IIE), Pant Nagar, Tehsil / Taluk, Rudrapur Kichha, District Udham Singh Nagar, Uttarakhand.
Bihar	Industrial Area, EPIP, Hajipur, Dist. Vaishali, Bihar.
Orissa	F/21, Revenue Village Jemadei, Khurda Industrial Estate, Orissa.

(o) Address for correspondence:

Executive Office	Registered Office
Britannia Industries Limited Britannia Gardens, Old Airport Road, Vimanapura, Bangalore - 560 017. Tel : (080)39400080 Fax : (080)25266063 Contact Persons : Mr. Vivek P Raizada / Mr. Vighneshwar G Bhat Email : vivekraizada@britindia.com / vgbhat@britindia.com	Britannia Industries Limited 5/1A, Hungerford Street, Kolkata - 700 017. Tel : (033) 22870505/ 2057 Fax : (033) 22872501 Contact Persons : Mr. B K Guha / Ms. Pousali Sinha Email : bguha@britindia.com / pousali@britindia.com

Note:

Pursuant to Clause 47(f) of the Listing Agreement, the Company has designated an e-mail ID exclusively for registering complaints by investors and investors can reach the Company at investorrelations@britindia.com.

(p) Adoption, Compliance and Non-adoption 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.

The Company has not fixed the tenure of Independent Directors on the Board. The dates of appointment of Independent Directors are as follows:

Name of the Independent Director	Date of First Appointment
Mr. Avijit Deb	30 March 2001
Mr. Nimesh N Kampani	30 March 2001
Mr. Keki Dadiseth	31 May 2006
Dr. Ajai Puri	30 April 2009
Mr. Nasser Munjee	17 August 2009
Dr. Vijay L Kelkar	28 May 2010

(ii) Remuneration / Compensation Committee:

Information pertaining to Remuneration / Compensation Committee is provided in point No. 3(b) of this report.

(iii) Shareholder Rights – furnishing of half yearly results:

The Company's quarterly and half yearly results are published in the newspapers and also uploaded on its website – www.britannia.co.in. Therefore, no individual communication is sent to shareholders on the quarterly and half yearly financial results. However, the Company furnishes the quarterly and half yearly results on receipt of a request from the shareholders.

(iv) Audit Qualifications:

There are no qualifications in the Independent Auditor's Report on the financial statements for the year 2012-13.

(v) Others:

The Company has not adopted other non-mandatory requirements of Clause 49 of the Listing Agreement, relating to imparting training to the Non-Executive Directors, evaluation of their performance and the whistle blower policy.

Mumbai
24 May 2013

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, this is to confirm that all the members of the Board and the Senior Management have affirmed compliance with the Code of Conduct for the year ended 31 March 2013.

For Britannia Industries Limited

Place: Mumbai
Date : 24 May 2013

Vinita Bali
Managing Director

Auditor's certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements

To the Members of Britannia Industries Limited

We have examined the compliance of conditions of corporate governance by Britannia Industries Limited ('the Company'), for the year ended 31 March 2013, as stipulated in Clause 49 of the listing agreement(s) of the Company with the stock exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement(s).

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

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

Natrajh Ramakrishna
Partner
Membership number: 32815

Place: Mumbai
Date : 24 May 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Britannia Industries Limited

Report on the financial statements

We have audited the accompanying financial statements of Britannia Industries Limited ('the Company'), which comprise the balance sheet as at 31 March 2013, the statement of profit and loss and the cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2013;

(ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and

(iii) in the case of the cash flow statement, of the 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, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

   c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;

   d. in our opinion, the balance sheet, the statement of profit and loss and the cash flow statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and

   e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

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

Natrajh Ramakrishna
Partner
Membership number: 32815

Place: Mumbai
Date : 24 May 2013

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in our Report to the Members of Britannia Industries Limited ('the Company') for the year ended 31 March 2013. 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, a portion of fixed assets have been physically verified during the year and no material discrepancies were observed on such verification.

(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.

(b) The procedures for physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) (a) The Company has granted unsecured loan to a company covered in the register maintained under Section 301 of the Companies Act, 1956 ('the Act'). The maximum amount outstanding during the year aggregated ₹ 100 crores and the year-end balances of such loans aggregated ₹ Nil. The Company has not granted any other secured or unsecured loans to any other companies / firms / other parties listed in the register maintained under Section 301 of the Act.

(b) In our opinion, the rate of interest and other terms and conditions on which the above unsecured loans have been granted to this company, are not, prima facie, prejudicial to the interest of the Company.

(c) In case of loans granted to the company listed in the register maintained under Section 301, the loans are repayable on demand and the borrower has been regular in repayment of principal amount and interest as demanded.

(d) There is no overdue amount of more than Rupees one lakh in respect of above loan given to the company listed in the register maintained under Section 301 of the Act.

(e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weaknesses in the internal control system during the course of the audit.

(v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of ₹ 5 lakhs with each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for certain services which are for Company's specialised requirements and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appears reasonable.

(vi) The Company has not accepted any deposits from the public during the year.

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Act in respect of the products manufactured by the Company and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(ix) (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, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues have 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, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty and other material statutory dues were in arrears as at 31 March 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Wealth tax and Customs duty which have not been deposited with the appropriate authorities on account of any dispute. The particulars of dues of Income-tax, Sales tax, Service tax and Excise duty as at 31 March 2013 which have not been deposited on account of disputes are as follows:

Statute / Nature of dues	Amount (₹)	Period to which the amount relates *	Forum where the dispute is pending
Excise duty (including service tax)	12,792,532	1998-2001	Supreme Court
	21,128,681	1994-2007	High Court
	160,855,510	1980-2009	Tribunal / CESTAT
	245,849,491	1992-2012	Appellate Authority up to Commissioner's level
Sales tax / Value added tax	98,792,727	1998-2013	Supreme Court
	165,454,000	1989-2013	High Court
	43,324,101	1996-2012	Tribunal
	291,048,039	1997-2013	Appellate Authority up to Commissioner's level
Income tax	299,595,205	1992-2002	High Court
	9,178,646	1990-1992	Tribunal
	35,876,825	2004-2010	Appellate Authority up to Commissioner's level

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

(x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.

(xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks or debentureholders. The Company did not have any outstanding dues to any financial institutions.

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

(xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.

(xv) In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.

(xvi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.

(xvii) According to the information and explanation given to us, during the financial year 2012-13, the Company having regard to the market conditions, has partially utilised short term funds for the repayment of 8.25% redeemable non-convertible bonus debentures amounting to ₹ 406.13 crores. Accordingly, on an overall examination of the Balance Sheet of the Company as at 31 March 2013, the short term funds of ₹ 262.22 crores have been used for long term investments. The aforesaid amount has been computed based on the guidance provided in the Statement on Companies (Auditor's Report) Order, 2003 issued by the Institute of Chartered Accountans of India. As represented to us by the Management, the above utilisation of short term funds is temporary in nature.

(xviii) The Company has not made any preferential allotment of shares to companies / firms / parties covered in the register maintained under Section 301 of the Act.

(xix) According to the information and explanations given to us, the Company had created security / charge in respect of bonus debentures outstanding during the year. However the debentures have been repaid during the year and the security / charge has been released subsequent to the balance sheet date.

(xx) The Company has not raised any money by public issues during the year.

(xxi) According to the information and explanations given to us, no fraud on or by the Company during the year has been noticed or reported during the course of our audit.

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

Natrajh Ramakrishna
Partner
Membership number: 32815

Place: Mumbai
Date : 24 May 2013

BALANCE SHEET

₹ in crores

As at				Note No.	31 March 2013	31 March 2012
I.	EQUITY AND LIABILITIES					
	(1)	Shareholders' funds				
		(a)	Share capital	2	23.91	23.89
		(b)	Reserves and surplus	3	612.50	496.15
					636.41	520.04
	(2)	Share application money pending allotment		2 (e)	2.29	-
	(3)	Capital subsidy		45	4.82	-
	(4)	Non-current liabilities				
		(a)	Long-term borrowings	4	0.41	28.15
		(b)	Deferred tax liabilities (net)	5	13.62	8.16
		(c)	Other long-term liabilities	6	19.18	19.91
		(d)	Long-term provisions	7	138.56	116.82
					171.77	173.04
	(5)	Current liabilities				
		(a)	Short-term borrowings	8	189.24	-
		(b)	Trade payables	9	333.61	336.20
		(c)	Other current liabilities	10	210.49	518.26
		(d)	Short-term provisions	11	134.40	124.80
					867.74	979.26
					1,683.03	1,672.34
II.	ASSETS					
	(1)	Non-current assets				
		(a)	Fixed assets	12		
			(i) Tangible assets		437.76	370.63
			(ii) Intangible assets		13.92	8.46
			(iii) Capital work-in-progress		128.44	79.73
					580.12	458.82
		(b)	Non-current investments	13	234.10	218.40
		(c)	Long-term loans and advances	14	141.31	125.02
		(d)	Other non-current assets	30	12.12	12.12
	(2)	Current assets				
		(a)	Current investments	15	45.50	210.54
		(b)	Inventories	16	331.49	382.28
		(c)	Trade receivables	17	77.12	52.14
		(d)	Cash and bank balances	18	64.48	30.94
		(e)	Short-term loans and advances	19	196.79	182.08
					715.38	857.98
					1,683.03	1,672.34
Significant accounting policies				1		

See accompanying notes to financial statements

As per our report of even date attached
for **B S R & Co.**
Chartered Accountants
Firm registration number: 101248W

Natrajh Ramakrishna
Partner
Membership number: 32815
Place : Mumbai
Date : 24 May 2013

for **and on behalf of the Board of Directors**
Chairman : Nusli N Wadia
Managing Director : Vinita Bali
Directors : A K Hirjee
S S Kelkar
Avijit Deb
Jeh N Wadia
Nasser Munjee
Ness N Wadia
Vijay L Kelkar
Chief Financial Officer : Vinod Krishna Menon
Company Secretary : P Govindan
Place : Mumbai
Date : 24 May 2013

STATEMENT OF PROFIT AND LOSS

₹ in crores

For the year ended		Note No.	31 March 2013	31 March 2012
I.	Revenue from operations			
	Sale of products		5,649.66	5,005.66
	Less: Excise duty		(85.28)	(58.62)
	Net sale of products		5,564.38	4,947.04
	Other operating revenues	20	51.11	27.15
			5,615.49	**4,974.19**
II.	Other income	21	55.47	58.53
III.	**Total revenue (I + II)**		**5,670.96**	**5,032.72**
IV.	Expenses			
	Raw materials including packaging materials consumed		2,890.42	2,655.01
	Purchase of stock-in-trade	22	638.18	529.53
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(10.16)	(4.79)
	Employee benefits expense	24	143.50	145.87
	Finance costs	25	37.74	38.07
	Depreciation and amortisation expense	12	57.08	47.32
	Other expenses	26	1,582.02	1,369.34
	Total expenses		**5,338.78**	**4,780.35**
V.	**Profit before tax (III - IV)**		**332.18**	**252.37**
VI.	Tax expense			
	(1) Current tax			
	Income tax		92.85	63.71
	(2) Deferred tax		5.46	1.92
VII.	**Profit for the year (V - VI)**		**233.87**	**186.74**
VIII.	Earnings per equity share [Refer note 39]			
	(1) Basic [nominal value of ₹ 2/- each]		19.57	15.63
	(2) Diluted [nominal value of ₹ 2/- each]		19.55	15.62
	Weighted average number of equity shares used in computing earnings per share:			
	- Basic		119,490,267	119,450,815
	- Diluted		119,608,513	119,560,465
Significant accounting policies		1		

See accompanying notes to financial statements

As per our report of even date attached
for **B S R & Co.**
Chartered Accountants
Firm registration number: 101248W

Natrajh Ramakrishna
Partner
Membership number: 32815
Place : Mumbai
Date : 24 May 2013

for **and on behalf of the Board of Directors**
Chairman : Nusli N Wadia
Managing Director : Vinita Bali
Directors : A K Hirjee
S S Kelkar
Avijit Deb
Jeh N Wadia
Nasser Munjee
Ness N Wadia
Vijay L Kelkar
Chief Financial Officer : Vinod Krishna Menon
Company Secretary : P Govindan
Place : Mumbai
Date : 24 May 2013

CASH FLOW STATEMENT

₹ in crores

For the year ended	31 March 2013	31 March 2012
Cash flows from operating activities		
Profit before tax	332.18	252.37
Adjustments for:		
Depreciation and amortisation	57.08	47.32
Provision / (reversal) for diminution in value of investments, net	-	2.35
Profit on sale of investments, net	(14.73)	(9.10)
Profit on sale of fixed assets, net	(7.98)	(16.40)
Dividend income	(0.23)	(0.19)
Interest income	(32.35)	(32.12)
Interest expense	37.74	38.07
Operating profit before working capital changes	**371.71**	**282.30**
(Increase) / decrease in inventories	50.79	(71.08)
(Increase) / decrease in trade receivables	(24.98)	5.12
(Increase) / decrease in loans and advances and other assets	(64.11)	(62.70)
(Increase) / decrease in bank balances (other than cash and cash equivalents)	(5.82)	(0.88)
Increase / (decrease) in liabilities and provisions	23.86	107.54
Cash generated from operations	**351.45**	**260.30**
Income taxes paid, net of refund	(79.44)	(49.64)
Net cash provided by operating activities	**272.01**	**210.66**
Cash flows from investing activities		
Purchase of fixed assets (including finance leased assets)	(192.88)	(191.20)
Proceeds from sale of fixed assets	8.80	20.14
Sale of investments, net	164.07	122.82
Inter-corporate deposits redeemed	60.00	-
Loans given to subsidiaries	(29.31)	(37.96)
Loans repaid by subsidiaries	7.24	2.27
Interest received	35.74	32.18
Dividend received	0.23	0.19
Net cash provided by / (used in) investing activities	**53.89**	**(51.56)**
Cash flows from financing activities		
Repayment of secured loans, net	(400.58)	(0.83)
Interest paid	(38.74)	(37.66)
Proceeds from share allotment	1.44	-
Proceeds from share application money pending allotment	2.29	-
Proceeds from capital subsidy	5.00	-
Proceeds from unsecured loans	189.24	-
Dividend paid including tax thereon	(117.76)	(90.06)
Net cash provided by / (used in) financing activities	**(359.11)**	**(128.55)**
Net (decrease) / increase in cash and cash equivalents	**(33.21)**	**30.55**
Cash and cash equivalents at the beginning of the year	26.19	(4.36)
Cash and cash equivalents at the end of the year (Refer note below)	**(7.02)**	**26.19**

CASH FLOW STATEMENT (CONTINUED)

₹ in crores

For the year ended	31 March 2013	31 March 2012
Note:		
Cash and cash equivalents at the end of the year	53.91	26.19
Book overdraft [Refer note 10]	(60.93)	-
	(7.02)	**26.19**

As per our report of even date attached
for **B S R & Co.**
Chartered Accountants
Firm registration number: 101248W

Natrajh Ramakrishna
Partner
Membership number: 32815
Place : Mumbai
Date : 24 May 2013

for **and on behalf of the Board of Directors**
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Jeh N Wadia
Nasser Munjee
Ness N Wadia
Vijay L Kelkar
Chief Financial Officer : Vinod Krishna Menon
Company Secretary : P Govindan
Place : Mumbai
Date : 24 May 2013

NOTES TO FINANCIAL STATEMENTS

Note 1 Significant accounting policies

(a) Basis of accounting and preparation of financial statements

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting to comply in all material aspects with the applicable accounting principles in India, the mandatory Accounting Standards ('AS') prescribed by the Companies (Accounting Standard) Rules, 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Securities and Exchange Board of India ('SEBI').

(b) Use of estimates

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

(c) Fixed assets

Tangible assets

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

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

Intangible assets

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

(d) Depreciation and amortisation

Depreciation in respect of all the assets is provided on straight line method. The rates of depreciation prescribed in Schedule XIV to the Act are considered as minimum rates. If the Management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the Management's estimate of the useful life / remaining useful life.

Vehicles acquired on finance lease are depreciated over a period of 5 years.

With effect from 1 April 2010, the Management has revised the estimated useful life for computers (part of office equipments) to four years (from six years used earlier), based on a review of useful life of such assets.

Computer softwares are fully depreciated over a period of six years, based on the review of useful life of such assets.

Assets costing individually upto ₹ 5,000/- are fully depreciated in the year of addition.

Leasehold land is amortised over the period of primary lease.

(e) Impairment of assets

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

(f) Leases

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

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

(g) Inventories

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

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

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

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

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

(h) Trade receivables and loans and advances

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

(i) Investments

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

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

(j) Revenue recognition

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

Income from royalty is accounted based on contractual agreements.

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

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

(k) Foreign currency transactions

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

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

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

(l) Derivative contracts

Based on the principle of prudence as provided in Accounting Standard 1 - "Disclosure of Accounting Policies", the Company assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates" (Refer point (k) above)] at the balance sheet date and provides for such losses. The net gain, if any, based on the said evaluation is not accounted for in line with the ICAI notification issued in March 2008 in relation to such transactions.

(m) Taxes on income

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

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

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

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

(n) Employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment benefits

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

The Britannia Industries Limited Covenanted Staff Pension Fund Trust ('BILCSPF') and Britannia Industries Limited Officers' Pension Fund Trust ('BILOPF') were established by the Company to administer pension schemes for its employees. These trusts are managed by the Trustees. The Pension Scheme is applicable to all the managers and officers of the Company who have been employed up to the date of 15 September 2005 and any manager or officer employed after that date, if he has opted for the membership of the Scheme. The Company makes a contribution of 15% of salary in respect of the members, each month to the trusts.

On retirement, subject to the vesting conditions as per the rules of the trust, the member becomes eligible for pension, which is paid from annuity purchased in the name of the member by the trusts.

(iii) Other long-term employee benefits

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

(iv) Voluntary retirement scheme benefits

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

(o) Employee share based payments

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

(p) Provisions and contingent liabilities

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

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

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

(q) Earnings per share

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

(r) Cash flow statement

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

(s) Borrowing costs

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

(t) Capital subsidy

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

(u) Government grants related to revenue

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 2 - Share capital		
Authorised		
Equity shares	50.00	50.00
[250,000,000 equity shares of ₹ 2/- each (previous year: 250,000,000 equity shares of ₹ 2/- each)]		
Issued, subscribed and paid up		
Equity shares fully paid	23.91	23.89
[119,525,815 equity shares of ₹ 2/- each (previous year: 119,450,815 equity shares of ₹ 2/- each)]*		
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (previous year: 60,866,095 equity shares of ₹ 2/- each) are held by the subsidiaries of The Bombay Burmah Trading Corporation Limited, the ultimate holding company [Refer note (a) below].		
Rights, preferences and restrictions attached to the equity shares:		
- The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.		
- The Company declares and pays dividends in Indian ₹. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
- During the year ended 31 March 2013, the amount of per share dividend recognized as distribution to equity shareholders is ₹ 8.5/- (previous year: ₹ 8.5/-). The total dividend appropriation for the year ended 31 March 2013 amounted to ₹ 118.94 (previous year: ₹ 118) including corporate dividend tax of ₹ 17.28 (previous year: ₹ 16.47).		
- 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, 475,000 options have been granted, 150,000 options have been exercised, 75,000 shares were allotted on 21 September 2012 at an exercise price of ₹ 191.06/- and 75,000 shares have been allotted on 2 April 2013 at an exercise price of ₹ 305.63/- [Refer note (d) below].		
	23.91	23.89

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Notes:

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

	31 March 2013		31 March 2012	
	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 equity shares:

	31 March 2013		31 March 2012	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	45.10%	53,904,500	45.13%
Arisaig Partners (Asia) Pte Ltd.	10,671,488	8.93%	9,967,985	8.34%
HDFC Trustee Company Limited	1,251,249	1.05%	6,868,168	5.75%

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

	31 March 2013		31 March 2012	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	119,450,815	23.89	119,450,815	23.89
Shares issued during the reporting year	75,000	0.02	-	-
Closing balance at the end of the reporting year	119,525,815	23.91	119,450,815	23.89

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

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

Exercise prices as stated above are adjusted downwards by ₹ 170/- per share for options granted on 29 October 2008 and 27 May 2009, being the face value of bonus debentures issued pursuant to the Scheme of Arrangement approved by the Hon'ble 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 (f) below].

The Company has further granted 100,000 options on 28 May 2012 at an exercise price of ₹ 528.75/- to the Managing Director of the Company.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Method used for accounting of share based payment plan:

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

Movement in the options under the scheme:	31 March 2013	31 March 2012
Options outstanding at the beginning of the year	375,000	250,000
Options granted during the year	100,000	125,000
Options vested during the year	125,000	100,000
Options exercised during the year [Refer note (e) below]	150,000	Nil
Shares allotted against options exercised during the year	75,000	Nil
Options lapsed during the year	Nil	Nil
Shares under option at the end of the year	325,000	375,000
Options exercisable at the end of the year	225,000	250,000
Weighted average price per option (₹)	416.05	318.91

Fair Value Methodology:

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

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

Particulars	31 March 2013	31 March 2012
No. of options granted	100,000	125,000
Date of grant	28 May 2012	27 May 2011
Vesting period (years)	1	1
Expected life of option (years)	3	3
Expected volatility	22.16%	24.11%
Risk free rate	8.08%	8.46%
Expected dividends expressed as a dividend yield	1.61%	1.66%
Weighted average fair values of options per share (₹)	113.91	94.21

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

Particulars	31 March 2013	31 March 2012
Net profit (as reported)	233.87	186.74
Less: Stock-based compensation expense determined under fair value based method net of Intrinsic Value (without considering tax impact)	1.19	1.14
Net profit (pro-forma) considered for computing EPS (pro-forma)	232.68	185.60
Basic earnings per share (as reported) (₹)	19.57	15.63
Basic earnings per share (pro-forma) (₹)	19.47	15.54
Diluted earnings per share (as reported) (₹)	19.55	15.62
Diluted earnings per share (pro-forma) (₹)	19.45	15.52

(e) During the year ended 31 March 2013, an amount of ₹ 2.29 crores has been received as advance against 75,000 stock options exercised by Managing Director. The shares were allotted on 2 April 2013. The amount has been classified as share application money pending allotment in the balance sheet.

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 3 - Reserves and surplus

	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Surplus	As at 31 March 2013
Balance at the beginning of the year	256.41	3.96	0.43	-	235.35	496.15
Additions:						
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	233.87	233.87
Transfer from surplus	23.39	-	-	-	-	23.39
On issue of equity shares	-	-	-	1.42	-	1.42
	279.80	3.96	0.43	1.42	469.22	754.83
Deductions:						
Transfer to general reserve	-	-	-	-	23.39	23.39
Proposed dividend *	-	-	-	-	101.66	101.66
Tax on proposed dividend	-	-	-	-	17.28	17.28
Balance at the end of the year	**279.80**	**3.96**	**0.43**	**1.42**	**326.89**	**612.50**

* The Board of Directors of the Company has recommended a dividend of ₹ 8.5/- per share of face value of ₹ 2/- amounting to ₹ 101.66 for the year ended 31 March 2013.

	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Surplus	As at 31 March 2012
Balance at the beginning of the year	237.73	3.96	0.43	-	185.29	427.41
Additions:						
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	186.74	186.74
Transfer from surplus	18.68	-	-	-	-	18.68
	256.41	3.96	0.43	-	372.03	632.83
Deductions:						
Transfer to general reserve	-	-	-	-	18.68	18.68
Proposed dividend *	-	-	-	-	101.53	101.53
Tax on proposed dividend	-	-	-	-	16.47	16.47
Balance at the end of the year	**256.41**	**3.96**	**0.43**	**-**	**235.35**	**496.15**

* The Board of Directors of the Company had recommended a dividend of ₹ 8.5/- per share of face value of ₹ 2/- amounting to ₹ 101.53 for the year ended 31 March 2012.

As at	31 March 2013	31 March 2012
Note 4 - Long-term borrowings		
(i) **Secured**		
Long-term maturities of finance lease obligations [Refer note 10 (note (b)) for details of maturity period, repayment terms and rate of interest] [Secured by hypothecation of assets (vehicles) taken on lease]	0.41	0.58
	0.41	0.58
(ii) **Unsecured**		
Term loans		
From banks (Repayable in full at the end of 60 months from 19 September 2008 being the date of origination of loan. Rate of interest being 7.1%)	-	27.57
	0.41	**28.15**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 5 - Deferred tax liabilities (net)

Disclosure as per Accounting Standard 22 - "Accounting for Taxes on Income" - Major components of deferred tax assets and liabilities on account of timing differences are as follows:

As at	31 March 2013		31 March 2012	
	Asset	Liability	Asset	Liability
Depreciation and amortisation	-	37.83	-	31.84
Voluntary retirement scheme, terminal compensation benefits	3.53	-	6.73	-
Statutory payments	17.55	-	13.82	-
Provisions allowed on payments, write off	3.13	-	3.13	-
	24.21	37.83	23.68	31.84
		13.62		8.16

As at	31 March 2013	31 March 2012
Note 6 - Other long-term liabilities		
Deposits from customers	19.18	19.91
	19.18	19.91
Note 7 - Long-term provisions		
Excise and service tax related issues (a)	28.72	27.01
Sales tax and other issues (a)	38.85	21.92
Trade and other issues (a)	33.09	30.35
Provision for income tax	37.90	37.54
	138.56	116.82
(a) Refer note 29.		
Note 8 - Short-term borrowings		
Unsecured		
From banks [Refer note (a) below]	189.24	-
	189.24	-
Note:		
(a) Rate of interest for short-term borrowings ranges between 9.25% to 9.35%. Period of maturity for the short-term borrowings ranges between 1 day to 30 days.		
Note 9 - Trade payables		
Due to micro and small enterprises [Refer note (a) below]	5.96	4.50
Others	327.65	331.70
	333.61	336.20
Note:		
(a) 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 2013. 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 each accounting year:		
- Principal	5.96	4.50
- Interest	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
The amount of interest accrued and remaining unpaid at the end of the 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.	-	-

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 10 - Other current liabilities		
Current maturities of long-term debt		
(a) Bonds / debentures [Refer note (a) below]	-	406.13
(b) Term loans		
From banks	25.71	-
(Repayable in full at the end of 60 months from 19 September 2008 being the date of origination of loan. Rate of interest being 7.1%)		
Current maturities of finance lease obligations [Refer note (b) below]	0.12	0.22
Interest accrued but not due on borrowings	0.62	1.58
Unclaimed debenture interest *	0.72	0.76
Unpaid dividend *	2.24	2.00
Unclaimed debenture redemption balance *	5.82	-
Other payables:		
- Book overdraft	60.93	-
- Advance from customers	11.59	11.77
- Creditors for capital goods	14.70	12.87
- Statutory related liabilities (VAT, TDS, PF, etc.)	59.44	49.36
- Other liabilities	28.60	33.57
	210.49	518.26

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

Note:

(a) 23,890,163 - 8.25% Redeemable non-convertible bonus debentures of face value of ₹ 170/- each, fully paid up.
The debentures are secured by way of first mortgage created on identified immovable property and first charge on Company's movable assets restricted to inventories and plant and machinery. The book value (net) of plant and equipment and inventories as on 31 March 2012 amounts to ₹ 256.19 and ₹ 382.28 respectively.

The debentures are redeemable in full at the end of 36 months from 22 March 2010 being the date of allotment. The Committee of the Board of Directors ('the Board'), at its meeting held on 22 March 2010, pursuant to the Scheme of Arrangement ('the Scheme') sanctioned by the Hon'ble Calcutta High Court on 11 February 2010 under Section 391(2) of the Companies Act, 1956 ('the Act'), allotted 8.25% secured fully paid-up Redeemable non-convertible bonus debentures ('the bonus debentures') from the General Reserve, in the ratio of one debenture of the face value of ₹ 170/- for every equity share held by the shareholders of the Company as on 9 March 2010. The date of allotment of bonus debentures is 22 March 2010. The Scheme was earlier approved by the Board at its meeting held on 27 May 2009 and by the shareholders at the General Meeting held on 31 August 2009. The bonus debentures have been listed on the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited. The Scheme involves issuance of bonus debentures out of General Reserve and does not entail any real borrowing, accordingly, the requirement of creating a Debenture Redemption Reserve pursuant to Section 117C of the Act or Clause 10.3 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued under the Securities and Exchange Board of India Act, 1992 is not applicable. This has also been noted in the Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court.

The debentures have been redeemed on 22 March 2013.

(b) Rate of interest for finance lease obligations ranges from 11.7% to 16.9%.
Number of repayment installments for lease obligations ranges from 2 to 16.
Period of maturity for the lease obligations ranges from 1 year to 4 years.

As at	31 March 2013	31 March 2012
Note 11 - Short-term provisions		
Provision for employee benefits	7.67	6.80
Others:		
Provision for income tax	7.79	-
Proposed dividend	101.66	101.53
Tax on proposed dividend	17.28	16.47
	134.40	124.80

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 12 - Fixed assets

₹ in crores

Description		Gross block at cost				Accumulated depreciation and amortisation				Net block	
		As at 1 April 2012	Additions	Deletions	As at 31 March 2013	As at 1 April 2012	Charge for the year	On deletions during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Tangible assets											
Own assets											
Freehold land		2.53	5.08	-	7.61	-	-	-	-	7.61	2.53
Leasehold land	(a)	22.75	0.25	0.08	22.92	0.52	0.24	-	0.76	22.16	22.23
Buildings	(b) and (c)	90.85	25.06	0.43	115.48	19.33	3.32	0.16	22.49	92.99	71.52
Plant and equipment	(c)	506.04	84.71	21.56	569.19	249.85	45.94	21.22	274.57	294.62	256.19
Furniture and fixtures		10.90	1.31	0.83	11.38	4.79	0.64	0.81	4.62	6.76	6.11
Motor vehicles		0.60	0.16	-	0.76	0.15	0.07	-	0.22	0.54	0.45
Office equipment		29.68	6.25	0.36	35.57	18.74	4.47	0.35	22.86	12.71	10.94
Leased assets											
Motor vehicles		1.25	-	0.55	0.70	0.59	0.19	0.45	0.33	0.37	0.66
		664.60	122.82	23.81	763.61	293.97	54.87	22.99	325.85	437.76	370.63
Intangible assets											
Own assets											
Trademarks		0.03	-	-	0.03	-	-	-	-	0.03	0.03
Designs		0.01	-	-	0.01	-	-	-	-	0.01	0.01
Computer software		12.72	7.85	-	20.57	4.30	2.39	-	6.69	13.88	8.42
		12.76	7.85	-	20.61	4.30	2.39	-	6.69	13.92	8.46
Total		677.36	130.67	23.81	784.22	298.27	57.26 [d]	22.99	332.54	451.68	379.09
Previous year		593.56	126.45	42.65	677.36	289.86	47.32	38.91	298.27		
Add: Capital work-in-progress										128.44	79.73
										580.12	458.82

Notes:

(a) Agreement in respect of leasehold land at one factory (previous year: two factories) is in the process of renewal.

(b) Buildings include fully paid unquoted shares and bonds in respect of ownership of flats in 2 Co-operative Housing Societies (previous year: 2 Co-operative Housing Societies); 509 shares (previous year: 509 shares) of ₹ 50/- each and 50 interest free loan stock bonds (previous year: 50 interest free loan stock bonds) of ₹ 100/- each.

(c) Redeemable non-convertible bonus debentures issued on 22 March 2010 were secured by way of first mortgage created on identified immovable property and first charge on Company's movable assets restricted to inventories and plant and equipment. The debentures have been redeemed on 22 March 2013.

(d) Depreciation:

Depreciation charge for the year	57.26
Transfer from capital subsidy [Refer note 1 (t) and 45]	(0.18)
Net depreciation charge for the year	**57.08**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 13 - Non-current investments

	Face value per share / unit	Units / Nos. As at 31 March 2013	Units / Nos. As at 31 March 2012	Amount As at 31 March 2013	Amount As at 31 March 2012
At cost less provision for other than temporary diminution					
Non-trade investments					
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	255,000	255,000	0.40	0.40
Manna Foods Private Limited	₹10	375,001	375,001	0.17	0.17
Boribunder Finance and Investments Private Limited	₹10	2,670,999	2,170,999	2.58	2.08
Daily Bread Gourmet Foods (India) Private Limited	₹4	51,681,417	51,681,417	20.67	20.67
Britannia Dairy Holdings Private Limited, Mauritius	USD1	2,000	2,000	0.01	0.01
Flora Investments Company Private Limited	₹10	-	84,987	-	0.10
Gilt Edge Finance and Investments Private Limited	₹10	-	69,861	-	0.08
				39.12	38.80
Britannia Dairy Private Limited	₹10	5,779,999	5,779,999	70.02	70.02
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD1	22,264,087	19,419,702	108.84	93.28
				178.86	163.30
Less: Provision for diminution in value of investments [Refer note (a) and (b) below]				35.00	35.00
				143.86	128.30
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
Others					
Atlas Copco Limited	₹10	-	720	-	0.18
			(a)	183.58	167.88
(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	USD1	7,411,000	7,411,000	0.05	0.05
			(b)	6.05	6.05
			(a) + (b)	189.63	173.93

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Face value per share / unit	Units / Nos. As at 31 March 2013	Units / Nos. As at 31 March 2012	Amount As at 31 March 2013	Amount As at 31 March 2012
(iii) Investments in debentures / bonds					
Subsidiaries					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹100,000	677	677	6.77	6.77
J B Mangharam Foods Private Limited - 6% Secured Redeemable Non-convertible Debentures	₹100	25,000	25,000	0.25	0.25
(iv) Investments with insurance companies					
HDFC Standard Life Insurance Company Limited - Group Leave Encashment	₹10	1,002,536	1,002,536	3.08	3.08
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment	₹10	2,935,711	2,935,711	2.91	2.91
Quoted					
(i) Investments in equity instruments (fully paid)					
HDFC Bank Limited	₹2	131,160	131,160	0.90	0.90
Standard Chartered Bank - IDR	₹2.3	334,177	334,177	3.48	3.48
Glaxosmithkline Pharmaceuticals Limited	₹10	80	80	0.02	0.02
Great Offshore Limited	₹10	1,237	1,237	0.03	0.03
Hindustan Unilever Limited	₹1	4,020	4,020	0.11	0.11
Mahindra Lifespace Developers Limited	₹10	688	688	0.02	0.02
State Bank of India	₹10	780	780	0.20	0.20
Tata Coffee Limited	₹10	400	400	0.04	0.04
Tata Steel Limited	₹10	6,549	6,549	0.40	0.40
Great Eastern Shipping Company Limited	₹10	4,953	4,953	0.13	0.13
Tata Motors Limited	₹2	14,720	14,720	0.34	0.34
Ultratech Cement Limited	₹10	254	254	0.01	0.01
Grasim Industries Limited	₹10	200	200	0.05	0.05
ICICI Bank Limited	₹10	300	300	0.03	0.03
Larsen & Toubro Limited	₹2	700	700	0.11	0.11
Reliance Communications Limited	₹5	618	618	0.01	0.01
Reliance Industries Limited	₹10	1,236	1,236	0.13	0.13
Tata Chemicals Limited	₹10	721	721	0.02	0.02
Bajaj Auto Limited	₹10	2,400	2,400	0.16	0.16
Bajaj Finserv Limited	₹5	1,200	1,200	0.06	0.06
Bajaj Holdings & Investments Limited	₹10	1,200	1,200	0.09	0.09
Essel Propack Limited	₹2	1,600	1,600	0.01	0.01
Titan Industries Limited	₹1	6,300	6,300	0.11	0.11

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Face value per share / unit	Units / Nos. As at 31 March 2013	Units / Nos. As at 31 March 2012	Amount As at 31 March 2013	Amount As at 31 March 2012
(ii) Investments in debentures / bonds					
Tata Capital 10.25% Secured Redeemable Non-convertible Debentures	₹500,000	500	500	25.00	25.00
Total long-term investments				**234.10**	**218.40**
Total quoted non-current investments				31.46	31.46
Total unquoted non-current investments				202.64	186.94
				234.10	218.40
Aggregate provision for diminution in value of investments				35.00	35.00
Aggregate market value of quoted non-current investments				39.49	37.27
Aggregate value of long-term investments (part of non-current investments)				234.10	218.40
Aggregate value of long-term investments (part of current investments)				0.50	106.62

Notes:

(a) During the previous year, in accordance with Accounting Standard 13 - "Accounting for Investments", prescribed by the Companies (Accounting Standard) Rules, 2006 of the Companies Act, 1956, the Company had, based on its assessment of Britannia Dairy Private Limited's business, written back the provision of ₹ 32.5 for diminution (other than temporary) on long-term investment made in equity shares of Britannia Dairy Private Limited. Further, based on an assessment of the businesses of Britannia and Associates (Mauritius) Private Limited, Mauritius and its subsidiaries (Strategic Food International Co. LLC, Dubai and Al Sallan Food Industries Co. SAOC), the Company had made a provision of ₹ 35 for diminution (other than temporary) on long-term investment made in equity shares of Britannia and Associates (Mauritius) Private Limited, Mauritius.

(b) During the previous year, consequent to liquidation of Britannia Lanka Private Limited, Sri Lanka (subsidiary of Britannia Industries Limited), provision for diminution in value of investments of ₹18.28 had been reversed and equity and preference share investments amounting to ₹ 18.13 (net of amount receivable on liquidation of ₹ 0.15) had been written off.

As at	31 March 2013	31 March 2012
Note 14 - Long-term loans and advances		
Unsecured		
Considered good:		
- Capital advances	34.95	19.62
- Deposits	8.45	3.63
- Loans and advances to related parties *	72.63	60.60
- Other loans and advances:		
Recoverable in cash or in kind or for value to be received	21.11	39.13
Advance income tax and tax deducted at source	4.17	2.04
Considered doubtful:		
- Loans and advances recoverable in cash or in kind or for value to be received	5.90	5.90
- Loans and advances to related parties *	1.04	1.11
	148.25	132.03
Less: Provision for doubtful loans and advances	6.94	7.01
	141.31	**125.02**

* Forms a part of outstanding balances as disclosed under note 41.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 15 - Current investments

	Face value per share / unit	Units / Nos. As at 31 March 2013	Units / Nos. As at 31 March 2012	Amount As at 31 March 2013	Amount As at 31 March 2012
Lower of cost or fair value					
Non-trade investments					
Unquoted					
(i) **Investments in debentures / bonds**					
Subsidiaries					
J B Mangharam Foods Private Limited - 6% Secured Redeemable Non Convertible Debentures (a)	₹100	50,000	50,000	0.50	0.50
(ii) **Investments in mutual funds**					
Birla Sunlife Cash Manager - Growth	₹100	-	278,078	-	5.00
Tata Treasury Manager - SHIP - Growth	₹1,000	-	16,429	-	2.02
Reliance Money Manager Fund - Institutional - Growth	₹1,000	-	81,984	-	12.00
Tata Floater Fund - Growth	₹10	-	3,115,433	-	5.00
Birla Sunlife Savings Fund - Growth	₹100	-	735,546	-	15.00
BNP Paribas Overnight Fund - Growth	₹10	-	12,170,878	-	20.02
Birla Sunlife Cash Plus - Growth	₹100	266,356	-	5.00	-
J.P Morgan India Liquid Fund	₹10	3,948,615	-	6.00	-
Taurus Liquid Fund - Growth	₹1,000	47,452	-	6.00	-
DSP Black Rock Liquidity Fund - Growth	₹1,000	35,775	-	6.00	-
IDBI Liquid Fund - Growth	₹1,000	39,758	-	5.00	-
ICICI Prudential Money Market Fund - Cash Plan - Growth	₹100	-	1,352,848	-	20.00
IDFC Cash Fund - Growth	₹1,000	42,114	-	6.00	-
ICICI Prudential Liquid Fund - Growth	₹100	288,517	-	5.00	-
Reliance Liquid Fund Cash Plan - Growth	₹1,000	31,734	-	6.00	-
(iii) **Other investments**					
Axis Bank certificate of deposit	₹100,000	-	2,500	-	24.88
Quoted					
(i) **Investments in debentures / bonds** (a)					
Tata Capital 8.40% Secured Redeemable Non-convertible Debentures	₹1,000,000	-	250	-	25.00
Tata Capital 8.50% Secured Redeemable Non-convertible Debentures	₹1,000,000	-	250	-	25.00
Tata Capital 8.50% Secured Redeemable Non-convertible Debentures	₹1,000,000	-	250	-	25.00
Kotak Mahindra Prime 8.40% Secured Redeemable Non-convertible Debentures	₹1,000,000	-	250	-	25.00
L&T Finance 8.50% Secured Redeemable Non-convertible Debentures	₹1,000	-	61,232	-	6.12
Total current investments				45.50	210.54
Total quoted current investments				-	106.12
Total unquoted current investments				45.50	104.42
				45.50	210.54
Aggregate market value of quoted current investments				-	106.12
Aggregate value of current investments				45.50	210.54
(a) Aggregate value of long-term investments (part of current investments)				0.50	106.62

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 16 - Inventories *		
Raw materials	129.95	201.83
Packing materials	45.12	37.26
Work-in-progress	0.59	1.42
Finished goods	120.77	118.45
Stock-in-trade	18.12	9.20
Stores and spare parts	16.94	14.12
	331.49	382.28

* Refer note 1 (g) for mode of valuation for inventories.

As at	31 March 2013	31 March 2012
Note 17 - Trade receivables		
Unsecured		
Considered good:		
- Over six months	2.91	1.45
- Others	74.21	50.69
	77.12	52.14
Considered doubtful:		
- Over six months	4.77	4.71
	81.89	**56.85**
Less: Provision for doubtful receivables	4.77	4.71
	77.12	52.14
Note 18 - Cash and bank balances		
Cash and cash equivalents:		
- Cash on hand	0.03	0.06
- Cheques on hand	41.28	15.69
- Current accounts	12.60	10.44
Other bank balances:		
- Unpaid dividend accounts	2.24	2.00
- Unclaimed debenture interest	0.72	0.76
- Unclaimed debenture redemption balance	5.82	-
- Deposit accounts [Refer note (a) below]	1.79	1.99
	64.48	30.94

Note:

(a) Deposit accounts include bank deposits held against bank guarantees with more than 12 months maturity amounting to ₹ Nil (previous year: ₹ 0.45).

As at	31 March 2013	31 March 2012
Note 19 - Short-term loans and advances		
Unsecured		
Considered good:		
- Deposits	2.16	3.19
- Loans and advances to related parties *	20.23	8.52
- Other loans and advances:		
Recoverable in cash or in kind or for value to be received	167.72	94.31
Inter-corporate deposits	-	60.00
Advance income tax and tax deducted at source	-	5.60
Employee benefits - gratuity, net [Refer note 42 (b)]	2.20	2.37
Minimum alternative tax credit entitlement	-	1.80
Balances with customs, port trust, excise, etc.	3.60	2.02
Interest accrued but not due	0.88	4.27
	196.79	182.08

* Forms a part of outstanding balances as disclosed under note 41.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

For the year ended		31 March 2013	31 March 2012
Note 20 - Other operating revenues			
Royalty income		8.03	5.17
Scrap sales		18.02	14.22
Other receipts [Refer note (a) below]		22.21	0.54
Provisions and liabilities no longer required written back, net		2.85	7.22
		51.11	**27.15**

Note:

(a) Includes an amount of ₹ 17.48 towards VAT incentive for the Hajipur Factory, Bihar and Khurda Factory, Orissa in accordance with the State Industrial Policy of Bihar and Orissa.

For the year ended		31 March 2013	31 March 2012
Note 21 - Other income			
Interest income	Long-term	22.84	22.75
	Current	9.51	9.37
Dividend income	Long-term	0.23	0.19
Net gain / (loss) on sale of investments	Long-term	0.94	4.92
	Current	13.79	4.18
Other non-operating income:			
- Profit on sale of fixed assets		7.98	16.40
- Foreign exchange gain, net		0.12	0.71
- Other receipts		0.06	0.01
		55.47	**58.53**
Note 22 - Purchase of stock-in-trade			
Biscuits and high protein food		360.55	320.12
Bread, bread toast and rusk		44.95	26.46
Cake		206.74	159.15
Others		25.94	23.80
		638.18	**529.53**
Note 23 - Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Opening stock:			
- Finished goods		118.45	114.02
- Stock-in-trade		9.20	7.51
- Work-in-progress		1.42	0.29
Closing stock:			
- Finished goods		120.77	118.45
- Stock-in-trade		18.12	9.20
- Work-in-progress		0.59	1.42
		(10.41)	(7.25)
Less: Excise duty on opening stock of finished goods		(3.89)	(1.43)
Add: Excise duty on closing stock of finished goods		4.14	3.89
Increase / (decrease)		0.25	2.46
		(10.16)	**(4.79)**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

For the year ended	31 March 2013	31 March 2012
Note 24 - Employee benefits expense		
Salaries and wages	127.89	118.09
Contribution to provident and other funds	7.18	5.71
Staff welfare expenses	8.33	6.87
Voluntary retirement scheme expenditure [Refer note (a) below]	0.10	15.20
	143.50	145.87

Note:

(a) During the previous year, pursuant to the consent order in the Writ Petition No. 2659 / 2005, before the Hon'ble Bombay High Court, the Company accepted the application for Voluntary Retirement Scheme ('VRS') offered to all workmen at the Reay Road Mumbai factory. Consequently, all the legal cases related to the closure of the factory, were disposed off and an amount of ₹ 15.05 was paid towards the VRS.

For the year ended	31 March 2013	31 March 2012
Note 25 - Finance costs		
Interest expense:		
- Redeemable non-convertible bonus debentures	32.50	33.60
- Finance lease	0.10	0.21
- Bank and others	5.14	4.26
	37.74	38.07
Note 26 - Other expenses		
Consumption of stores and spares	11.23	8.52
Power and fuel	52.27	40.10
Rent [Refer note 28 (a)]	6.30	4.66
Repairs and maintenance:		
- Plant and equipment (a)	12.46	9.01
- Buildings (a)	1.02	0.95
- Others	14.22	12.57
Insurance	1.33	0.87
Rates and taxes, net	17.78	22.04
Carriage, freight and distribution	335.96	315.93
Auditor's remuneration (b):		
- Audit fees	0.53	0.39
- Other services	0.08	0.08
- Expenses reimbursed	0.08	0.08
Advertising and sales promotion	463.62	380.95
Conversion charges	491.91	417.11
Miscellaneous	173.13	153.49
Bad debts and advances written off, net	0.10	0.24
Provision for diminution in value of investment, net [Refer note 13 (notes (a) and (b))]	-	2.35
	1,582.02	1,369.34
(a) Includes stores and spares consumed	6.96	5.80
(b) Excluding service tax		

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 27 Contingent liabilities and commitments:

(i) Contingent liabilities:

(a) Claims / demands against the Company not acknowledged as debts including excise duty, income tax, sales tax and trade and other demands of ₹ 43.37 (previous year: ₹ 28.95).

(b) Bank guarantee and letter of credit for ₹ 9.60 (previous year: ₹ 5.13).

(c) Discounted cheques: ₹ 0.42 (previous year: ₹ 0.32).

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 29].

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 30.32 (previous year: ₹ 42.44).

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

Banking facilities given to	Name of the bank	31 March 2013	31 March 2012
(i) Britannia and Associates (Mauritius) Private Limited, Mauritius *	Royal Bank of Scotland, Singapore	60.73	56.91
	Bank of America	135.75	127.20

* The following are the loan balances outstanding against the corporate guarantees mentioned above:

Royal Bank of Scotland, Singapore: ₹ 11.38 crores (USD 2.1 Million);
Bank of America: ₹ 124.89 crores (USD 23 Million).

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 2013	31 March 2012
(i) Britannia Dairy Private Limited	HSBC Bank	4.50	4.50
(ii) Strategic Food International Co. LLC, Dubai	Royal Bank of Scotland	56.16	52.71
(iii) Al Sallan Food Industries Co. SAOC	Royal Bank of Scotland	10.35	9.71

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

Note 28 (a) Operating leases

The Company has certain operating leases for office facilities and residential premises (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of ₹ 6.30 (previous year: ₹ 4.66) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

(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 2013		31 March 2012	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.18	0.12	0.31	0.22
Later than 1 year and not later than 5 years	0.38	0.41	0.62	0.58
	0.56	0.53	0.93	0.80

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.03 (previous year: ₹ 0.13) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

Note 29 In accordance with Accounting Standard 29 - “Provisions, Contingent Liabilities and Contingent Assets”, prescribed by the Companies (Accounting Standard), Rules 2006, certain classes of liabilities have been identified as provisions which have been disclosed as under:

		1 April 2012	Additions *	Utilisation *	Reversals * / adjustments	31 March 2013
(a)	Excise and service tax related issues	27.01	1.71	-	-	28.72
(b)	Sales tax and other issues	21.92	10.78	-	6.15	38.85
(c)	Trade and other issues	30.35	2.88	-	(0.14)	33.09

		1 April 2011	Additions *	Utilisation *	Reversals / adjustments *	31 March 2012
(a)	Excise and service tax related issues	32.05	10.01	-	(15.05)	27.01
(b)	Sales tax and other issues	18.31	4.00	-	(0.39)	21.92
(c)	Trade and other issues	35.12	2.73	(17.79)	10.29	30.35

(a) and (b) represents estimates made for probable cash outflow arising out of pending disputes / litigations with various regulatory authorities.

(c) represents provisions made for probable liabilities / claims arising out of commercial transactions with vendors / others. Further disclosures as required in Accounting Standard 29 are not made since it can be prejudicial to the interests of the Company.

* Included under various heads in the statement of profit and loss.

Note 30 In April 2007, the Commissioner of Income Tax (‘CIT’), Kolkata issued a notice to the Company’s Covenanted Staff Pension Fund (‘BILCSPF’) asking it to show cause why recognition granted to the Fund should not be withdrawn for refunding in the year 2004, the excess contribution of ₹ 12.12 (previous year: ₹ 12.12) received by it in earlier years. The Single Judge of the Hon’ble Calcutta High Court, on a Writ Petition, granted a stay restraining the CIT from proceeding with the show cause notice but with a direction to the Company to deposit ₹ 12.12 (previous year: ₹ 12.12) with a nationalised bank in the name of the Fund. On appeal, the Division Bench of the Hon’ble Calcutta High Court disposed off the Writ Petition pending before the Single Judge. The Fund filed a Special Leave Petition (‘SLP’) before the Hon’ble Supreme Court against the Order of the Division Bench. The Hon’ble Supreme Court at its hearing on 12 May 2008 has set aside the Order of the Division Bench of the Hon’ble Calcutta High Court. As a condition of the stay order granted, the Company has, under protest, made the deposit as per the direction of the Hon’ble Calcutta High Court.

₹ in crores

Pursuant to the directions of the Hon'ble Madras High Court, the CIT, Kolkata passed Orders rejecting the Deeds of Variation submitted in May 2005 by the Company's Pension Funds on technical grounds. The Company preferred Appeals before the Central Board of Direct Taxes ('CBDT'), New Delhi challenging the Orders of the CIT. CBDT passed Orders in the said Appeals in March 2011 directing the Company inter alia to submit Deeds of Variation incorporating the modifications in line with the directions made in the Orders effective 1 November 2004. The modified Deeds of Variation in line with the directions contained in the CBDT Orders have already been filed with the CIT, Kolkata, for its approval. In Writ Petitions filed by some of the Pensioners in the Hon'ble Madras High Court and by the Pensioners Welfare Association in the Hon'ble Calcutta High Court, the Hon'ble High Courts have passed interim orders restraining the CIT, Kolkata, from approving the Deeds of Variation pending disposal of the Writ Petitions.

A suit was filed by the Britannia Industries Limited Pensioners Welfare Association ('the Association') in the Hon'ble City Civil Court and Sessions Judge, Bangalore, where the Hon'ble Court passed interim orders on 1 January 2009 and 10 February 2009 directing the Funds to pay pension to the Members in accordance with the computation made and submitted by the Pension Funds to the Court. This computation was on a defined contribution basis, and is consistent with the pension offered by the Pension Funds to eligible employees at the time of their retirement / exit. The Funds have been complying with the said Order. In April 2010, the Hon'ble Judge passed another interim order requiring the Funds to pay pension as per Rule 11(a) of the Pension Fund Rules, i.e. on "Defined Benefit Basis", and gave the Funds two months' time for complying with the Order. In an Appeal filed against this Order in the Hon'ble Karnataka High Court, the Hon'ble Karnataka High Court in April 2010 modified the Trial Court's Order so as to extend the time limit from two months to three months and in July 2010, further modified the Trial Court's Order directing inter alia that the Pension shall be paid as per Rule 11(a) from the date of filing of the suit by the Association in the Hon'ble Bangalore City Civil Court and Sessions Judge, i.e. with effect from 17 June 2008. The Company filed Special Leave Petitions (SLPs) in the Hon'ble Supreme Court against the above Order of the Hon'ble Karnataka High Court. The Hon'ble Supreme Court passed an Order in January 2011 disposing of the SLPs and directing inter alia that the interim order passed by it in September 2010 directing that the Pension Funds should continue to pay pension as per the interim order passed by the Hon'ble Bangalore City Civil Court and Sessions Judge on 1 January 2009 would continue till disposal of the suit by the Trial Court. The proceedings in the main suit are currently in progress in the Hon'ble Bangalore City Civil Court and Sessions Judge.

The Company believes, based on current knowledge and after consultation with eminent legal counsel that the resolution of the matter will not have material adverse effect on the financial statements of the Company.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 31 (a) **Sale of products (Manufactured goods)**

Product group	31 March 2013	31 March 2012
Biscuits and high protein food	4,270.02	3,794.54
Bread, bread toast and rusk	548.99	462.46
Cake	95.95	83.44
Others	15.12	4.73
	4,930.08	4,345.17

The above values does not include sale of raw materials for processing purposes (including wheat) and by-products on conversion of inputs aggregating to ₹ 49.38 (previous year: ₹ 52.12), which has been netted off with cost of material.

Sale of products (Traded goods)

Product group	31 March 2013	31 March 2012
Biscuits and high protein food	405.79	397.90
Bread, bread toast and rusk	52.77	32.77
Cake	214.83	187.89
Others	46.19	41.93
	719.58	660.49

(b) **Raw materials including packaging materials consumed**

Description	31 March 2013	31 March 2012
Flour	787.00	638.34
Fats and oils	492.06	471.59
Sugar	465.48	397.77
Lamination roll	264.33	243.03
Others	881.55	904.28
	2,890.42	2,655.01

	31 March 2013		31 March 2012	
	Value	%	Value	%
Imported	6.19	0.21	1.05	0.04
Indigenous	2,884.23	99.79	2,653.96	99.96
	2,890.42	100.00	2,655.01	100.00

(c) **Stores and spare parts consumed**

	31 March 2013		31 March 2012	
	Value	%	Value	%
Imported	-	-	0.28	1.96
Indigenous	18.19	100.00	14.04	98.04
	18.19	100.00	14.32	100.00

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	31 March 2013	31 March 2012
Note 32 Opening and closing stock of finished goods (Manufactured goods)		
(a) Opening stock		
Biscuits and high protein food	107.86	109.10
Bread, bread toast and rusk	4.85	3.52
Cake	3.21	1.34
Others	2.53	0.06
	118.45	**114.02**
(b) Closing stock		
Biscuits and high protein food	110.70	107.86
Bread, bread toast and rusk	4.84	4.85
Cake	3.10	3.21
Others	2.13	2.53
	120.77	**118.45**
Note 33 Opening and closing stock of finished goods (Traded goods)		
(a) Opening stock		
Biscuits and high protein food	4.33	3.61
Bread, bread toast and rusk	1.22	0.52
Cake	2.77	2.80
Others	0.88	0.58
	9.20	**7.51**
(b) Closing stock		
Biscuits and high protein food	8.37	4.33
Bread, bread toast and rusk	2.41	1.22
Cake	6.45	2.77
Others	0.89	0.88
	18.12	**9.20**
Note 34 Opening and closing stock of work-in-progress		
(a) Opening stock		
Biscuits and high protein food	1.42	0.29
	1.42	**0.29**
(b) Closing stock		
Biscuits and high protein food	0.59	1.42
	0.59	**1.42**
Note 35 Expenditure in foreign currency		
(a) Trade promotion and media related	1.49	1.54
(b) Professional fees	0.35	0.10
(c) Others	0.14	0.33

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

		31 March 2013	31 March 2012
Note 36	**Value of imports on C.I.F. basis**		
	(a) Capital goods	12.30	2.21
	(b) Raw materials	7.35	14.48
	(c) Components and spare parts	0.81	0.66
Note 37	**Earnings in foreign currency**		
	(a) Exports at free on board value	87.23	64.69
	(b) Royalty	5.81	3.13
	(c) Others	3.40	3.07

Note 38	**Dividend remitted in foreign currency (net of tax)**		
	Relating to the year ended	31 March 2012	31 March 2011
	Number of non-resident shareholders	6	6
	Number of equity shares held (nominal value of ₹ 2/- per share)	60,866,095	60,866,095
	Amount remitted	51.74	39.57

		31 March 2013	31 March 2012
Note 39	**Earnings per share**		
	(a) Net profit attributable to the equity shareholders	233.87	186.74
	(b) Weighted average number of equity shares outstanding during the year	119,490,267	119,450,815
	(c) Effect of potential equity shares on employee stock option outstanding	118,246	109,650
	(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	119,608,513	119,560,465
	Nominal value of equity shares (₹)	2	2
	Basic earnings per share (₹)	19.57	15.63
	Diluted earnings per share (₹)	19.55	15.62

Note 40 Based on guiding principles in the Accounting Standard 17 - "Segment Reporting", the primary business segment of the Company is foods, comprising bakery and dairy products. As the Company operates in a single primary business segment, disclosure requirements are not applicable. The Company primarily caters to the domestic market and export sales are not significant and accordingly there is no reportable secondary segment.

Note 41 Related party disclosures under Accounting Standard 18

<u>Relationships</u>

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
		Britannia Lanka Private Limited, Sri Lanka [Refer note (iv) below]
		Daily Bread Gourmet Foods (India) Private Limited

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Relationships

		Flora Investments Company Private Limited
		Ganges Vally Foods Private Limited
		Gilt Edge Finance and Investments Private Limited
		International Bakery Products Limited
		J B Mangharam Foods Private Limited
		Manna Foods Private Limited
		Strategic Brands Holding Company Limited, Dubai
		Strategic Food International Co. LLC, Dubai
		Sunrise Biscuit Company Private Limited
3.	Fellow subsidiary companies	Bannatyne Enterprises Pte Limited, Singapore
		Dowbiggin Enterprises Pte Limited, Singapore
		Nacupa Enterprises Pte Limited, Singapore
		Spargo Enterprises Pte Limited, Singapore
		Valletort Enterprises Pte Limited, Singapore
4.	Associates	Klassik Foods Private Limited
		Nalanda Biscuits Company Limited
5.	Others	Britannia Sports (partnership firm) [Refer note (iv) below]
6.	Key management personnel (KMP)	
	Managing Director	Ms. Vinita Bali

	Relationship	31 March 2013	31 March 2012
Related party transactions during the year:			
Investments made			
Equity shares:			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	15.56	14.13
Sunrise Biscuit Company Private Limited	Subsidiary	-	3.50
Boribunder Finance and Investments Private Limited	Subsidiary	0.50	-
Debentures:			
International Bakery Products Limited	Subsidiary	-	0.95
Total		**16.06**	**18.58**
Investments sold			
Boribunder Finance and Investments Private Limited	Subsidiary	**1.11**	-
Investments written off on liquidation			
Preference shares:			
Britannia Lanka Private Limited, Sri Lanka [Refer note 13 (note (b))]	Subsidiary	-	**18.13**
Reversal of provision for corporate guarantee and other claims			
Britannia Lanka Private Limited, Sri Lanka	Subsidiary	-	**1.40**
Provision for diminution made / (written back)			
Britannia Lanka Private Limited, Sri Lanka [Refer note 13 (note (b))]	Subsidiary	-	(18.28)
Britannia Dairy Private Limited [Refer note 13 (note (a))]	Subsidiary	-	(32.50)
Britannia and Associates (Mauritius) Private Limited, Mauritius [Refer note 13 (note (a))]	Subsidiary	-	35.00
Total		-	**(15.78)**

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2013	31 March 2012
Related party transactions during the year:			
Redemption of debentures			
J B Mangharam Foods Private Limited	Subsidiary	-	0.50
Reversal of provision for doubtful advances			
Britannia Sports (partnership firm)	Others	0.07	-
Advances written off on liquidation			
Britannia Sports (partnership firm)	Others	0.07	-
Remittance of dividend			
Associated Biscuits International Limited (ABIL), UK	Holding company	45.82	35.04
Others	Fellow subsidiary companies	5.92	4.53
Total		51.74	39.57
SAP license fee recovered from			
J B Mangharam Foods Private Limited	Subsidiary	0.01	-
International Bakery Products Limited	Subsidiary	0.01	-
Ganges Vally Foods Private Limited	Subsidiary	0.01	-
Manna Foods Private Limited	Subsidiary	0.01	-
Britannia Dairy Private Limited	Subsidiary	0.08	-
Sunrise Biscuit Company Private Limited	Subsidiary	0.02	-
Strategic Food International Co. LLC, Dubai	Subsidiary	0.04	-
Al Sallan Food Industries Co. SAOC	Subsidiary	0.03	-
Total		0.21	-
Purchase of finished goods / consumables and ingredients			
Strategic Food International Co. LLC, Dubai	Subsidiary	0.06	0.01
Al Sallan Food Industries Co. SAOC	Subsidiary	0.08	0.01
Sunrise Biscuit Company Private Limited	Subsidiary	142.48	111.66
Britannia Dairy Private Limited	Subsidiary	-	0.28
Nalanda Biscuits Company Limited	Associate	19.53	67.07
Total		162.15	179.03
Conversion charges			
International Bakery Products Limited	Subsidiary	14.12	17.21
J B Mangharam Foods Private Limited	Subsidiary	18.81	22.42
Ganges Vally Foods Private Limited	Subsidiary	16.31	15.38
Manna Foods Private Limited	Subsidiary	23.43	13.99
Klassik Foods Private Limited	Associate	3.55	4.98
Total		76.22	73.98

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2013	31 March 2012
Related party transactions during the year:			
Sale of goods / consumables and ingredients			
Sunrise Biscuit Company Private Limited	Subsidiary	1.29	1.97
Strategic Food International Co. LLC, Dubai	Subsidiary	0.82	1.69
Britannia Dairy Private Limited	Subsidiary	1.12	1.24
Nalanda Biscuits Company Limited	Associate	1.58	0.35
Total		4.81	5.25
Interest and dividend income			
Manna Foods Private Limited	Subsidiary	5.80	3.51
J B Mangharam Foods Private Limited	Subsidiary	0.30	0.08
Sunrise Biscuit Company Private Limited	Subsidiary	0.81	0.25
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.38	0.34
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.43	0.13
Total		7.72	4.31
Royalty income			
Strategic Food International Co. LLC, Dubai	Subsidiary	5.81	3.13
Purchase of trademarks			
Britannia Sports (partnership firm)	Others	0.01	-
Management contracts including reimbursement of expenses, net			
Associated Biscuits International Limited (ABIL), UK	Holding company	-	0.05
Remuneration			
Ms. Vinita Bali	KMP	4.10	5.72
Consideration received on share allotment under employee stock option scheme			
Ms. Vinita Bali	KMP	1.44	-
Consideration received for share application money (pending allotment) on exercise of options			
Ms. Vinita Bali	KMP	2.29	-
Loan given to			
Sunrise Biscuit Company Private Limited	Subsidiary	1.15	7.05
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	2.29	1.56
J B Mangharam Foods Private Limited	Subsidiary	10.49	-
Manna Foods Private Limited	Subsidiary	15.38	29.35
Total		29.31	37.96

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2013	31 March 2012
Related party transactions during the year:			
Loan repaid by			
Sunrise Biscuit Company Private Limited	Subsidiary	0.80	-
Manna Foods Private Limited	Subsidiary	6.44	1.08
Boribunder Finance and Investments Private Limited	Subsidiary	-	1.19
Total		7.24	2.27
Related party closing balances as on balance sheet date:			
Outstanding - net receivables / (payables)			
Associated Biscuits International Limited (ABIL), UK	Holding company	-	0.05
Ganges Vally Foods Private Limited	Subsidiary	0.77	0.20
J B Mangharam Foods Private Limited	Subsidiary	13.15	(0.30)
International Bakery Products Limited	Subsidiary	1.08	0.62
Sunrise Biscuit Company Private Limited	Subsidiary	9.99	12.41
Manna Foods Private Limited	Subsidiary	61.73	51.10
Al Sallan Food Industries Co. SAOC	Subsidiary	0.02	(0.01)
Strategic Food International Co. LLC, Dubai	Subsidiary	0.76	0.14
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.41	1.26
Britannia Lanka Private Limited, Sri Lanka	Subsidiary	-	0.15
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	5.86	3.18
Britannia Dairy Private Limited	Subsidiary	0.37	0.29
Nalanda Biscuits Company Limited	Associate	0.92	1.41
Klassik Foods Private Limited	Associate	0.27	0.04
Britannia Sports (partnership firm)	Others	-	0.07
Total		95.33	70.61
Provision for doubtful loans / advances			
Manna Foods Private Limited	Subsidiary	1.04	1.04
Britannia Sports (partnership firm)	Others	-	0.07
Total		1.04	1.11
Investment in debentures held			
J B Mangharam Foods Private Limited	Subsidiary	0.75	0.75
International Bakery Products Limited	Subsidiary	6.77	6.77
Total		7.52	7.52
Investment in shares held			
Britannia Dairy Private Limited	Subsidiary	76.02	76.02
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	108.84	93.28
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	0.40	0.40
Boribunder Finance and Investments Private Limited	Subsidiary	2.58	2.08
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	20.67	20.67
Klassik Foods Private Limited	Associate	0.32	0.32
Nalanda Biscuits Company Limited	Associate	0.28	0.28
Others	Subsidiary	0.23	0.42
Total		224.63	208.76

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2013	31 March 2012
Related party closing balances as on balance sheet date:			
Provision for diminution in value of investment			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	35.00	35.00
Guarantees / collaterals / contingent liability			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	196.48	184.11
Letter of awareness / comfort			
Strategic Food International Co. LLC, Dubai	Subsidiary	56.16	52.71
Al Sallan Food Industries Co. SAOC	Subsidiary	10.35	9.71
Britannia Dairy Private Limited	Subsidiary	4.50	4.50
Total		71.01	66.92

Letter of financial and operational support given to following subsidiaries:

Strategic Food International Co. LLC, Dubai
Al Sallan Food Industries Co. SAOC
Britannia and Associates (Mauritius) Private Limited, Mauritius
Britannia and Associates (Dubai) Private Company Limited, Dubai
Strategic Brands Holding Company Limited, Dubai
Daily Bread Gourmet Foods (India) Private Limited

Notes:

(i) The above does not include related party transactions with retiral funds, as key management personnel who are trustees of the funds cannot individually exercise significant influence on the retiral funds transactions.

(ii) The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

(iii) SAP licenses held by the Company are also used by some of its subsidiaries.

(iv) Britannia Lanka Private Limited, Sri Lanka was liquidated during the year ended 31 March 2012 and Britannia Sports (partnership firm) has been dissolved during the current year.

Note 42 Employee benefits

(a) **Post retirement benefit - Defined contribution plans**

The Company has recognised an amount of ₹ 5.70 (previous year: ₹ 5.03) as expenses under the defined contribution plans in the statement of profit and loss for the year.

	31 March 2013	31 March 2012
Benefit (Contribution to)		
Provident Fund *	3.36	2.64
Family Pension Scheme	1.06	0.96
Pension Fund	1.28	1.43
Total	5.70	5.03

* 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

(b) Post retirement benefit - Defined benefit plans

The Company makes annual contributions to the Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.

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

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

Vesting (for both the funds mentioned above) occurs only upon completion of five years of service, except in case of death or permanent disability. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at balance sheet date.

		31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
1.	Reconciliation of opening and closing balances of the present value of the defined benefit obligation:					
	Obligations as at 1 April	13.93	15.46	15.75	14.67	17.01
	Service cost	0.88	0.94	1.01	0.94	0.97
	Interest cost	1.18	1.28	1.26	1.17	1.36
	Benefits settled	(2.19)	(3.46)	(2.29)	(1.03)	(5.36)
	Actuarial (gain) / loss	0.73	(0.28)	(0.27)	(0.02)	0.69
	Obligations as at year end 31 March	14.53	13.93	15.46	15.75	14.67
2.	Change in plan asset:					
	Plan assets as at 1 April at fair value	16.30	17.51	16.61	14.15	16.01
	Expected return on plan assets	1.39	1.44	1.33	1.13	1.28
	Actuarial gain / (loss)	(0.08)	(0.19)	0.07	-	(0.06)
	Contributions	1.31	1.01	1.79	2.36	2.28
	Benefits settled	(2.19)	(3.46)	(2.29)	(1.03)	(5.36)
	Plan assets as at 31 March at fair value	16.73	16.30	17.51	16.61	14.15
3.	Reconciliation of present value of the obligation and the fair value of the plan assets:					
	Present value of obligation as at 31 March	14.53	13.93	15.46	15.75	14.67
	Plan assets as at 31 March at fair value	16.73	16.30	17.51	16.61	14.15
	Amount recognised in balance sheet asset / (liability)	2.20	2.37	2.04	0.86	(0.52)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

		31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
4.	Expenses recognised in the statement of profit and loss:					
	Current service cost	0.88	0.94	1.01	0.94	0.97
	Interest cost	1.18	1.28	1.26	1.17	1.36
	Expected return on plan assets	(1.39)	(1.44)	(1.33)	(1.13)	(1.28)
	Actuarial (gain) / loss	0.81	(0.09)	(0.34)	(0.01)	0.75
	Net cost	1.48	0.68	0.61	0.97	1.80
5.	Amount recognised in the balance sheet:					
	Opening (asset) / liability	(2.37)	(2.04)	(0.86)	0.52	1.00
	Expense as above	1.48	0.68	0.61	0.97	1.80
	Employers' contribution paid	(1.31)	(1.01)	(1.79)	(2.36)	(2.28)
	Closing (asset) / liability	(2.20)	(2.37)	(2.04)	(0.86)	0.52
6.	Experience adjustment:					
	On plan liabilities (gain) / loss	0.21	(0.14)	0.18	0.08	0.04
	On plan assets gain / (loss)	(0.08)	(0.19)	0.07	(0.07)	(0.06)
		% Invested	**% Invested**	**% Invested**	**% Invested**	**% Invested**
7.	Investment details:					
	Government of India securities	26.79	27.08	25.45	22.96	22.45
	State Government securities	22.74	20.00	15.91	18.04	15.02
	Public sector securities	45.66	43.82	50.35	50.11	53.32
	Mutual funds	1.03	0.78	0.63	0.85	-
	Special deposit scheme	3.78	8.32	7.66	8.04	9.21
		100.00	100.00	100.00	100.00	100.00
8.	Principal actuarial assumptions:					
	Discount factor [Refer note (i) below]	8%	8.50%	8.25%	8%	8%
	Estimated rate of return on plan assets [Refer note (ii) below]	8%	8.50%	8.25%	8%	8%
	Attrition rate:					
	Age related	2%	2%	1%	1%	1%
	Service related	14%	14%	14%	1%	1%
	Salary escalation rate	5%	5%	5%	5%	5%
	Retirement age (in years)	58	58	58	58	58

Notes:

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.

(iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(iv) The disclosure above includes amounts for both Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 43 **Disclosure as per clause 32 of the Listing Agreement 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 2013	31 March 2012	31 March 2013	31 March 2012
Subsidiaries				
Sunrise Biscuits Company Private Limited, net	7.41	7.05	8.20	7.05
Boribunder Finance and Investments Private Limited, net	-	-	-	1.19
Daily Bread Gourmet Foods (India) Private Limited, net	5.35	3.06	5.35	3.06
J B Mangharam Foods Private Limited	10.49	-	10.49	-
Manna Foods Private Limited, net	60.16	52.30	60.22	52.30
Others				
Purbasha Properties Private Limited, net (repayment schedule in excess of 7 years)	3.63	3.89	3.95	4.15

Note 44 **Derivative contracts**

Foreign currency forward contracts

The Company has entered into foreign exchange forward contracts for hedging the foreign exchange fluctuation risks on foreign currency payables / loans, which has been accounted for in line with Accounting Standard 11 - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the amount receivable of ₹ 25.71 (previous year: ₹ 27.57) and loan payable of ₹ 20.08 (previous year: ₹ 20.08), relating to foreign exchange forward contracts for hedging have been netted off and disclosed under 'Short-term loans and advances (previous year: Long-term loans and advances)' [Refer note 19 (previous year: note 14)].

The Company has designated certain foreign exchange forward contracts (relating to foreign currency receivabes and payables) outstanding as on 31 March 2013 as hedge of committed transaction. On that date, the Company had forward contracts amounting to USD 1,741,026 and EUR 39,150 (previous year: USD 2,158,505 and EUR 66,000). As at the year end the unrealised exchange gain of ₹ 0.05 has not been accounted for (previous year: unrealised exchange loss of ₹ 0.19 was accounted for) (arrived on a mark to market basis) in line with the ICAI notification issued in March 2008.

The foreign currency exposures not hedged towards payables / receivables as at the year end amount to USD 185,294 / ₹ 1.01 (previous year: USD 148,891 / ₹ 0.76).

Note 45 **Capital subsidy**

During the year ended 31 March 2013, an amount of ₹ 5 has been received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 0.18 has been credited to the statement of profit and loss (by reducing the depreciation charge for the year) and the outstanding amount of ₹ 4.82 has been classified as capital subsidy in the balance sheet [Refer note 1 (t)].

Note 46 Figures in ₹ have been rounded off to two decimal places to the nearest crore, unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in '000

Note 47 The financial statements are presented in ₹ crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ crore are given below:

Note No.	Description	31 March 2013	31 March 2012
13.	**Non-current investments:**		
	(a) Trade investments - Unquoted - Investments in debentures / bonds		
	The Bengal Chamber of Commerce and Industry 6 1/2% Non-redeemable registered debentures 1962	4	4
	(b) Other investments - Unquoted - Investments in partnership firms		
	Britannia Sports *	-	49
	* The Company had an investment of ₹ 49,000/- in a partnership firm "Britannia Sports" having a capital of ₹ 100,000/- in which it held 49% share of the profit and loss and the balance share was held by two subsidiary companies, Flora Investments Company Private Limited and Gilt Edge Finance and Investments Private Limited who held 26% and 25% respectively. The partnership firm has been dissolved during the year. The Company has booked its proportionate share of partnership losses which is disclosed in the statement of profit and loss.		
	(c) Other investments - Quoted - Investments in equity instruments (fully paid)		
	- The Fertilisers & Chemicals Travancore Limited [Face Value: ₹ 10/-; Number of shares: 500 (previous year: 500)]	20	20
	- Reliance Infrastructure Limited [Face Value: ₹ 10/-; Number of shares: 46 (previous year: 46)]	28	28
	- Reliance Capital Limited [Face Value: ₹ 10/-; Number of shares: 30 (previous year: 30)]	17	17
	- Timken India Limited [Face Value: ₹ 10/-; Number of shares: 50 (previous year: 50)]	8	8
15.	**Current investments:**		
	(a) Unquoted - Investments in mutual funds		
	Reliance Liquid Fund Treasury Plan - Growth [Face Value: ₹ 10/-; Number of units: Nil (previous year: 1,283)]	-	33
26.	**Other expenses:**		
	(a) Miscellaneous		
	Includes share of loss in the partnership firm - Britannia Sports	28	8

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in '000

Note No.	Description	Relationship	31 March 2013	31 March 2012
41.	**Related party disclosures under Accounting Standard 18:**			
	(a) Investments written off on liquidation			
	- Britannia Sports (partnership firm)	Others	49	-
	- Equity shares: Britannia Lanka Private Limited, Sri Lanka	Subsidiary	-	2
	(b) Sale of goods / consumables and ingredients			
	Al Sallan Food Industries Co. SAOC	Subsidiary	5	-
	(c) Share of loss in partnership firm			
	Britannia Sports	Others	28	8
	(d) Outstanding - net receivables / (payables)			
	- Britannia Dairy Holdings Private Limited, Mauritius	Subsidiary	46	46
	- Boribunder Finance and Investments Private Limited	Subsidiary	35	-
42.	**Employee benefits:**			
	(a) Post retirement benefit - Defined contribution plans - Benefit (Contribution to)			
	Labour Welfare Fund		-	4

Note 48 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

As per our report of even date attached
for **B S R & Co.**
Chartered Accountants
Firm registration number: 101248W

Natrajh Ramakrishna
Partner
Membership number: 32815
Place : Mumbai
Date : 24 May 2013

for **and on behalf of the Board of Directors**
Chairman : Nusli N Wadia
Managing Director : Vinita Bali
Directors : A K Hirjee
S S Kelkar
Avijit Deb
Jeh N Wadia
Nasser Munjee
Ness N Wadia
Vijay L Kelkar
Chief Financial Officer : Vinod Krishna Menon
Company Secretary : P Govindan
Place : Mumbai
Date : 24 May 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Britannia Industries Limited

We have audited the accompanying consolidated financial statements of Britannia Industries Limited ('the Company'), its subsidiaries and associates, which comprise the consolidated balance sheet as at 31 March 2013, and the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

(i) in the case of the consolidated balance sheet, of the state of affairs of the Company as at 31 March 2013;

(ii) in the case of the consolidated statement of profit and loss, of the profit for the year ended on that date; and

(iii) in the case of the consolidated cash flow statement, of the cash flows for the year ended on that date.

Other matter

We did not audit the financial statements and other financial information of certain subsidiaries. These subsidiaries account for 8.54% of total assets, 3.88% of total revenues and other income and 14.60% of cash flows, as shown in these consolidated financial statements. Of the above:

a. The financial statements and other financial information of some of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries. These subsidiaries account for 8.53% of total assets, 3.88% of total revenue and other income and 14.40% of cash flows as shown in these consolidated financial statements. For the purposes of preparation of consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the management of the said entities so that they conform to the generally accepted accounting principles in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to consolidated financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been reviewed by the other auditors and the limited review reports of those other auditors have been furnished to us. Our opinion on the consolidated financial statements, insofar as it relates to these entities, is based on the aforesaid limited review reports of these other auditors.

b. The financial statements and other financial information of the remaining subsidiaries have not been subject to audit either by us or other auditors and therefore unaudited financial statements for the year ended 31 March 2013 of these entities have been furnished to us by the Management. These subsidiaries account for 0.01% of total assets, Nil% of total revenues and other income and 0.20% of cash flows as shown in these consolidated financial statements, and therefore are not material to the consolidated financial statements, either individually or in the aggregate.

We also did not audit the financial statements of associates, whose financial statements reflect share of loss of the Company aggregating ₹ 0.30 crores for the year ended 31 March 2013.

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

Natrajh Ramakrishna
Partner
Membership number: 32815

Place: Mumbai
Date : 24 May 2013

CONSOLIDATED BALANCE SHEET

₹ in crores

As at	Note No.	31 March 2013	31 March 2012
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	23.91	23.89
(b) Reserves and surplus	3	526.85	385.28
		550.76	409.17
(2) Share application money pending allotment	2 (e)	2.29	-
(3) Capital subsidy	37	4.82	-
(4) Minority interest		2.26	2.18
(5) Non-current liabilities			
(a) Long-term borrowings	4	27.20	61.70
(b) Deferred tax liabilities (net)	5	12.76	7.61
(c) Other long-term liabilities	6	19.67	20.47
(d) Long-term provisions	7	142.90	120.38
		202.53	210.16
(6) Current liabilities			
(a) Short-term borrowings	8	314.15	117.02
(b) Trade payables	9	393.51	387.04
(c) Other current liabilities	10	277.42	589.78
(d) Short-term provisions	11	135.73	126.70
		1,120.81	1,220.54
		1,883.47	**1,842.05**
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		623.60	521.45
(ii) Intangible assets		13.98	8.52
(iii) Capital work-in-progress		147.30	111.26
		784.88	641.23
(b) Goodwill on consolidation, net	12	99.22	94.42
(c) Non-current investments	13	35.29	35.96
(d) Long-term loans and advances	14	89.87	78.43
(e) Other non-current assets	30	12.12	12.12
(2) Current assets			
(a) Current investments	15	72.91	212.55
(b) Inventories	16	374.67	431.76
(c) Trade receivables	17	122.81	113.01
(d) Cash and bank balances	18	102.93	61.33
(e) Short-term loans and advances	19	188.77	161.24
		862.09	979.89
		1,883.47	**1,842.05**
Significant accounting policies	1		

See accompanying notes to financial statements

As per our report of even date attached
for **B S R & Co.**
Chartered Accountants
Firm registration number: 101248W

Natrajh Ramakrishna
Partner
Membership number: 32815
Place : Mumbai
Date : 24 May 2013

for **and on behalf of the Board of Directors**
Chairman : Nusli N Wadia
Managing Director : Vinita Bali
Directors : A K Hirjee
S S Kelkar
Avijit Deb
Jeh N Wadia
Nasser Munjee
Ness N Wadia
Vijay L Kelkar
Chief Financial Officer : Vinod Krishna Menon
Company Secretary : P Govindan
Place : Mumbai
Date : 24 May 2013

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in crores

For the year ended	Note No.	31 March 2013	31 March 2012
I. Revenue from operations			
Sale of products		6,221.82	5,519.96
Less: Excise duty		(85.91)	(59.21)
Net sale of products		6,135.91	5,460.75
Other operating revenues	20	49.50	24.62
		6,185.41	**5,485.37**
II. Other income	21	52.24	59.14
III. Total revenue (I + II)		**6,237.65**	**5,544.51**
IV. Expenses			
Raw materials including packaging materials consumed		3,350.51	3,109.12
Purchase of stock-in-trade	22	518.51	437.68
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(7.67)	(14.03)
Employee benefits expense	24	226.75	211.15
Finance costs	25	41.30	41.60
Depreciation and amortisation expense	12	73.15	61.83
Other expenses	26	1,676.67	1,430.58
Total expenses		**5,879.22**	**5,277.93**
V. Profit before tax (III - IV)		**358.43**	**266.58**
VI. Tax expense			
(1) Current tax			
Income tax [Refer note 35]		100.29	66.48
Minimum alternative tax credit entitlement		(6.89)	(1.49)
(2) Deferred tax		5.15	1.86
VII. Profit for the year before share of profits / (losses) of associates (net) and minority interest (V - VI)		**259.88**	**199.73**
Share of net loss of associates		(0.30)	(0.08)
Share of profit of minority		(0.08)	(0.10)
VIII. Profit for the year		**259.50**	**199.55**
IX. Earnings per equity share [Refer note 31]			
(1) Basic [nominal value of ₹ 2/- each]		21.72	16.71
(2) Diluted [nominal value of ₹ 2/- each]		21.70	16.69
Weighted average number of equity shares used in computing earnings per share:			
- Basic		119,490,267	119,450,815
- Diluted		119,608,513	119,560,465
Significant accounting policies	1		

See accompanying notes to financial statements

As per our report of even date attached

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

Natrajh Ramakrishna
Partner
Membership number: 32815
Place : Mumbai
Date : 24 May 2013

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Date : 24 May 2013

CONSOLIDATED CASH FLOW STATEMENT

₹ in crores

For the year ended	31 March 2013	31 March 2012
Cash flows from operating activities		
Profit before tax	358.43	266.58
Adjustments for:		
Depreciation and amortisation	73.15	61.83
Profit on sale of investments, net	(14.65)	(9.22)
Profit on sale of fixed assets, net	(7.94)	(16.22)
Dividend income	(0.24)	(0.36)
Interest income	(24.92)	(28.68)
Interest expense	41.30	41.60
Operating profit before working capital changes	**425.13**	**315.53**
(Increase) / decrease in inventories	58.20	(82.14)
(Increase) / decrease in trade receivables	(7.56)	(25.75)
(Increase) / decrease in loans and advances and other assets	(87.26)	(44.19)
(Increase) / decrease in bank balances (other than cash and cash equivalents)	(11.30)	0.78
Increase / (decrease) in liabilities and provisions	31.83	133.39
Cash generated from operations	**409.04**	**297.62**
Income taxes paid, net of refund	(89.24)	(51.50)
Net cash provided by operating activities	**319.80**	**246.12**
Cash flows from investing activities		
Purchase of fixed assets (including finance leased assets)	(224.98)	(265.92)
Proceeds from sale of fixed assets	9.58	22.82
(Purchase) / sale of investments, net	154.96	149.22
Inter-corporate deposits redeemed	60.00	-
Interest received	28.38	28.74
Dividend received	0.24	0.36
Net cash provided by / (used in) investing activities	**28.18**	**(64.78)**
Cash flows from financing activities		
Proceeds / (repayment) of secured loans, net	(401.83)	(2.24)
Interest paid	(42.29)	(41.21)
Proceeds / (repayment) of unsecured loans	175.00	(34.90)
Proceeds from share allotment	1.44	-
Proceeds from share application money pending allotment	2.29	-
Proceeds from capital subsidy	5.00	-
Dividend paid including tax thereon	(117.76)	(90.06)
Net cash provided by / (used in) financing activities	**(378.15)**	**(168.41)**
Net (decrease) / increase in cash and cash equivalents	**(30.17)**	**12.93**
Cash and cash equivalents at the beginning of the year	52.02	39.09
Cash and cash equivalents at the end of the year (Refer note below)	**21.85**	**52.02**

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

₹ in crores

For the year ended	31 March 2013	31 March 2012
Note:		
Cash and cash equivalents at the end of the year	83.96	53.66
Book overdraft [Refer note 10]	(60.93)	-
Effect of exchange rate changes	(1.18)	(1.64)
	21.85	**52.02**

As per our report of even date attached
for **B S R & Co.**
Chartered Accountants
Firm registration number: 101248W

Natrajh Ramakrishna
Partner
Membership number: 32815
Place : Mumbai
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for **and on behalf of the Board of Directors**
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Ness N Wadia
Vijay L Kelkar
Chief Financial Officer : Vinod Krishna Menon
Company Secretary : P Govindan
Place : Mumbai
Date : 24 May 2013

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

₹ in crores

Note 1 Significant accounting policies

(a) Basis of preparation of consolidated financial statements

The consolidated financial statements relate to Britannia Industries Limited ('the Company') and its subsidiaries and associates ('the Group'). The consolidated financial statements are prepared in accordance with Accounting Standard 21 - "Consolidated Financial Statements" and Accounting Standard 23 - "Accounting for Investments in Associates in Consolidated Financial Statements" prescribed by the Companies (Accounting Standard), Rules 2006. The consolidated financial statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements. Appropriate disclosure, as applicable, is made of significant deviations from the Company's accounting policies, which have not been adjusted.

(b) Subsidiaries and associate companies considered in the consolidated financial statements:

Name of the company	Country of incorporation	Proportion of ownership interest (in %)	Proportion of voting power held directly or indirectly (in %)
Subsidiary companies:			
Boribunder Finance and Investments Private Limited	India	100.00	100.00
Flora Investments Company Private Limited	India	40.53	100.00
Gilt Edge Finance and Investments Private Limited	India	46.13	100.00
Ganges Vally Foods Private Limited	India	51.00	51.00
International Bakery Products Limited	India	100.00	100.00
J B Mangharam Foods Private Limited	India	100.00	100.00
Manna Foods Private Limited	India	100.00	100.00
Sunrise Biscuit Company Private Limited	India	99.16	99.16
Britannia and Associates (Mauritius) Private Limited	Mauritius	100.00	100.00
Britannia and Associates (Dubai) Private Company Limited	Dubai, UAE	100.00	100.00
Al Sallan Food Industries Co. SAOC	Oman	65.46	65.46
Strategic Food International Co. LLC	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
Associates:			
Klassik Foods Private Limited	India	26.02	26.02
Nalanda Biscuits Company Limited	India	35.00	35.00
The following companies limited by guarantee, are also considered for consolidation:			
Britannia Employees General Welfare Association Private Limited	India		
Britannia Employees Medical Welfare Association Private Limited	India		
Britannia Employees Educational Welfare Association Private Limited	India		

(c) Principles of consolidation

(i) These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-company transactions.

(ii) Accounting for investments in associate companies has been carried out under the equity method of accounting prescribed under Accounting Standard 23 - "Accounting for Investments in Associates in

₹ in crores

Consolidated Financial Statements" wherein goodwill / capital reserve arising at the time of acquisition, and the Group's share of profit or loss after the date of acquisition have been adjusted in the investment value.

The following associate companies and partnership firm (where control exists) are excluded from consolidation as they are not significant:

Name of the entity	Relationship	Country of incorporation
Britannia Sports	Partnership firm where control exists	India
Vasana Agrex and Herbs Private Limited	Associate	India
Snacko Bisc Private Limited	Associate	India

(d) Basis of accounting and preparation of financial statements

The consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting to comply in all material aspects with the applicable accounting principles in India, the mandatory Accounting Standards prescribed by the Companies (Accounting Standard), Rules 2006, the relevant provisions of the Companies Act, 1956 ('the Act') and the guidelines issued by the Securities and Exchange Board of India ('SEBI').

The financial statements of Britannia and Associates (Dubai) Private Company Limited, Dubai; Britannia Dairy Holdings Private Limited, Mauritius; Klassik Foods Private Limited and Nalanda Biscuits Company Limited have been incorporated in the consolidated financial statements of Britannia Industries Limited based on unaudited financial statements.

(e) Use of estimates

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

(f) Fixed assets

Tangible assets

Tangible assets are stated at their cost of acquisition or construction less accumulated depreciation. Cost includes inward freight, duties, taxes and expenses incidental to acquisition and installation or construction, net of refundable duties, levies and taxes where applicable. The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work-in-progress.

Intangible assets

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

(ii) Goodwill arising on consolidation represents the excess of cost to the Group of its investment in a subsidiary company over the Group's portion of net worth of the subsidiary, and is net of capital reserve.

(g) Depreciation and amortisation

Depreciation in respect of all the assets is provided on straight line method. The rates of depreciation prescribed in Schedule XIV to the Act are considered as minimum rates. If the Management's estimate of the useful life of a fixed asset at the time of the acquisition of the asset or of the remaining useful life on a subsequent review is shorter than envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the Management's estimate of the useful life / remaining useful life.

Vehicles acquired on finance lease are depreciated over a period of 5 years.

Assets costing individually upto ₹ 5,000/- are fully depreciated in the year of addition.

Leasehold land is amortised over the period of primary lease.

₹ in crores

Tangible assets

Expected range of useful life of assets of Group is as mentioned below:
Buildings : 20 - 30 years,
Plant and equipment : 10 - 30 years,
Computers (part of office equipment) : 4 - 6 years, and
Furniture and fixtures : 4 - 16 years

In respect of assets held by J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited, depreciation is provided on a written-down value basis over its expected useful life. The written-down value of assets as on 31 March 2013 amounts to ₹ 3.77 and ₹ 2.86 (previous year: ₹ 4.06 and ₹ 3.13) for J B Mangharam Foods Private Limited and Ganges Vally Foods Private Limited respectively. The impact of the depreciation computed under the straight line method is not material.

Intangible assets

Expected useful life of assets of Group is as mentioned below:
Know-how : 3 years,
Marketing infrastructure : 3 years,
Non-compete rights : 2 years, and
Computer software : 6 years

Goodwill arising on consolidation is evaluated for impairment periodically (Also refer point (h) below).

(h) Impairment of assets

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

(i) Leases

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

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

(j) Inventories

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

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

Raw materials, packing materials and stores and spares are valued at cost computed on monthly 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

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

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

	31 March 2013	31 March 2012
Britannia Dairy Private Limited	17.54	19.48

(k) Trade receivables and loans and advances

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

(l) Investments

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

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

(m) Revenue recognition

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

Income from royalty and services is accounted for based on contractual agreements.

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

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

(n) Foreign currency transactions

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

The Group uses foreign exchange forward contracts to cover its exposure towards movements in foreign exchange rates. The Group does not use the foreign exchange forward contract for trading or speculative purposes.

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

(o) Derivative contracts

Based on the principle of prudence as provided in Accounting Standard 1 - “Disclosure of Accounting Policies”, the Group assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 - “The Effects of Changes in Foreign Exchange Rates” (Refer point (n) above)] at the balance sheet date and provides for such losses. The net gain, if any, based on the said evaluation is not accounted for in line with the Institute of Chartered Accountants of India notification issued in March 2008 in relation to such transactions.

(p) Taxes on income

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year). Deferred tax in respect of timing differences which originate

₹ in crores

during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing differences originate. For this purpose the timing differences, which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets.

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

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

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

(q) Employee benefits

(i) Short-term employee benefits

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

(ii) Post-employment benefits

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

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

In case of Al Sallan Food Industries Co. SAOC, the provision for employees' terminal benefits is based upon the liability accrued in accordance with the terms of employment of the Company's employees at the statement of financial position date, having regard to the requirements of the Oman Labour Law, 2003 and the Social Security Law, 1991.

In case of Strategic Food International Co. LLC, Dubai, provision for staff terminal benefits is calculated in accordance with the UAE Federal Labour Law and is based on the liability that would arise if the employment of all the Company's staff were terminated on the balance sheet date. This difference in accounting policy from the Group's accounting policy as mentioned above does not have a material impact on the financial statements.

(iii) Other long-term employee benefits

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

(iv) Voluntary retirement scheme benefits

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

(r) Borrowing costs

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

(s) Employee share based payments

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

(t) Provisions and contingent liabilities

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

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

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

(u) Earnings per share

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

(v) Cash flow statement

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

(w) Capital subsidy

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

(x) Government grants related to revenue

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 2 - Share capital		
Authorised		
Equity shares	50.00	50.00
[250,000,000 equity shares of ₹ 2/- each (previous year: 250,000,000 equity shares of ₹ 2/- each)]		
Issued, subscribed and paid up		
Equity shares fully paid	23.91	23.89
[119,525,815 equity shares of ₹ 2/- each (previous year: 119,450,815 equity shares of ₹ 2/- each)]*		
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (previous year: 60,866,095 equity shares of ₹ 2/- each) are held by the subsidiaries of The Bombay Burmah Trading Corporation Limited, the ultimate holding company [Refer note (a) below].		
Rights, preferences and restrictions attached to the equity shares:		
- The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share.		
- The Company declares and pays dividends in Indian ₹. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
- During the year ended 31 March 2013, the amount of per share dividend recognized as distribution to equity shareholders is ₹ 8.5/- (previous year: ₹ 8.5/-). The total dividend appropriation for the year ended 31 March 2013 amounted to ₹ 118.94 (previous year: ₹ 118) including corporate dividend tax of ₹ 17.28 (previous year: ₹ 16.47).		
- 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, 475,000 options have been granted, 150,000 options have been exercised, 75,000 shares were allotted on 21 September 2012 at an exercise price of ₹ 191.06/- and 75,000 shares have been allotted on 2 April 2013 at an exercise price of ₹ 305.63/- [Refer note (d) below].		
	23.91	23.89

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Notes:

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

	31 March 2013		31 March 2012	
	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 equity shares:

	31 March 2013		31 March 2012	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	45.10%	53,904,500	45.13%
Arisaig Partners (Asia) Pte Ltd.	10,671,488	8.93%	9,967,985	8.34%
HDFC Trustee Company Limited	1,251,249	1.05%	6,868,168	5.75%

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

	31 March 2013		31 March 2012	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	119,450,815	23.89	119,450,815	23.89
Shares issued during the reporting year	75,000	0.02	-	-
Closing balance at the end of the reporting year	119,525,815	23.91	119,450,815	23.89

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

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

Exercise prices as stated above are adjusted downwards by ₹ 170/- per share for options granted on 29 October 2008 and 27 May 2009, being the face value of bonus debentures issued pursuant to the Scheme of Arrangement approved by the Hon'ble 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 (f) below].

The Company has further granted 100,000 options on 28 May 2012 at an exercise price of ₹ 528.75/- to the Managing Director of the Company.

₹ in crores

Method used for accounting of share based payment plan:

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

Movement in the options under the scheme:	**31 March 2013**	**31 March 2012**
Options outstanding at the beginning of the year	375,000	250,000
Options granted during the year	100,000	125,000
Options vested during the year	125,000	100,000
Options exercised during the year [Refer note (e) below]	150,000	Nil
Shares allotted against options exercised during the year	75,000	Nil
Options lapsed during the year	Nil	Nil
Shares under option at the end of the year	325,000	375,000
Options exercisable at the end of the year	225,000	250,000
Weighted average price per option (₹)	416.05	318.91

Fair Value Methodology:

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

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

Particulars	**31 March 2013**	**31 March 2012**
No. of options granted	100,000	125,000
Date of grant	28 May 2012	27 May 2011
Vesting period (years)	1	1
Expected life of option (years)	3	3
Expected volatility	22.16%	24.11%
Risk free rate	8.08%	8.46%
Expected dividends expressed as a dividend yield	1.61%	1.66%
Weighted average fair values of options per share (₹)	113.91	94.21

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

Particulars	**31 March 2013**	**31 March 2012**
Net profit (as reported)	259.50	199.55
Less: Stock-based compensation expense determined under fair value based method net of Intrinsic Value (without considering tax impact)	1.19	1.14
Net profit (pro-forma) considered for computing EPS (pro-forma)	258.31	198.41
Basic earnings per share (as reported) (₹)	21.72	16.71
Basic earnings per share (pro-forma) (₹)	21.62	16.61
Diluted earnings per share (as reported) (₹)	21.70	16.69
Diluted earnings per share (pro-forma) (₹)	21.60	16.59

(e) During the year ended 31 March 2013, an amount of ₹ 2.29 crores has been received as advance against 75,000 stock options exercised by Managing Director. The shares were allotted on 2 April 2013. The amount has been classified as share application money pending allotment in the balance sheet.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 3 - Reserves and surplus

	General reserve	Capital redemption reserve	Capital reserve	Surplus	Securities premium	Foreign currency translation reserve	As at 31 March 2013
Balance at the beginning of the year	233.64	3.96	0.63	149.59	-	(2.54)	385.28
Additions:							
Net profit after tax transferred from the statement of profit and loss	-	-	-	259.50	-	-	259.50
Foreign currency translation adjustment	-	-	-	-	-	(0.41)	(0.41)
On issue of equity shares	-	-	-	-	1.42	-	1.42
Transfer from surplus	23.39	-	-	-	-	-	23.39
	257.03	3.96	0.63	409.09	1.42	(2.95)	669.18
Deductions:							
Transfer to general reserve	-	-	-	23.39	-	-	23.39
Proposed dividend *	-	-	-	101.66	-	-	101.66
Tax on proposed dividend	-	-	-	17.28	-	-	17.28
Balance at the end of the year	257.03	3.96	0.63	266.76	1.42	(2.95)	526.85

* The Board of Directors of the Company has recommended a dividend of ₹ 8.5/- per share of face value of ₹ 2/- amounting to ₹ 101.66 for the financial year ended 31 March 2013.

	General reserve	Capital redemption reserve	Capital reserve	Surplus	Securities premium	Foreign currency translation reserve	As at 31 March 2012
Balance at the beginning of the year	214.96	3.96	0.63	86.72	-	(4.12)	302.15
Additions:							
Net profit after tax transferred from the statement of profit and loss	-	-	-	199.55	-	-	199.55
Foreign currency translation adjustment	-	-	-	-	-	1.58	1.58
Transfer from surplus	18.68	-	-	-	-	-	18.68
	233.64	3.96	0.63	286.27	-	(2.54)	521.96
Deductions:							
Transfer to general reserve	-	-	-	18.68	-	-	18.68
Proposed dividend *	-	-	-	101.53	-	-	101.53
Tax on proposed dividend	-	-	-	16.47	-	-	16.47
Balance at the end of the year	233.64	3.96	0.63	149.59	-	(2.54)	385.28

* The Board of Directors of the Company had recommended a dividend of ₹ 8.5/- per share of face value of ₹ 2/- amounting to ₹ 101.53 for the financial year ended 31 March 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 4 - Long-term borrowings		
(i) Secured		
(a) Term loans		
From banks [Refer note (a) below]	26.79	26.42
(b) Long-term maturities of finance lease obligations [Refer note 10 (note (c)) for details of security, maturity period, repayment terms and rate of interest] [Secured by hypothecation of assets (vehicles) taken on lease]	0.41	0.59
	27.20	27.01
(ii) Unsecured		
(a) Term loans		
From banks [Refer note (b) below]	-	34.69
	27.20	**61.70**

Notes:

(a) The interest free soft loan from Government of Oman through Oman Development Bank is repayable in 13 years which starts from 1 August 2006 and ends on 1 August 2018. Loan is secured by first ranking mortgage on all the tangible assets of the Al Sallan Food Industries Co. SAOC.

(b) Term loan includes:

(i) External commercial borrowings of ₹ Nil (previous year: ₹ 27.57) repayable in 60 months from 19 September 2008 being the date of origination of loan. Rate of interest being 7.1%.

(ii) Loan of ₹ Nil (previous year: ₹ 7.12) availed by Britannia and Associates (Mauritius) Private Limited, Mauritius to fund its acquisition and support working capital requirement of Strategic Food International Co. LLC, Dubai, Strategic Brands Holding Limited and Al Sallan Food Industries Co. SAOC. The term loan is repayable in 16 equal quarterly instalments commencing at the end of three years from the last drawdown which was 23 March 2007. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited. Interest rate is 3 months applicable LIBOR + markup as agreed with the bank.

Note 5 - Deferred tax liabilities (net)

Disclosure as per Accounting Standard 22 - "Accounting for Taxes on Income" - Major components of deferred tax assets and liabilities on account of timing differences are as follows:

As at	31 March 2013		31 March 2012	
	Asset	Liability	Asset	Liability
Depreciation	-	39.83	-	32.93
Voluntary retirement scheme, terminal compensation benefits	3.60	-	6.73	-
Statutory payments	17.62	-	13.93	-
Provisions allowed on payments, write off	4.05	-	3.89	-
Others	1.80	-	0.77	-
	27.07	39.83	25.32	32.93
		12.76		7.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 6 - Other long-term liabilities		
Deposits from customers	19.67	20.47
	19.67	**20.47**
Note 7 - Long-term provisions		
Employee benefits	4.67	3.89
Others:		
Excise and service tax related issues (a)	28.72	27.01
Sales tax and other issues (a)	38.85	21.92
Trade and other issues (a)	32.76	30.02
Provision for income tax	37.90	37.54
	142.90	**120.38**
(a) Refer note 29.		
Note 8 - Short-term borrowings		
Unsecured		
From banks *	314.15	117.02
	314.15	**117.02**

* Includes:

(i) Term Loan of ₹ 189.24 (previous year: ₹ Nil): Rate of interest ranges between 9.25% to 9.35% and period of maturity ranges between 1 day to 30 days.

(ii) Loan of ₹ 124.91 (previous year: ₹ 117.02) availed by Britannia and Associates (Mauritius) Private Limited, Mauritius to support working capital requirement of Strategic Food International Co. LLC, Dubai, Strategic Brands Holding Limited and Al Sallan Food Industries Co. SAOC. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an Interest rate of one year applicable LIBOR + markup as agreed with the bank. Date of maturity of the loan is 13 July 2013.

As at	31 March 2013	31 March 2012
Note 9 - Trade payables		
Due to Micro, Small and Medium Enterprises	5.96	4.50
Others	387.55	382.54
	393.51	**387.04**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 10 - Other current liabilities		
Current maturities of long-term debt		
(a) Bonds / debentures [Refer note (a) below]	-	406.13
(b) Term loans [Refer note (b) below]	38.51	19.11
Current maturities of finance lease obligations [Refer note (c) below]	0.14	0.25
Interest accrued but not due on borrowings	1.18	1.91
Unclaimed debenture interest *	0.50	0.76
Unpaid dividends *	2.24	2.00
Unclaimed debenture redemption balance *	5.82	-
Other payables:		
- Book overdraft	60.93	-
- Advance from customers	15.27	14.54
- Creditors for capital goods	14.70	12.87
- Statutory related liabilities (VAT, TDS, PF, etc.)	60.60	51.98
- Other liabilities	77.53	80.23
	277.42	589.78

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

Note:

(a) 23,890,163 - 8.25% Redeemable non-convertible bonus debentures of ₹ 406.13 of face value of ₹ 170/- each, fully paid up.

The debentures are secured by way of first mortgage created on identified immovable property and first charge on Company's movable assets restricted to inventories and plant and machinery. The book value (net) of plant and equipment and inventories as on 31 March 2012 amounts to ₹ 256.19 and ₹ 382.28 respectively.

The debentures are redeemable in full at the end of 36 months from 22 March 2010 being the date of allotment.

The Committee of the Board of Directors ('the Board'), at its meeting held on 22 March 2010, pursuant to the Scheme of Arrangement ('the Scheme') sanctioned by the Hon'ble Calcutta High Court on 11 February 2010 under Section 391(2) of the Companies Act, 1956 ('the Act'), allotted 8.25% secured fully paid-up Redeemable non-convertible bonus debentures ('the bonus debentures') from the General Reserve, in the ratio of one debenture of the face value of ₹ 170/- for every equity share held by the shareholders of the Company as on 9 March 2010. The date of allotment of bonus debentures is 22 March 2010. The Scheme was earlier approved by the Board at its meeting held on 27 May 2009 and by the shareholders at the General Meeting held on 31 August 2009. The bonus debentures have been listed on the Bombay Stock Exchange Limited, National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited. The Scheme involves issuance of bonus debentures out of General Reserve and does not entail any real borrowing, accordingly, the requirement of creating a Debenture Redemption Reserve pursuant to Section 117C of the Act or Clause 10.3 of SEBI (Disclosure and Investor Protection) Guidelines, 2000 issued under the Securities and Exchange Board of India Act, 1992 is not applicable. This has also been noted in the Scheme of Arrangement sanctioned by the Hon'ble Calcutta High Court.

The debentures have been redeemed on 22 March 2013.

(b) Term loan includes:

(i) External commercial borrowings of ₹ 25.71 (previous year: ₹ Nil) repayable in 60 months from 19 September 2008 being the date of origination of loan. Rate of interest being 7.1%.

₹ in crores

(ii) The current maturities of interest free soft loan from Government of Oman through Oman Development Bank of ₹ 1.41 (previous year: ₹ 1.32) is repayable in 13 years which starts from 1 August 2006 and ends on 1 August 2018. Loan is secured by first ranking mortgage on all the tangible assets of the Al Sallan Food Industries Co. SAOC.

(iii) The term loan of ₹ 11.39 (previous year: ₹ 17.79) availed by Britannia and Associates (Mauritius) Private Limited, Mauritius to fund its acquisition and support working capital of Strategic Food International Co. LLC, Dubai, Strategic Brands Holding Limited and Al Sallan Food Industries Co. SAOC. The term loan is repayable in 16 equal quarterly instalments commencing at the end of three years from the last drawdown which was 23 March 2007. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited. Interest rate is 3 months applicable LIBOR + markup as agreed with the bank.

(c) Rate of interest, number of repayment instalments and period of maturity for finance lease obligations ranges from 11.7% to 16.9%, 2 to 16 and 1 year to 4 years respectively.

As at	31 March 2013	31 March 2012
Note 11 - Short-term provisions		
Provision for employee benefits	8.69	7.22
Employee benefits - gratuity, net [Refer note 34 (b)]	0.05	-
Others:		
Provision for income tax	8.05	1.48
Proposed dividend	101.66	101.53
Tax on proposed dividend	17.28	16.47
	135.73	126.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 12 - Fixed assets

₹ in crores

Description	Gross block at cost					Accumulated depreciation and amortisation / impairment					Net block	
	As at 1 April 2012	Exchange difference	Additions	Deletions	As at 31 March 2013	As at 1 April 2012	Exchange difference	Charge for the year	On deletions during the year	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Tangible assets												
Own assets												
Freehold land	9.83	-	7.55	-	17.38	-	-	-	-	-	17.38	9.83
Leasehold land (a)	24.15	-	0.25	0.08	24.32	0.52	-	0.24	-	0.76	23.56	23.63
Buildings (b)	186.01	4.35	49.61	0.66	239.31	75.48	3.06	7.88	0.26	86.16	153.15	110.53
Plant and equipment	768.89	13.59	102.20	24.76	859.92	413.02	9.28	56.76	23.71	455.35	404.57	355.87
Furniture and fittings	12.65	0.17	2.05	0.84	14.03	5.98	0.26	0.97	0.84	6.37	7.66	6.67
Motor vehicles	2.73	0.09	0.16	0.09	2.89	1.02	0.05	0.30	0.09	1.28	1.61	1.71
Office equipment	43.89	0.53	7.23	0.46	51.19	31.27	0.41	4.58	0.45	35.81	15.38	12.62
Leased assets												
Motor vehicles	1.16	-	-	0.55	0.61	0.57	-	0.20	0.45	0.32	0.29	0.59
	1,049.31	18.73	169.05	27.44	1,209.65	527.86	13.06	70.93	25.80	586.05	623.60	521.45
Intangible assets												
Trademarks	0.04	-	-	-	0.04	0.01	-	-	-	0.01	0.03	0.03
Designs	0.01	-	-	-	0.01	-	-	-	-	-	0.01	0.01
Computer software	12.79	-	7.86	-	20.65	4.31	-	2.40	-	6.71	13.94	8.48
Knowhow	10.10	-	-	-	10.10	10.10	-	-	-	10.10	-	-
Marketing infrastructure	16.90	-	-	-	16.90	16.90	-	-	-	16.90	-	-
Non-compete rights	24.46	-	-	-	24.46	24.46	-	-	-	24.46	-	-
	64.30	-	7.86	-	72.16	55.78	-	2.40	-	58.18	13.98	8.52
	1,113.61	18.73	176.91	27.44	1,281.81	583.64	13.06	73.33	25.80	644.23	637.58	529.97
Goodwill on consolidation, net (c)	101.93	4.80	-	-	106.73	7.51	-	-	-	7.51	99.22	94.42
Total	1,215.54	23.53	176.91	27.44	1,388.54	591.15	13.06	73.33 (d)	25.80	651.74	736.80	624.39
Previous year	1,054.69	41.81	169.09	50.05	1,215.54	549.80	22.96	61.83	43.44	591.15		
Add: Capital work-in-progress											147.30	111.26
											884.10	735.65

Notes:

(a) Agreement in respect of leasehold land at one factory of the Company (previous year: two factories) is in the process of renewal.

(b) Buildings include:

(i) Fully paid unquoted shares and bonds in respect of ownership of flats in 2 Co-operative Housing Societies (previous year: 2 Co-operative Housing Societies); 509 shares (previous year: 509 shares) of ₹ 50/- each, and 50 interest free loan stock bonds (previous year: 50 interest free loan stock bonds) of ₹ 100/- each.

(ii) Net book value of ₹ 4.32 (previous year: ₹ 5.77) constructed on a land leased from the Government (UAE) which is renewable each year in relation to Strategic Food International Co. LLC, Dubai (SFIC). The lessor [Government (UAE)] would be required to give the tenant (SFIC) a notice of one year for termination of the lease.

(iii) Net book value of ₹ 13.54 (previous year: ₹ 13.51) 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) Goodwill on consolidation comprises goodwill of ₹ 107.78 (previous year: ₹ 102.98) and capital reserve of ₹ 1.05 (previous year: ₹ 1.05).

(d) Depreciation:

Depreciation charge for the year	73.33
Transfer from capital subsidy [Refer note 1 (w) and 37]	(0.18)
Net depreciation charge for the year	**73.15**

(e) Net book value of tangible assets included in the above schedule pertaining to ASFI amounts to ₹ 39.51 (previous year: ₹ 38.97). Substantially all the tangible assets of ASFI are mortgaged as security against the Government term loan and other term loans amounting to ₹ 28.20 (previous year: ₹ 27.75).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 13 - Non-current investments		
At cost less provision for other than temporary diminution		
Long-term		
Unquoted		
Non-trade investments		
Investments in equity instruments - Associates	1.14	1.44
Less: Provision for diminution in value of investments	0.01	0.01
	1.13	1.43
Investments in insurance companies	5.99	5.99
Investments in partnership firms *	-	0.01
	7.12	7.43
* The partnership firm has been dissolved during the year.		
Quoted		
Non-trade investments		
Investments in debentures / bonds	25.00	25.00
Investments in equity instruments	3.17	3.53
	28.17	28.53
	35.29	**35.96**
Note 14 - Long-term loans and advances		
Unsecured		
Considered good:		
- Capital advances	35.72	21.85
- Deposits	11.60	6.84
- Other loans and advances:		
Recoverable in cash or in kind or for value to be received	25.68	43.05
Advance income tax and tax deducted at source	8.37	5.20
Minimum alternative tax credit entitlement	8.50	1.49
Considered doubtful:		
- Loans and advances recoverable in cash or in kind or for value to be received	6.01	6.07
	95.88	84.50
Less: Provision for doubtful loans and advances	6.01	6.07
	89.87	**78.43**
Note 15 - Current investments		
Lower of cost or fair value		
Current		
Unquoted		
Non-trade investments		
Investment in certificate of deposits	-	24.88
Investments in mutual funds	72.91	81.54
	72.91	106.42
Long-term		
Quoted		
Non-trade investments		
Investments in debentures / bonds	-	106.13
	72.91	**212.55**
Aggregate market value of quoted current investments	-	106.13

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2013	31 March 2012
Note 16 - Inventories *		
Raw materials	139.19	215.30
Packing materials	51.75	44.02
Work-in-progress	0.66	1.63
Finished goods	140.68	140.70
Stock-in-trade	18.12	9.20
Stores and spare parts	24.27	20.91
	374.67	431.76
* Refer note 1 (j) for mode of valuation for inventories.		
Note 17 - Trade receivables		
Unsecured		
Considered good:		
- Over six months	4.52	1.72
- Others	118.29	111.29
	122.81	113.01
Considered doubtful:		
- Over six months	4.83	4.78
- Others	6.22	5.99
	133.86	**123.78**
Less: Provision for doubtful debts	11.05	10.77
	122.81	113.01
Note 18 - Cash and bank balances		
Cash and cash equivalents:		
- Cash on hand	0.49	0.60
- Cheques on hand	45.13	20.22
- Current accounts	38.34	32.84
Other bank balances:		
- Unpaid dividend accounts	2.24	2.00
- Unclaimed debenture interest	0.72	0.76
- Deposit accounts [Refer note (a) below]	10.19	4.91
- Unclaimed debenture redemption balance	5.82	-
	102.93	61.33

Note:

(a) Deposit accounts held against bank guarantees include bank deposits with more than 12 months maturity amounting to ₹ Nil (previous year: ₹ 0.45).

As at	31 March 2013	31 March 2012
Note 19 - Short-term loans and advances		
Unsecured		
Considered good:		
- Deposits	2.37	3.84
- Other loans and advances		
Recoverable in cash or in kind or for value to be received	177.12	82.51
Advance income tax and tax deducted at source	-	5.60
Inter-corporate deposits	-	60.00
Minimum alternative tax credit entitlement	-	1.80
Employee benefits - gratuity, net [Refer note 34 (b)]	-	0.91
Balances with customs, port trust, excise, etc.	8.47	2.31
Interest accrued but not due	0.81	4.27
Considered doubtful:		
- Loans and advances recoverable in cash or in kind or for value to be received	2.90	2.80
	191.67	164.04
Less: Provision for doubtful loans and advances	2.90	2.80
	188.77	161.24

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

For the year ended		31 March 2013	31 March 2012
Note 20 - Other operating revenues			
Royalty income		2.45	2.25
Scrap sales		21.99	16.02
Other receipts [Refer note (a) below]		25.06	0.53
Provisions and liabilities no longer required written back, net		-	5.82
		49.50	24.62

Note:

(a) Includes an amount of ₹ 17.48 towards VAT incentive for the Hajipur Factory, Bihar and Khurda Factory, Orissa in accordance with the State Industrial Policy of Bihar and Orissa.

For the year ended		31 March 2013	31 March 2012
Note 21 - Other income			
Interest income	Long-term	15.41	19.31
	Current	9.51	9.37
Dividend income	Current	0.24	0.36
Net gain / (loss) on sale of investments	Long-term	0.86	5.04
	Current	13.79	4.18
Other non-operating income:			
- Profit on sale of fixed assets		7.94	16.22
- Foreign exchange gain, net		0.12	0.72
- Provisions and liabilities no longer required written back, net		0.86	0.71
- Other receipts		3.51	3.23
		52.24	59.14
Note 22 - Purchase of stock-in-trade			
Biscuits and high protein food		240.88	228.26
Bread, bread toast and rusk		44.95	26.46
Cake		206.74	159.15
Others		25.94	23.81
		518.51	437.68
Note 23 - Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Opening stock:			
- Finished goods		140.70	126.73
- Stock-in-trade		9.20	7.51
- Work-in-progress		1.63	0.81
Closing stock:			
- Finished goods		140.68	140.70
- Stock-in-trade		18.12	9.20
- Work-in-progress		0.66	1.63
		(7.93)	(16.48)
Less: Excise duty on opening stock of finished goods		(3.88)	(1.43)
Add: Excise duty on closing stock of finished goods		4.14	3.88
Increase / (decrease)		0.26	2.45
		(7.67)	(14.03)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

For the year ended	31 March 2013	31 March 2012
Note 24 - Employee benefits expense		
Salaries and wages	201.07	174.94
Contribution to provident and other funds	12.59	9.55
Staff welfare expenses	12.99	11.46
Voluntary retirement scheme expenditure [Refer note (a) below]	0.10	15.20
	226.75	211.15

Note:

(a) During the previous year, pursuant to the consent order in the Writ Petition No. 2659 / 2005, before the Hon'ble Bombay High Court, the Company accepted the application for Voluntary Retirement Scheme ('VRS') offered to all workmen at the Reay Road Mumbai factory. Consequently, all the legal cases related to the closure of the factory, were disposed off and an amount of ₹ 15.05 was paid towards the VRS.

For the year ended	31 March 2013	31 March 2012
Note 25 - Finance costs		
Interest expense:		
- Redeemable non-convertible bonus debentures	32.50	33.60
- Finance lease	0.11	0.23
- Bank and others	8.69	7.77
	41.30	41.60
Note 26 - Other expenses		
Consumption of stores and spares	15.18	11.26
Power and fuel	91.01	72.87
Rent [Refer note 28 (a)]	8.94	6.83
Repairs and maintenance:		
- Plant and equipment (a)	15.05	11.73
- Buildings (a)	1.72	1.75
- Others	16.04	13.24
Insurance	2.36	1.75
Rates and taxes, net	21.45	25.47
Carriage, freight and distribution	352.76	332.23
Auditor's remuneration (b):		
- Audit fees	0.66	0.47
- Other services	0.08	0.07
- Expenses reimbursed	0.10	0.10
Advertising and sales promotion	534.28	419.60
Conversion charges	419.68	355.24
Miscellaneous	197.04	177.43
Bad debts and advances written off, net	0.32	0.32
Provision for doubtful receivables and loans / advances, net	-	0.22
	1,676.67	1,430.58
(a) Includes stores consumed	8.19	7.58

(b) Excluding service tax

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 27 Contingent liabilities and commitments:

(i) Contingent liabilities:

(a) Claims / demands against the Group not acknowledged as debts including excise, income tax, sales tax and trade and other demands of ₹ 45.39 (previous year: ₹ 30.04).

(b) Bank guarantee and letter of credit for ₹ 22.44 (previous year: ₹ 10.67).

(c) Discounted cheques: ₹ 2.95 (previous year: ₹ 3.16).

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 29].

(ii) Commitments:

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 33.51 (previous year: ₹ 44.81).

Note 28 (a) Operating leases

The Group has certain operating leases for land, office facilities and residential premises (cancellable as well as non cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement (except non cancellable leases). Rental expenses of ₹ 8.73 (previous year: ₹ 6.60) and ₹ 0.21 (previous year: ₹ 0.23) 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, the Company has taken on lease a plot of land for factory premises at Sohar from the Public Establishment for Industrial Estates ('PEIE') for a period of 25 years from 1 January 1994 which is renewable thereafter for a further period of 25 years.

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ 1.21 (previous year: ₹ 1.39) and are due:

	31 March 2013	31 March 2012
Not later than 1 year	0.21	0.23
Later than 1 year and not later than 5 years	0.84	0.82
More than five years	0.16	0.34
	1.21	1.39

(b) Finance leases

The Group has taken motor vehicles under finance leases. The total minimum lease payments and present value of minimum lease payments as at 31 March 2013 are as follows:

	31 March 2013		31 March 2012	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.20	0.14	0.34	0.25
Later than 1 year and not later than 5 years	0.38	0.41	0.64	0.59
	0.58	0.55	0.98	0.84

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.03 (previous year: ₹ 0.14) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 29 In accordance with Accounting Standard 29 - "Provisions, Contingent Liabilities and Contingent Assets", prescribed by the Companies (Accounting Standard), Rules 2006, certain classes of liabilities have been identified as provisions which have been disclosed as under:

	1 April 2012	Additions *	Utilisation *	Reversals / adjustments *	31 March 2013
(a) Excise and service tax related issues	27.01	1.71	-	-	28.72
(b) Sales tax and other issues	21.92	10.78	-	6.15	38.85
(c) Trade and other issues	30.02	2.88	-	(0.14)	32.76

	1 April 2011	Additions *	Utilisation *	Reversals / adjustments *	31 March 2012
(a) Excise and service tax related issues	32.05	10.01	-	(15.05)	27.01
(b) Sales tax and other issues	18.31	4.00	-	(0.39)	21.92
(c) Trade and other issues	33.39	2.73	(17.79)	11.69	30.02

(a) and (b) represents estimates made for probable cash outflow arising out of pending disputes / litigations with various regulatory authorities.

(c) represents provisions made for probable liabilities / claims arising out of commercial transactions with vendors / others. Further disclosures as required in Accounting Standard 29 are not made since it can be prejudicial to the interests of the Group.

* Included under various heads in the statement of profit and loss.

Note 30 In April 2007, the Commissioner of Income Tax ('CIT'), Kolkata issued a notice to the Company's Covenanted Staff Pension Fund ('BILCSPF') asking it to show cause why recognition granted to the Fund should not be withdrawn for refunding in the year 2004, the excess contribution of ₹ 12.12 (previous year: ₹ 12.12) received by it in earlier years. The Single Judge of the Hon'ble Calcutta High Court, on a Writ Petition, granted a stay restraining the CIT from proceeding with the show cause notice but with a direction to the Company to deposit ₹ 12.12 (previous year: ₹ 12.12) with a nationalised bank in the name of the Fund. On appeal, the Division Bench of the Hon'ble Calcutta High Court disposed off the Writ Petition pending before the Single Judge. The Fund filed a Special Leave Petition ('SLP') before the Hon'ble Supreme Court against the Order of the Division Bench. The Hon'ble Supreme Court at its hearing on 12 May 2008 has set aside the Order of the Division Bench of the Hon'ble Calcutta High Court. As a condition of the stay order granted, the Company has, under protest, made the deposit as per the direction of the Hon'ble Calcutta High Court.

Pursuant to the directions of the Hon'ble Madras High Court, the CIT, Kolkata passed Orders rejecting the Deeds of Variation submitted in May 2005 by the Company's Pension Funds on technical grounds. The Company preferred Appeals before the Central Board of Direct Taxes ('CBDT'), New Delhi challenging the Orders of the CIT. CBDT passed Orders in the said Appeals in March 2011 directing the Company inter alia to submit Deeds of Variation incorporating the modifications in line with the directions made in the Orders effective 1 November 2004. The modified Deeds of Variation in line with the directions contained in the CBDT Orders have already been filed with the CIT, Kolkata, for its approval. In Writ Petitions filed by some of the Pensioners in the Hon'ble Madras High Court and by the Pensioners Welfare Association in the Hon'ble Calcutta High Court, the Hon'ble High Courts have passed interim orders restraining the CIT, Kolkata, from approving the Deeds of Variation pending disposal of the Writ Petitions.

A suit was filed by the Britannia Industries Limited Pensioners Welfare Association ('the Association') in the Hon'ble City Civil Court and Sessions Judge, Bangalore, where the Hon'ble Court passed interim orders on 1 January 2009 and 10 February 2009 directing the Funds to pay pension to the Members in accordance with the computation made and submitted by the Pension Funds to the Court. This computation was on a defined contribution basis, and is consistent with the pension offered by the Pension Funds to eligible

₹ in crores

employees at the time of their retirement / exit. The Funds have been complying with the said Order. In April 2010, the Hon'ble Judge passed another interim order requiring the Funds to pay pension as per Rule 11(a) of the Pension Fund Rules, i.e. on "Defined Benefit Basis", and gave the Funds two months' time for complying with the Order. In an Appeal filed against this Order in the Hon'ble Karnataka High Court, the Hon'ble Karnataka High Court in April 2010 modified the Trial Court's Order so as to extend the time limit from two months to three months and in July 2010, further modified the Trial Court's Order directing inter alia that the Pension shall be paid as per Rule 11(a) from the date of filing of the suit by the Association in the Hon'ble Bangalore City Civil Court and Sessions Judge, i.e. with effect from 17 June 2008. The Company filed Special Leave Petitions (SLPs) in the Hon'ble Supreme Court against the above Order of the Hon'ble Karnataka High Court. The Hon'ble Supreme Court passed an Order in January 2011 disposing of the SLPs and directing inter alia that the interim order passed by it in September 2010 directing that the Pension Funds should continue to pay pension as per the interim order passed by the Hon'ble Bangalore City Civil Court and Sessions Judge on 1 January 2009 would continue till disposal of the suit by the Trial Court. The proceedings in the main suit are currently in progress in the Hon'ble Bangalore City Civil Court and Sessions Judge.

The Company believes, based on current knowledge and after consultation with eminent legal counsel that the resolution of the matter will not have material adverse effect on the financial statements of the Company.

Note 31 Earnings per share

		31 March 2013	31 March 2012
(a)	Net profit attributable to the equity shareholders	259.50	199.55
(b)	Weighted average number of equity shares outstanding during the year	119,490,267	119,450,815
(c)	Effect of potential equity shares on employee stock option outstanding	118,246	109,650
(d)	Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	119,608,513	119,560,465
	Nominal value of equity shares (₹)	2	2
	Basic earnings per share (₹)	21.72	16.71
	Diluted earnings per share (₹)	21.70	16.69

Note 32 Based on guiding principles given in the Accounting Standard 17 –"Segment Reporting", the primary business segment of the Group is foods, comprising bakery and dairy products. As the Group operates in a single primary business segment, disclosure requirements are not applicable. The Group primarily caters to the domestic market (India) and export sales are not significant. The Group's revenues from domestic markets aggregating to ₹ 5,837.91 (previous year: ₹ 5,204.34); assets located in India aggregating to ₹ 1,632.94 (previous year: ₹ 1,586.23) and capital expenditure in India aggregating to ₹ 211.56 (previous year: ₹262.72).

Note 33 Related party disclosures under Accounting Standard 18

Relationships

1.	Ultimate holding company	The Bombay Burmah Trading Corporation Limited
	Holding company	Associated Biscuits International Limited (ABIL), UK
2.	Fellow subsidiary companies	Bannatyne Enterprises Pte Limited, Singapore
		Dowbiggin Enterprises Pte Limited, Singapore
		Nacupa Enterprises Pte Limited, Singapore
		Spargo Enterprises Pte Limited, Singapore
		Valletort Enterprises Pte Limited, Singapore
3.	Associates	Klassik Foods Private Limited
		Nalanda Biscuits Company Limited
		Vasana Agrex and Herbs Private Limited
4.	Key management personnel (KMP)	
	Managing Director	Ms. Vinita Bali

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	Year ended 31 March 2013	Year ended 31 March 2012
Related party transactions:			
Remittance of dividend			
Associated Biscuits International Limited (ABIL), UK	Holding company	45.82	35.04
Others	Fellow subsidiary companies	5.92	4.53
Total		51.74	39.57
Purchase of finished goods			
Nalanda Biscuits Company Limited	Associate	19.53	67.07
Management contracts including reimbursement of expenses, net			
Associated Biscuits International Limited (ABIL), UK	Holding company	-	0.05
Conversion charges			
Klassik Foods Private Limited	Associate	3.55	4.98
Remuneration			
Ms. Vinita Bali	KMP	4.10	5.72
Consideration received on share allotment under employee stock option scheme			
Ms. Vinita Bali	KMP	1.44	-
Consideration received for share application money (pending allotment) on exercise of options			
Ms. Vinita Bali	KMP	2.29	-
Share of current year profit / (loss)			
Klassik Foods Private Limited	Associate	0.01	(0.02)
Nalanda Biscuits Company Limited	Associate	(0.31)	(0.06)
Total		(0.30)	(0.08)
Sale of goods / consumables and ingredients			
Nalanda Biscuits Company Limited	Associate	1.58	0.35
Related party closing balances as on balance sheet date:			
Outstanding - net receivables / (payables)			
Klassik Foods Private Limited	Associates	0.27	0.04
Nalanda Biscuits Company Limited	Associates	0.92	1.41
Associated Biscuits International Limited (ABIL), UK	Holding company	-	0.05
Total		1.19	1.50
Investments (including goodwill)			
Klassik Foods Private Limited	Associates	1.04	1.04
Nalanda Biscuits Company Limited	Associates	0.09	0.39
Vasana Agrex and Herbs Private Limited	Associates	0.01	0.01
Total		1.14	1.44

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	Year ended 31 March 2013	Year ended 31 March 2012
Related party closing balances as on balance sheet date:			
Provision for Investment			
Vasana Agrex and Herbs Private Limited	Associates	0.01	0.01

Notes:

(i) The above does not include related party transactions with retiral funds, as key management personnel who are trustees of the funds cannot individually exercise significant influence on the retiral funds transactions.

(ii) The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors.

Note 34 Employee benefits

(a) Post retirement benefit - Defined contribution plans

The Group has recognised an amount of ₹ 8 (previous year: ₹ 7.02) as expenses under the defined contribution plans in the statement of profit and loss for the year.

	31 March 2013	31 March 2012
Benefit (Contribution to)		
Provident Fund *	4.73	3.75
Family Pension Scheme	1.37	1.24
Pension Fund	1.32	1.48
ESI	0.58	0.55
Total	8.00	7.02

* With regard to the assets of the Fund and the return on the investments, the Group does not expect any deficiency in the foreseeable future.

(b) Post retirement benefit - Defined benefit plans

The Company makes annual contributions to the 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

		31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
1.	Reconciliation of opening and closing balances of the present value of the defined benefit obligation:					
	Obligations as at 1 April	19.61	20.35	20.09	18.72	20.25
	Service cost	1.24	1.28	1.31	1.22	1.34
	Interest cost	1.66	1.68	1.61	1.48	1.68
	Benefits settled	(2.56)	(3.73)	(2.79)	(1.13)	(5.52)
	Actuarial (gain) / loss	1.59	0.03	0.13	0.04	0.98
	On acquisition	-	-	-	(0.24)	-
	Obligations as at the year end 31 March	21.54	19.61	20.35	20.09	18.72
2.	Change in plan assets:					
	Plan assets as at 1 April at fair value	20.52	21.28	20.19	17.36	18.67
	Expected return on plan assets	1.75	1.76	1.62	1.37	1.49
	Actuarial gain / (loss)	(0.04)	(0.16)	0.07	0.10	(0.07)
	Contributions	1.82	1.37	2.20	2.76	2.79
	Benefit settled	(2.56)	(3.73)	(2.79)	(1.13)	(5.52)
	On acquisition	-	-	-	(0.27)	-
	Plan assets as at 31 March at fair value	21.49	20.52	21.28	20.19	17.36
3.	Reconciliation of present value of the obligation and the fair value of the plan assets:					
	Present value of obligation as at 31 March	21.54	19.61	20.35	20.09	18.72
	Plan assets as at 31 March at fair value	21.49	20.52	21.28	20.19	17.36
	Amount recognised in balance sheet asset / (liability)	(0.05)	0.91	0.93	0.09	(1.36)
4.	Expenses recognised in the statement of profit and loss:					
	Current service cost	1.24	1.28	1.31	1.22	1.34
	Interest cost	1.66	1.68	1.61	1.48	1.68
	Expected return on plan assets	(1.75)	(1.76)	(1.62)	(1.37)	(1.49)
	Actuarial (gain) / loss	1.63	0.19	0.06	(0.06)	1.05
	Net cost	2.78	1.39	1.36	1.27	2.58
5.	Amount recognised in the balance sheet:					
	Opening asset / (liability)	(0.91)	(0.93)	(0.10)	1.36	1.58
	On acquisition	-	-	-	0.03	-
	Expense as above	2.78	1.39	1.36	1.27	2.58
	Employers contribution paid	(1.82)	(1.37)	(2.20)	(2.76)	(2.79)
	Closing (asset) / liability	0.05	(0.91)	(0.93)	(0.09)	1.36
6.	Experience adjustment:					
	On plan liabilities (gain) / loss	0.79	0.51	0.41	0.57	0.49
	On plan assets gain / (loss)	(0.04)	(0.16)	0.07	(0.04)	(0.04)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
7. Investment details:	% Invested	% Invested	% Invested	% Invested	% Invested
Government of India securities	20.85	21.51	20.93	18.89	18.30
State Government securities	17.70	15.89	13.08	14.84	12.24
Public sector securities	35.54	34.80	41.41	41.23	43.46
Mutual funds	0.80	0.62	0.52	0.70	-
Special deposit scheme	2.94	6.61	6.30	6.62	7.51
Others	22.17	20.57	17.76	17.72	18.49
	100.00	100.00	100.00	100.00	100.00
8. Principal actuarial assumptions:					
Discount factor [Refer note (i) below]	8%	8.50%	8.25%	8%	8%
Estimated rate of return on plan assets [Refer note (ii) below]	8%	8.50%	8.25%	8%	8%
Attrition rate:					
Age related	2%	2%	1%	1%	1%
Service related	14%	14%	14%	1%	1%
Salary escalation rate	5%	5%	5%	5%	5%
Retirement age (in years)	58	58	58	58	58

Notes:

(i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.

(ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the 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 ₹ 1.81 (previous year: ₹ 1.14).

Note 35 With respect to Al Sallan Food Industries Co. SAOC, the Company's income tax assessments for the year 2008 to 2012 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 2013. No tax has been recognised due to carried forward accumulated losses of prior years.

Note 36 Derivative contracts

Foreign currency forward contracts

The Company has entered into foreign exchange forward contracts for hedging the foreign exchange fluctuation risks on foreign currency payables / loans, which has been accounted for in line with Accounting

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Standard 11 - "The Effects of Changes in Foreign Exchange Rates". Accordingly, the amount receivable of ₹ 25.71 (previous year: ₹ 27.57) and loan payable of ₹ 20.08 (previous year: ₹ 20.08), relating to foreign exchange forward contracts for hedging have been netted off and disclosed under 'Short-term loans and advances (previous year: Long-term loans and advances)' [Refer note 19 (previous year: note 14)].

The Company has designated certain foreign exchange forward contracts (relating to foreign currency receivables and payables) outstanding as on 31 March 2013 as hedge of committed transaction. On that date, the Company had forward contracts amounting to USD 1,741,026 and EUR 39,150 (previous year: USD 2,158,505 and EUR 66,000). As at the year end the unrealised exchange gain of ₹ 0.05 has not been accounted for (previous year: unrealised exchange loss of ₹ 0.19 was accounted for) (arrived on a mark to market basis) in line with the ICAI notification issued in March 2008.

The foreign currency exposures not hedged towards payables / receivables as at the year end amount to USD 185,294 / ₹ 1.01 (previous year: USD 148,891 / ₹ 0.76).

Note 37 Capital subsidy

During the year ended 31 March 2013, an amount of ₹ 5 has been received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 0.18 has been recognised as income (net off with depreciation) in the statement of profit and loss and the outstanding amount of ₹ 4.82 has been classified as capital subsidy in the balance sheet [Refer note 1 (w)].

Note 38 Disclosure as per clause 32 of the Listing Agreement 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 2013	31 March 2012	31 March 2013	31 March 2012
Purbasha Properties Private Limited (repayment schedule in excess of 7 years)	3.63	3.89	3.95	4.15

Note 39 Figures in ₹ have been rounded off to two decimal places to the nearest crore, unless otherwise stated.

Note 40 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 2013	31 March 2012
13.	**Non-current investments:**		
	(a) Unquoted - Trade investments - Investments in debentures / bonds	4	4
34.	**Employee benefits:**		
	(a) Post retirement benefit - Defined contribution plans - Benefit (Contribution to)		
	Labour Welfare Fund	-	7

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Note 41 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

As per our report of even date attached

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

Natrajh Ramakrishna
Partner
Membership number: 32815
Place : Mumbai
Date : 24 May 2013

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

Chairman	: Nusli N Wadia
Managing Director	: Vinita Bali
Directors	: A K Hirjee
	S S Kelkar
	Avijit Deb
	Jeh N Wadia
	Nasser Munjee
	Ness N Wadia
	Vijay L Kelkar
Chief Financial Officer	: Vinod Krishna Menon
Company Secretary	: P Govindan

Place : Mumbai
Date : 24 May 2013

STATEMENT PURSUANT TO SECTION 212 (8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES

In accordance with the General Circular No: 2/2011 dated 8 February 2011, issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, the Statement of Profit and Loss and other documents of the subsidiaries are not being attached with the Annual Financial Statements of the Company. This Annual Report contains Consolidated Financial Statements of the Company and its subsidiaries / associates prepared in accordance with the relevant Accounting Standards and the same has been duly audited by the Statutory Auditors. The Annual Financial Statements of the following subsidiary companies and the related information will be made available to the shareholders of the Company and its subsidiary companies on request and will also be kept open for inspection by the shareholders at the Registered Office of the Company and the subsidiary companies concerned.

₹ in '000

S. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Capital *	Reserves *	Total Assets (including investments) *	Total Liabilities excluding (shareholders funds) *	Investments (except investment in subsidiaries) *	Turnover (revenue from operations + other income) #	Profit Before Tax #	Provision for Tax #	Profit After Tax #	Proposed Dividend #	Country
1	Boribunder Finance and Investments Private Limited	INR	-	-	26,710	(13,068)	13,973	331	120	5,836	5,641	1,135	4,506	-	India
2	Britannia Dairy Private Limited	INR	-	-	117,800	342,800	713,700	253,100	279,000	3,094,500	350,300	300	350,000	-	India
3	Britannia Employees' Educational Welfare Association Private Limited	INR	-	-	1,752 ¤	1,088	2,869	29	-	158	113	35	78	-	India
4	Britannia Employees' General Welfare Association Private Limited	INR	-	-	1,750 ¤	956	2,754	48	-	148	106	33	73	-	India
5	Britannia Employees' Medical Welfare Association Private Limited	INR	-	-	1,800 ¤	743	2,570	27	40	129	87	27	60	-	India
6	Daily Bread Gourmet Foods (India) Private Limited	INR	-	-	206,726	(186,085)	118,603	97,962	-	233,025	(26,687)	-	(26,687)	-	India
7	Flora Investments Company Private Limited	INR	-	-	2,843	14,764	17,893	286	-	308	128	26	102	-	India
8	Ganges Vally Foods Private Limited	INR	-	-	6,000	35,942	71,509	29,567	-	161,313	2,183	645	1,538	-	India
9	Gilt Edge Finance and Investments Private Limited	INR	-	-	2,498	15,547	18,335	290	-	307	128	26	102	-	India
10	International Bakery Products Limited	INR	-	-	5,000	9,329	120,749	106,420	43	143,469	1,265	(1,060)	2,325	-	India
11	J B Mangharam Foods Private Limited	INR	-	-	4,502	36,075	215,080	174,503	54	199,708	1,723	692	1,031	-	India
12	Manna Foods Private Limited	INR	-	-	3,750	(2,677)	647,135	646,062	19	233,726	696	163	533	-	India
13	Sunrise Biscuit Company Private Limited	INR	-	-	141,995	11,488	424,965	271,482	-	1,238,257	1,112	(1,078)	2,190	-	India
14	Al Sallan Food International Co. SAOC	OMR	140.98	141.12	281,960	(723,446)	575,187	1,016,673	-	1,253,870	1,215	-	1,215	-	Oman
15	Strategic Food International Co. LLC, Dubai	AED	14.78	14.80	288,210	(403,243)	1,226,957	1,341,990	-	2,322,544	(49,121)	-	(49,121)	-	Dubai
16	Britannia and Associates (Dubai) Private Company Limited, Dubai ##	USD	54.31	54.39	15	(109,583)	2,460,678	2,570,246	-	30,495	(6,758)	-	(6,758)	-	Dubai - JAFZA
17	Britannia and Associates (Mauritius) Private Limited, Mauritius	USD	54.31	54.39	1,209,163	(16,005)	2,564,268	1,371,110	-	34,809	4,251	-	4,251	-	Mauritius
18	Britannia Dairy Holdings Private Limited, Mauritius ##	USD	54.31	54.39	402,600	(167,120)	249,110	13,630	-	-	(20,958)	-	(20,958)	-	Mauritius
19	Strategic Brands Holding Company Limited, Dubai	USD	54.31	54.39	15	(3,243)	-	3,228	-	-	(322)	-	(322)	-	Dubai - JAFZA

* Converted using closing exchange rate.
\# Converted using average exchange rate.
¤ Represents contribution.
\## Consolidated based on unaudited accounts.

SIGNIFICANT RATIOS

			2012-13	2011-12
Measures of Investment				
Return on equity	Net profit / Shareholders' funds	%	36.7	35.9
Book value per share	Shareholders' funds / Number of equity shares	₹	53.2	43.5
Dividend cover	Earnings per share (Basic) / Dividend (plus tax) per share	times	2.0	1.6
Measures of Performance				
Profit margin	Profit before tax / Revenue from operations + Other income	%	5.9	5.0
Debtors turnover	Sale of products / Trade receivables	times	73.3	96.0
Stock turnover	Sale of products / Inventories (Finished goods + Stock-in-trade)	times	40.7	39.2
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	%	33.9	83.6
Current ratio	Current assets / Current liabilities - Current maturities of long-term debt and finance lease obligations	times	0.8	1.5
Tax ratio	Provision for tax / Profit before tax	%	29.6	26.0

TEN YEAR FINANCIAL STATISTICS : 2004 - 2013

₹ in crores

As at / Year ended 31 March	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assets employed										
Fixed assets less depreciation and amortisation	128.30	133.84	151.64	214.40	250.68	283.86	291.47	315.40	458.82	**580.12**
Investments (non-current and current)	291.32	330.08	359.86	320.05	380.83	423.10	490.64	545.00	428.94	**279.60**
Other assets, net	4.29	(48.50)	30.89	59.57	207.17	116.10	43.76	22.34	66.78	**(7.83)**
Miscellaneous expenditure	46.30	34.24	16.06	25.58	23.23	26.64	-	-	-	-
	470.21	**449.66**	**558.45**	**619.60**	**861.91**	**849.70**	**825.87**	**882.74**	**954.54**	**851.89**
Financed by										
Equity shares	25.11	23.89	23.89	23.89	23.89	23.89	23.89	23.89	23.89	**23.91**
Reserves and surplus	405.91	419.63	525.20	590.93	731.92	800.65	372.36	427.41	496.15	**612.50**
Loan funds (long-term borrowings, short-term borrowings and current maturities of long-term debt & finance lease obligations)	39.19	6.14	9.36	4.78	106.10	25.16	429.62	431.44	434.50	**215.48**
	470.21	**449.66**	**558.45**	**619.60**	**861.91**	**849.70**	**825.87**	**882.74**	**954.54**	**851.89**
Profits and appropriations										
Sale of products	1,470.53	1,615.45	1,817.92	2,317.21	2,616.98	3,142.89	3,426.64	4,230.59	5,005.66	**5,649.66**
Profit before depreciation, amortisation and tax	218.73	261.03	217.56	151.38	253.56	286.61	204.96	242.65	299.69	**389.26**
Depreciation and amortisation	22.40	18.97	21.72	25.27	29.08	33.46	37.54	44.59	47.32	**57.08**
Profit before tax and exceptional items	196.33	242.06	195.84	126.11	224.48	253.15	167.42	198.06	252.37	**332.18**
Exceptional items	(11.94)	(21.82)	4.88	(7.70)	7.78	(20.63)	(46.64)	-	-	-
Profit before tax	184.39	220.24	200.72	118.41	232.26	232.52	120.78	198.06	252.37	**332.18**
Tax	65.59	71.47	54.29	10.76	41.26	52.12	4.27	52.77	65.63	**98.31**
Net profit	118.80	148.77	146.43	107.65	191.00	180.40	116.51	145.29	186.74	**233.87**
Dividend	27.23	33.45	35.84	35.84	43.00	95.56	59.73	77.64	101.53	**101.66** *
Tax on dividend	3.49	4.69	5.03	6.09	7.31	16.24	9.92	12.60	16.47	**17.28** #
Profit for the year after dividend and tax thereon	88.08	110.63	105.56	65.72	140.69	68.60	46.86	55.05	68.74	**114.93**

* Proposed dividend.
# Tax on proposed dividend.

Notes

Notes

HIGHLIGHTS 2012 - 13

APQO BEST IN CLASS LARGE MANUFACTURING ORGANIZATION

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GLOBAL AND QUALITY EXCELLENCE AWARD

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