

BRITANNIA INDUSTRIES LIMITED

(Corporate Identity Number: L15412WB1918PLC002964)

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

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Website : www.britannia.co.in Email Id : investorrelations@britindia.com

NOTICE

Notice is hereby given that the Ninety-fifth Annual General Meeting of the Members of Britannia Industries Limited will be held on Tuesday, 12 August 2014, 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 31 March 2014 and the Balance Sheet as on that date and the Reports of the Directors and the Auditor's thereon.
2. To declare dividend for the financial year ended 31 March 2014.
3. To appoint a Director in place of Mr. A K Hirjee (holding DIN: 00044765), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Jeh N Wadia (holding DIN: 00088831), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.
5. To appoint Statutory Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. BSR & Co. LLP, Chartered Accountants, (Reg. No. 101248W), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting, till the conclusion of the 5th consecutive Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.”

SPECIAL BUSINESS:

6. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:
“RESOLVED THAT Mr. Varun Berry (holding DIN: 05208062) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 11 November 2013, in terms of Section 161 of the Companies Act, 2013 [corresponding to Section 260 of the Companies Act, 1956] and Article 94 of the Articles of Association of the Company

and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall not be liable to determination by retirement of directors by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 (corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the appointment of Mr. Varun Berry as Wholtime Director designated as Executive Director of the Company for a period of five years with effect from 11 November 2013 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty and power to the Board of Directors (hereinafter referred to as ‘the Board’ which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013

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(corresponding to Sections 198, 269, 309 and any other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956) and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to the appointment of Mr. Varun Berry as Managing Director of the Company for a period from 1 April 2014 to 10 November 2018 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the requisite approval of the Central Government, if any required, the consent of the Company be and is hereby accorded to revise the terms and conditions including remuneration relating to the appointment of Mr. Varun Berry as Managing Director of the Company for a period of five years with effect from 1 April 2014 to 31 March 2019 on the terms and conditions including remuneration set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty and power to the Board of Directors (hereinafter referred to as 'the Board' which expression shall also include the Nomination and Remuneration Committee of the Board), in the exercise of its discretion, to grant increments and to alter and vary from time to time the terms and conditions of the said appointment, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be necessary, proper, expedient or desirable to give effect to this Resolution and/or to make modification as may be deemed to be in the best interest of the Company."

10. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary**

Resolution:

"RESOLVED THAT Mrs. Ranjana Kumar (holding DIN: 02930881) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 8 July 2014, in terms of Section 161 of the Companies Act, 2013 and Article 94 of the Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Ajai Puri (holding DIN: 02631587), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Keki Dadiseth (holding DIN: 00052165), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment."

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13. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Avijit Deb (holding DIN: 00047233), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.”
14. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Nimesh N Kampani (holding DIN: 00009071), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.”
15. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. S. S. Kelkar (holding DIN: 00015883), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.”
16. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. Nasser Munjee (holding DIN: 00010180), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.”
17. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Dr. Vijay L Kelkar (holding DIN: 00011991), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.”
18. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:
- “RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies

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(Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement(s), (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mrs. Ranjana Kumar (holding DIN: 02930881), a Non-Executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as Independent Director of the Company, for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.”

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

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors, on the recommendation of the Audit Committee of the Board had appointed M/s. N. I. Mehta & Co., Cost Accountants, (ICWA Registration No. 000023), as Cost Auditors to carry out the audit of the cost accounting records of the Company relating to packaged food products for the financial year ending 31 March, 2015 at a remuneration of ₹ 4,25,000/- plus service tax as applicable and out-of-pocket expenses at actual for the year 2014-15.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e. directors other than the Managing Director and/or the Wholtime Directors) be paid, remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Nomination and Remuneration Committee) be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“RESOLVED THAT in supersession of the earlier resolution passed at the 90th Annual General Meeting of the Members of the Company held on 31 August 2009, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee thereof) to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from company’s bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; Provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of ₹ 2,000 crores (Rupees two thousand crores).”

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

“RESOLVED THAT in supersession of the earlier resolution passed at the 90th Annual General Meeting of the Members of the Company held on 31 August 2009 the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and any other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any Committee thereof) for creating such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties of the Company wheresoever situate, both present and future, on such terms, at such time, in such form and in such manner as the Board may deem fit, together with power to take over the management of the business and concern of the Company in certain events in favour of all or any of the following, namely: Banks, Financial Institutions, Insurance Companies, Investment Institutions, other investing agencies, Bodies Corporate incorporated under any statute and trustees for the holders of debentures / secured premium notes / bonds / other securities / debt instruments, and other secured lenders (hereinafter referred to as “the Lenders”) to secure repayment of any loans (both rupee loans and foreign

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currency loans) and/or any other financial assistance and/or guarantee facilities already obtained or that may hereafter be obtained from any of the Lenders by the Company, and/or to secure redemption of debentures (whether partly / fully convertible or non-convertible) / secured premium notes / bonds / other securities / debt instruments and/or rupee / foreign currency convertible bonds and/or bonds with share warrants attached, already issued or that may hereafter be issued by the Company, together with all interest, compound additional interest, commitment charge, liquidated damages, premium on prepayment or on redemption, trustees' remuneration, costs, charges, expenses and all other moneys including revaluation / devaluation / fluctuation in the rates of foreign currencies involved, payable by the Company to the Lenders concerned, in terms of their respective Loan Agreements / Heads of Agreements / Hypothecation Agreements / Trustees Agreements / Letters of Sanction / Memorandum of terms and conditions / Debenture Certificates entered into/to be entered into/issued/to be issued by the Company, provided that the total borrowings of the Company (exclusive of interest) whether by way of loans and/or any other financial assistance and/or guarantee facilities and/or issue of debentures / secured premium notes / other securities / debt instruments to be secured as aforesaid (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) shall not any time exceed the limit of ₹ 2,000 crores (Rupees Two Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorised to finalise and execute with any of the Lenders jointly or severally, the documents, instruments and writings for creating aforesaid mortgage / charge and to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for implementing the aforesaid Resolution and to resolve any question, difficulty or doubt which may arise in relation thereto or otherwise considered by the Board to be in the best interest of the Company."

NOTES:

- a) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

- b) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts relating to the business at Item 6 to 22 of the notice as set out above, is annexed hereto.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 25 July 2014 to Tuesday, 12 August 2014 (both days inclusive).
- d) Pursuant to the provisions of Section 205A and 205C and other applicable provisions of the Companies Act, 1956 dividend for the financial years ended 31 March 2007 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
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
2012 - 13	12-08-2013	18-09-2020	18-10-2020

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.

- e) 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.
- f) 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.
- g) 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.
- h) 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

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any direct request from Members for cancellation / change in the bank account details furnished by Depository Participants to the Company.

- i) Pursuant to Section 72 of the Companies Act, 2013, 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 required form. Members holding shares in the dematerialised form may contact their Depository Participant for recording the nomination in respect of their holdings.
- j) 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.

- k) In view of the circular issued by SEBI, the Electronic Clearing Services (ECS / NECS) facility should mandatorily be used by the companies for the distribution of dividend to its members. In order to avail the facility of ECS / NECS, Members holding shares in physical form are requested to provide bank account details to the Company or its Registrar and Share Transfer Agents.

Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

- l) All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar & 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.
Phone : 022-67720300/400
Fax : 022-28591568

E-mail Id: indira@shareproservices.com /
sharepro@shareproservices.com

- m) 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.

- n) Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.

- o) 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 Members through electronic mode. Therefore, as was done last year, the Company proposes to send documents required to be sent to Members like Notices of General Meetings (including AGM), Audited Financial Statements, Report of the Directors, Independent Auditors' Report etc. to the Members 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 Members. The physical copies of the Annual Report will also be available at the Company's Registered Office in Kolkata for inspection during office hours. Members 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 Independent Auditors Report, upon receipt of a requisition from the Members, any time as a Member of the Company.

In order to enable the Company to send such documents in electronic form, the Members 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.

- p) **Voting through electronic means:**

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide Members with a facility to exercise their right to vote at the 95th Annual General Meeting (AGM) by electronic means and the business may be transacted through Electronic Voting (e-Voting) Services provided by National Securities Depository Limited (NSDL):

The instructions for e-voting are as under:

- A. Members whose shareholding is in the Dematerialization form and whose e-mail address are registered with the Company / Depository Participants will receive an email from NSDL informing user ID and Password:

1. Open e-mail and open PDF file viz. "Britannia e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password / PIN for e-voting. Please note that the password is an initial password.

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2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 3. Click on Shareholder - Login.
 4. Put user ID and password as initial password / PIN noted in step (1) above. Click Login.
 5. Password change menu appears. Change the password / PIN with new password of your choice with minimum 8 digits / characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 6. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
 7. Select "EVEN" of Britannia Industries Limited.
 8. Now you are ready for e-voting as Cast Vote page opens.
 9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 10. Upon confirmation, the message "Vote cast successfully" will be displayed.
 11. Once you have voted on the resolution, you will not be allowed to modify your vote.
 12. Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to britannia.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
- B. For Members whose shareholding is in the Dematerialization form and whose E-mail Ids are not registered with the Company / Depository Participants, Members holding Shares in Physical form as well as those Members who have requested for a physical copy of the Notice and Annual Report, the following instruction may be noted:
1. Initial password is provided as below / at the bottom of the **Attendance Slip** for the AGM: **EVEN (e-Voting Event Number) USER ID PASSWORD / PIN.**
 2. Please follow all steps from instructions 1 to 12 of A above to cast vote.
- II. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com.
- III. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot Password" option available on the site to reset the password.
- IV. If you are already registered with NSDL for e-voting then you can use your existing user ID and password / PIN for casting your vote.
 - V. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - VI. The e-voting period commences on 6 August 2014 (9:00 a.m.) and ends on 8 August 2014 (6:00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4 July 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Members, the Member shall not be allowed to change it subsequently.
 - VII. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 4 July 2014.
 - VIII. Mr. Arup Kumar Roy, Company Secretary in Practice (CP - 9597; Address: 201, Sarat Bose Road, Kolkata - 700 029) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - IX. The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - X. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website - www.britannia.co.in and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.
- q. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 a.m. to 5.00 p.m.) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By Order of the Board of Directors
For BRITANNIA INDUSTRIES LIMITED

Registered Office:
5/1A, Hungerford Street,
Kolkata - 700 017.
8 July 2014

Vivek P. Raizada
Head Legal and Company Secretary

Britannia Industries Limited

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

As required by Section 102 of the Companies Act, 2013 the following Explanatory Statement sets out all material facts relating to the business at Items 6 to 22 of the accompanying Notice.

Resolutions Nos. 6, 7, 8 and 9

The Board of Directors at their meeting held on 11 November 2013 had appointed Mr. Varun Berry as an Additional Director of the Company with effect from 11 November 2013.

Under Section 161 of the Companies Act, 2013 (corresponding to Section 260 of the Companies Act, 1956) read with Article 94 of the Articles of Association of the Company, Mr. Varun Berry holds office only up to the date of this Annual General Meeting of the Company and is eligible for appointment. A notice in writing has been received from a Member of the Company along with the requisite deposit under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Varun Berry as a candidate for the office of a Director.

Mr. Varun Berry, 52, holds a graduate degree in BE Mechanical from the Punjab University.

Mr. Varun Berry joined the Company as Vice President and Chief Operating Officer with effect from 1 February 2013. Mr. Varun Berry has an experience of over 27 years with premier companies like Hindustan Unilever and Pepsico, both in India and overseas and a successful track record in leading start ups, turnarounds, joint ventures and growth businesses.

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		
Nil	-	-
(b) Private Limited Companies		
Vulcan Promoters Private Limited	Director	-
Iclinic Healthcare Private Limited	Director	-
(c) Foreign Companies		
Nil	-	-
(d) Companies registered under Section 25 of the Companies Act, 1956		
Nil	-	-

Mr. Varun Berry is the member of the Innovation Committee and Stakeholders Relationship Committee of the Board.

Mr. Varun Berry does not hold any shares in the Company.

Subject to the approval of the Members of the Company in General Meeting and based on the recommendations of the Remuneration / Compensation Committee, the Board of Directors at their meeting held on 11 November 2013 had appointed Mr. Varun Berry as an Additional Director and Wholetime Director

designated as Executive Director of the Company for a period of five years with effect from 11 November 2013 on the terms and conditions set out in the Agreement entered into with him.

Further, subject to the approval of the Members of the Company in General Meeting and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 25 March 2014 had appointed Mr. Varun Berry as the Managing Director of the Company for a period from 1 April 2014 to 10 November 2018 on the terms and conditions set out in the Agreement entered into with him. With appointment of Mr. Varun Berry as Managing Director with effect from 1 April 2014 the agreement entered with Mr. Varun Berry for his appointment as Executive Director was terminated from the close of business on 31 March 2014.

Further, subject to the approval of the Members of the Company in General Meeting and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 26 May 2014 had revised the terms and conditions including remuneration relating to the appointment of Mr. Varun Berry as Managing Director of the Company for a period of five years with effect from 1 April 2014 to 31 March 2019 on the terms and conditions set out in the Agreement entered into with him.

The approval of the Members is being sought to the terms, conditions and stipulations of the appointments of Mr. Varun Berry as Executive Director, Managing Director and the change in terms and conditions of appointment as Managing Director respectively and the remuneration payable to him.

A summary of the material terms and conditions relating to appointment of Mr. Varun Berry as Executive Director and Managing Director are as follows:

Appointment as Executive Director

Term: Period of 5 (five) years, w.e.f. 11 November 2013 to 10 November 2018.

Nature of Duties: Mr. Varun Berry shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time, in their absolute discretion determine and entrust to him.

Remuneration:

- Basic Salary of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand) per month effective 11 November 2013 in the range of ₹ 7,50,000/- (Rupees Seven Lakhs Fifty Thousand) to ₹ 15,00,000/- (Rupees Fifteen Lakhs) per month with such increments each year, as may be decided by the Board, based on merit and taking into account the Company's performance for the year.
- Other benefits, perquisites and allowances will be determined by the Board from time to time.
- Reimbursement of actual medical expenses incurred on self and family (wife and children).

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- Bonus / performance linked incentives based on performance criteria laid down by the Board.
- Contribution to Provident Fund, Superannuation Fund and Gratuity Fund as per the Rules of the Company.
- The aggregate of the remuneration shall be within the maximum limits as laid down under Sections 198, 309 and other applicable provisions of the Companies Act 1956, read with Schedule XIII thereto, as amended from time to time and shall be subject to the approval of the Central Government, if and to the extent necessary.
- Mr. Varun Berry shall not be paid any sitting fees for attending Meetings of the Board or of any Committee thereof.
- If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Varun Berry will cease to be the Executive Director and also cease to be a Director. If at any time, Mr. Varun Berry ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Executive Director and the Agreement shall forthwith terminate. If at any time, Mr. Varun Berry ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Executive Director of the Company.
- The appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' basic salary in lieu thereof.
- The terms and conditions of the appointment of Mr. Varun Berry also include clauses pertaining to adherence to the Britannia Code of Conduct, intellectual property, non-competition, no conflict of interest with the Company and maintenance of confidentiality.

Minimum Remuneration: Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Mr. Varun Berry, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites and allowances as specified above subject to compliance with the applicable provisions of Schedule XIII to the Companies Act, 1956, if and to the extent necessary, with the approval of the Central Government.

Other terms of appointment:

- He is being appointed by virtue of his employment in the Company and his appointment is subject to the provisions of Section 283(1) of the Companies Act, 1956. He shall not be liable to retire by rotation.
- The terms and conditions of his appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule XIII to the Companies Act, 1956, or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and Executive Director, subject to such approvals as may be required.
- Mr. Varun Berry shall not become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.
- His employment may be terminated by the Company without notice or payment in lieu of notice:
 - a) If, he is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or
 - b) In the event of any serious repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations contained in the agreement executed between the Company and Mr. Varun Berry; or
 - c) In the event the Board expresses its loss of confidence in him.

Appointment as Managing Director

Term: Period from 1 April 2014 to 10 November 2018.

Nature of Duties: Mr. Varun Berry shall carry out such functions, exercise such powers and perform such duties as the Board shall, from time to time, in their absolute discretion determine and entrust to him.

Remuneration:

- Basic Salary of ₹ 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs) per annum effective 1 April 2014 in the range of ₹ 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs Only) per annum to ₹ 1,80,00,000/- (Rupees One Crore Eighty Lakhs Only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee and/or the Board of Directors, based on merit and taking into account the Company's performance for the year.

Other terms and conditions of his appointment as Managing Director remains the same as of Executive Director as mentioned above.

Change in Terms and Conditions for Appointment as Managing Director

Term: Period of 5 (five) years w.e.f. 1 April 2014 to 31 March 2019.

Remuneration:

- Basic Salary of ₹ 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs Only) per annum effective 1 April 2014 in the range of ₹ 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs Only) per annum to ₹ 2,16,00,000/- (Rupees Two Crores Sixteen Lakhs Only) per annum with such increments each year, as may be decided by the Nomination and Remuneration Committee and/or the Board of Directors, based on merit and taking into account the Company's performance for the year.

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Other terms and conditions of his appointment as Managing Director remains the same as mentioned above.

The Company has received notice in writing from a Member alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Varun Berry for the office of Director of the Company. The Board considers that the appointment of Mr. Varun Berry as a Director of the Company would be of immense benefit to the Company and also considers the aforesaid remuneration commensurate with the duties and responsibilities of Mr. Varun Berry.

Accordingly, as per the provisions of Sections 161, 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (corresponding to Sections 260, 198, 269, 309 and any other applicable provisions of the Companies Act, 1956), the Board of Directors recommends the Ordinary Resolutions set out at Item Nos. 6, 7, 8 and 9 of the accompanying Notice for the approval of the Members.

Except Varun Berry, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 6, 7, 8 and 9.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Resolution No. 11

Dr. Ajai Puri, 60, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 30 April 2009. Dr. Ajai Puri holds a PhD in Food Science from the University of Maryland and an MBA from the Crummer Business School, Rollins College, Florida. Dr. Ajai Puri is a member of the Supervisory Board of Nutreco N.V. (Amersfoort, the Netherlands), a leading global animal nutrition and aquaculture company. At Nutreco he serves as chairman of the Board's Innovation and Sustainability Committee as well as the Remuneration Committee. Additionally, he serves as a non-executive director on the Board of Barry Callebaut AG (Zurich, Switzerland), the world's largest cocoa and chocolate processor, where he is also a member of the Board's Nomination and Compensation Committee. Dr. Ajai Puri is also a member of the Board of Directors of Tate & Lyle (London, United Kingdom), a global provider of distinctive, high-quality ingredients and solutions to the food, beverage and other industries. At Tate and Lyle he is a member of the Board's Nominations Committee, Remuneration Committee and Corporate Responsibility Committee.

Dr. Ajai Puri has a broad know-how and international experience in the fields of Management, R&D / Innovation, Marketing and Manufacturing, Product Safety and Quality Assurance in the Food Industry. These experiences were gained during his assignments with the companies - Cadbury Schweppes PLC, The Minute Maid Company / The Coca-Cola Company and latest with Royal Numico N.V. in the Netherlands. During his career, Dr. Ajai Puri has held a variety of positions of global scope including that of

Senior Vice President Technical (Science and Technology) at The Minute Maid Company in the U.S., and President Research, Development and Product Integrity at Royal Numico in the Netherlands.

Dr. Ajai Puri is also on the Board and Committees of the Board of several other leading companies as stated below:

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
Nil	-	-
(b) Private Limited Companies		
Nil	-	-
(c) Foreign Companies		
Nutreco N V , Netherlands	Director	-
Tate & Lyle, PLC , U.K	Director	-
Barry Callebaut, Switzerland	Director	-
(d) Companies registered under Section 25 of the Companies Act, 1956		
Nil	-	-

Dr. Ajai Puri is the member of the Innovation Committee and Nomination and Remuneration Committee, CSR Committee and Executive Committee of the Board.

Dr. Ajai Puri retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors shall not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Ajai Puri being eligible and offering himself for appointment, it is proposed to appoint him as an Independent Director for 5 (five) consecutive years.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Based on the recommendations of the Nomination and Remuneration Committee it is proposed to appoint Dr. Ajai Puri as an Independent Director under Section 149 of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force) to hold office for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

Dr. Ajai Puri is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

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The Company has received notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Ajai Puri for the office of Director of the Company. The Company has also received declaration from Dr. Ajai Puri that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Ajai Puri fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Copy of the draft letter for appointment of Dr. Ajai Puri as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

The Board considers that Dr. Ajai Puri's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Ajai Puri as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Ajai Puri as an Independent Director, for the approval by the Members of the Company.

Dr. Ajai Puri does not hold any shares of the Company.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Dr. Ajai Puri, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 11.

Resolution No. 12

Mr. Keki Dadiseth, 68, is a Non-Executive Independent Director of the Company and joined the Board of Directors of the Company on 31 May 2006. Mr. Keki Dadiseth is a Fellow of the Institute of Chartered Accountants of England & Wales. He joined Hindustan Lever Ltd. (HLL) in India in 1973 as Manager in the Audit Department and his tenure in HLL included a three-year secondment to Unilever PLC in London (1984-87), where he held senior financial and commercial positions.

On his return to India in 1987, Mr. Dadiseth joined the Board of HLL until he became its Chairman in 1996 and headed several businesses (Detergents and Personal Products) and functions (Personnel and Acquisition and Merger activities), for the Group in India.

Mr. Dadiseth was appointed as a Director on the Board of Unilever PLC and Unilever NV in May 2000 and a Member of the Executive Committee. On 1 January 2001, he took over as Director, Home and Personal Care, responsible for the HPC Business of Unilever world-wide. He retired from Unilever in May 2005.

In India, Mr. Dadiseth has been closely associated with various industry, educational, management and medical bodies. He is a Trustee of the Ratan Tata Trust and a member of the Managing Committee, Breach Candy Hospital Trust and member of B. D.

Petit Parsee General Hospital. He is also a Director on the Board of the Indian Business School.

Mr. Dadiseth is also on the Board and Committees of the Board of several other leading companies as stated below:

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
Siemens Limited	Director	Chairman - Corporate Governance Committee Member - Audit Committee, Investment / Disinvestment Committee
The Indian Hotels Company Ltd.	Director	Chairman - Audit Committee, Nomination and Remuneration Committee Member - Ethics and Compliance Committee
Godrej Properties Ltd.	Director	Chairman - Audit Committee Member - Remuneration Committee
JM Financial Limited	Director	Member - CSR Committee
Piramal Enterprises Ltd.	Director	Chairman - Corporate Governance and Ethics Committee Member - Nomination and Remuneration Committee, Audit and Risk Committee
ICICI Prudential Life Insurance Co. Ltd.	Director	Chairman - Board Risk Management and Audit Committee Member - Share Transfer Committee
ICICI Prudential Trust Ltd.	Director	-
JM Financial Services Limited	Director	Member - CSR Committee, Audit Committee, Nomination and Remuneration Committee
(b) Private Limited Companies		
Omnicom India Marketing Advisory Services Pvt. Ltd.	Chairman	-
(c) Foreign Companies		
Fleishman-Hillard Inc.	-	Member - International Advisory Board
Marsh & McLennan Companies Inc., India	-	Chairman - Convening Board
Atos India Pvt. Ltd.	-	Member - Strategic Advisory Board
Prudential Asia Corporation	-	Member - Audit Committee

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Name of the Company	Nature of Interest	Committees of the Board
PWC - Pricewaterhouse Coopers Pvt. Ltd.	–	Member - India Advisory Board
Accenture Services Pvt. Ltd.	–	Member - India Advisory Board
India Infoline Group	–	Member - Advisory Board
World Gold Council	–	Member - India Advisory Board
(d) Companies registered under Section 25 of the Companies Act, 1956		
Nil	–	–

Mr. Keki Dadiseth is the Chairman of Nomination and Remuneration Committee and Member of the Audit Committee, CSR Committee and Innovation Committee of the Company's Board.

Mr. Keki Dadiseth retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors shall not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Keki Dadiseth being eligible and offering himself for appointment, it is proposed to appoint him as an Independent Director for five consecutive years.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

Based on the recommendations of the Nomination and Remuneration Committee it is proposed to appoint Mr. Keki Dadiseth as an Independent Director under Section 149 of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force) to hold office for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

Mr. Keki Dadiseth is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Keki Dadiseth for the office of Director of the Company. The Company has also received declaration from Mr. Keki Dadiseth that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Keki Dadiseth fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Copy of the draft letter for appointment of Mr. Keki Dadiseth as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

The Board considers that Mr. Keki Dadiseth's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Keki Dadiseth as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Keki Dadiseth as an Independent Director, for the approval by the Members of the Company.

Mr. Keki Dadiseth does not hold any shares in the Company.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Mr. Keki Dadiseth, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 12.

Resolution No. 13

Mr. Avijit Deb, 66 is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 4 June 1996. Mr. Avijit Deb, is a solicitor and a member of the Incorporated Law Society of Calcutta . He maintains his own firm of Solicitors in Kolkata and has over 40 years of experience in the Legal field.

Mr. Avijit Deb is also on the Board and Committees of the Board of several other leading companies as stated below:

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
Nil	–	–
(b) Private Limited Companies		
Deb & Associates Consultants Pvt. Ltd.	Director	–
Media Contents & Communications Services (India) Pvt. Ltd.	Director	–
ABP TV Pvt. Limited	Director	–
Calcutta Media Institute Private Limited	Director	–
U.G. Healthcare Pvt. Ltd.	Director	–

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Name of the Company	Nature of Interest	Committees of the Board
U.G. Services Pvt. Ltd.	Director	–
Business Media Pvt. Ltd.	Director	–
(c) Foreign Companies		
Nil	–	–
(d) Companies registered under Section 25 of the Companies Act, 1956		
The Bengal Club Limited	–	Committee Member

Mr. Avijit Deb is the member of the Audit Committee.

Mr. Avijit Deb is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors shall not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Avijit Deb being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Based on the recommendations of the Nomination and Remuneration Committee it is proposed to appoint Mr. Avijit Deb as an Independent Director under Section 149 of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force) to hold office for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

Mr. Avijit Deb is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Avijit Deb for the office of Director of the Company. The Company has also received declaration from Mr. Avijit Deb that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Avijit Deb fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Copy of the draft letter for appointment of Mr. Avijit Deb as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

The Board considers that Mr. Avijit Deb's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Avijit Deb as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Avijit Deb as an Independent Director, for the approval by the Members of the Company.

Mr. Avijit Deb does not hold any shares of the Company.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Mr. Avijit Deb, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 13.

Resolution No. 14

Mr. Nimesh N. Kampani is a Non Executive Independent Director of the Company. He joined the Board of Directors of the Company on 29 March 2001.

Mr. Nimesh N. Kampani, aged 67, is a commerce graduate from Sydenham College, Mumbai and a qualified Chartered Accountant. Mr. Kampani is the founder and chairman of the JM Financial Group, one of India's leading players in the financial services space. Founded in 1973, JM Financial has interests in investment banking, institutional equity sales, trading and research, private and corporate wealth management, equity broking, portfolio management, non-banking financial activities, mutual fund management, alternative asset management (private equity fund and real estate fund), commodities broking and distressed debt acquisition and reconstruction.

In a career spanning over four decades, Mr. Kampani has made pioneering contributions to the development of the Indian capital markets and has advised several corporates on their strategic and financial needs, especially, capital raising and mergers and acquisitions and investors on the focus areas for investing.

Mr. Kampani has served as a member on several important committees constituted by the Ministry of Finance, Government of India, Reserve Bank of India, Securities and Exchange Board of India, Bombay Stock Exchange Limited, National Stock Exchange of India Limited, Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI) and Institute of Chartered Accountants of India.

Investment Banking including Mergers, Acquisitions & Restructuring, Corporate Finance and Capital Markets are his expertise in specific functional areas.

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Mr. Nimesh N Kampani is also on the Board and Committees of the Board of several other leading companies as stated below:

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
JM Financial Limited	Chairman and Managing Director	Member - Stakeholders' Relationship Committee, Nomination and Remuneration Committee, CSR Committee
Kampani Consultants Limited	Chairman	–
Apollo Tyres Limited	Director	–
Deepak Nitrite Limited	Director	–
KSB Pumps Limited	Director	Chairman - Audit Committee
JM Financial Services Ltd.	Chairman	Chairman - Audit Committee Member - CSR Committee
JM Financial Institutional Securities Ltd.	Chairman	Chairman- Audit Committee, Remuneration / Compensation Committee Member - Allotment Committee, CSR Committee
(b) Private Limited Companies		
J.M. Financial & Investment Consultancy Services Pvt. Ltd.	Chairman	Chairman - Share Allotment and Transfer Committee, Borrowing and Allotment Committee, Nomination Committee, Investment Committee, Asset Liability and Risk Management Committee
JM Financial Trustee Company Pvt. Ltd.	Chairman	Chairman - Dividend Committee Member - Audit Committee
Capital Market Publishers India Pvt. Ltd.	Chairman	–
(c) Foreign Companies		
Nil	–	–
(d) Companies registered under Section 25 of the Companies Act, 1956		
Nil	–	–

Mr. Nimesh N. Kampani is the member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Company's Board.

Mr. Nimesh N. Kampani is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Nimesh N. Kampani being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Based on the recommendations of the Nomination and Remuneration Committee it is proposed to appoint Mr. Nimesh N. Kampani as an Independent Director under Section 149 of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force) to hold office for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

Mr. Nimesh N. Kampani is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Nimesh N. Kampani for the office of Director of the Company. The Company has also received declaration from Mr. Nimesh N. Kampani that he meets with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Nimesh N. Kampani fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Copy of the draft letter for appointment of Mr. Nimesh N. Kampani as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

The Board considers that Mr. Nimesh N. Kampani's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of

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Mr. Nimesh N. Kampani as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nimesh N. Kampani as an Independent Director, for the approval by the Members of the Company.

Mr. Nimesh N. Kampani does not hold any shares in the Company.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Mr. Nimesh N. Kampani, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 14.

Resolution No. 15

Mr. S. S. Kelkar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 12 August 1998. Mr. S. S. Kelkar, 75, is a Post Graduate in Commerce and retired as an Executive Director of The Bombay Dyeing & Manufacturing Company Limited (Bombay Dyeing). He worked in a leading commercial Bank for 10 years and has for the last 42 years been associated with Bombay Dyeing and has held various positions in the functional areas of finance besides having previous banking experience. He continues his association with Bombay Dyeing as a Non-Executive Director.

Mr. S. S. Kelkar is also on the Board and Committees of the Board of several other leading companies as stated below:

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
The Bombay Dyeing & Mfg. Co. Ltd.	Director	Member - Audit Committee, Share Transfer and Shareholders / Investors' Grievance Committee, Executive Committee and Finance Committee
Nowrosjee Wadia & Sons Ltd.	Director	Member - Audit Committee
Kotak Mahindra Asset Management Co. Ltd.	Director	Chairman - Remuneration Committee Member - Audit Committee, Appointment Committee
Placid Plantations Ltd.	Director	–
Harvard Plantations Ltd.	Director	–
Macrofil Investments Ltd.	Director	–
Naperol Investments Ltd.	Director	–

Name of the Company	Nature of Interest	Committees of the Board
TVS Infrastructure Ltd.	Director	–
(b) Private Limited Companies		
Go Investments & Trading Pvt. Ltd.	Director	–
(c) Foreign Companies		
P T Five Star Textile Indonesia	Commissioner	–
Naira Holdings Ltd., British Virgin Islands	Director	–
(d) Companies registered under Section 25 of the Companies Act, 1956		
Nil	–	–

Mr. S. S. Kelkar is also a member of the Stakeholders Relationship Committee, CSR Committee and Finance Committee of the Company's Board.

Mr. S. S. Kelkar is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. S. S. Kelkar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Based on the recommendations of the Nomination and Remuneration Committee it is proposed to appoint Mr. S. S. Kelkar as an Independent Director under Section 149 of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force) to hold office for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

Mr. S. S. Kelkar is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. S. S. Kelkar for the office of Director of the Company. The Company has also received declaration from Mr. S. S. Kelkar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

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In the opinion of the Board, Mr. S. S. Kelkar fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Copy of the draft letter for appointment of Mr. S. S. Kelkar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

The Board considers that Mr. S. S. Kelkar's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. S. S. Kelkar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. S. S. Kelkar as an Independent Director, for the approval by the Members of the Company.

Mr. S. S. Kelkar does not hold any shares in the Company.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Mr. S. S. Kelkar, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 15.

Resolution No. 16

Mr. Nasser Munjee is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 17 August 2009. Mr. Nasser Munjee, 63, 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 Mr. H. T. Parekh, 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. Mr. Nasser Munjee 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, Ambuja Cements (now part of the HOLCIM group). Apart from being the Chairman of DCB 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 also on the Board and Committees of the Board of several other leading companies as stated 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 and Remuneration Committee, CSR Committee
ABB India Limited	Director	Chairman - Audit Committee Member - Authorisation Committee Chairman - Remuneration Committee
Ambuja Cements Limited	Director	Chairman - Nomination and Remuneration Committee Member - Audit Committee, Capex Committee and CSR Committee, Risk Management Committee
Cummins India Limited	Director	Chairman - Audit Committee
Go Airlines (India) Limited	Director	
HDFC Limited	Director	Member - Nomination and Compensation Committee
Tata Chemicals Limited	Director	Chairman - Audit Committee Member - Nomination and Remuneration Committee, CSR, Safety and Stainability Committee
Tata Motors Limited	Director	Chairman - Audit Committee Member - Executive Committee

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Name of the Company	Nature of Interest	Committees of the Board
Tata Motors Finance Limited	Chairman	Member - Nomination and Remuneration Committee
Unichem Laboratories Ltd.	Director	Member - Audit Committee
Voltas Limited	Director	Member - Audit Committee, Remuneration Committee, Ethics and Compliance Committee, Chairman - Nomination Committee.
(b) Private Limited Companies		
Aarusha Homes Private Limited	Chairman	–
(c) Foreign Companies		
Tata Chemicals North America Inc., USA	Director	–
Jaguar Land Rover Automotive plc., UK	Director	–
Strategic Food International Co. LLC, Dubai	Director	–
(d) Companies registered under Section 25 of the Companies Act, 1956		
Aga Khan Rural Support Programme, India (AKRSPI)	Chairman	–
Indian Institute for Human Settlements	Director	–

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

Mr. Nasser Munjee is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Nasser Munjee being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

Based on the recommendations of the Nomination and Remuneration Committee it is proposed to appoint Mr. Nasser Munjee as an Independent Director under Section

149 of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force) to hold office for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

Mr. Nasser Munjee is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Nasser Munjee for the office of Director of the Company. The Company has also received declaration from Mr. Nasser Munjee that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Nasser Munjee fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Copy of the draft letter for appointment of Mr. Nasser Munjee as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

The Board considers that Mr. Nasser Munjee's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Nasser Munjee as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Nasser Munjee as an Independent Director, for the approval by the Members of the Company.

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

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Mr. Nasser Munjee, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 16.

Resolution No. 17

Dr. Vijay L. Kelkar, is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company on 28 May 2010. Dr. Vijay L Kelkar, 72, holds a Doctorate degree from the University of California at Berkeley, USA. Dr. Vijay L. Kelkar has held many senior level positions in the Government of India including the most recent position as the

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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). In January 2011, the President of India awarded Dr. Vijay L. Kelkar “PADMA VIBHUSHAN”, the second highest Civilian Award for distinguished and exceptional service to the Nation.

Dr. Vijay L. Kelkar is also on the Board and Committees of the Board of several other leading companies as stated below:

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
GO Airlines (India) Limited	Director	–
Green Infra Ltd.	Director	Chairman - Compensation Committee
J M Financial Limited	Director	Member - Audit Committee, Shareholders' Grievance Committee
JSW Steel Ltd.	Director	Member - Forex Hedging Policy Review Committee
Lupin Limited	Director	Chairman - Investors' Grievance Committee
Tata Chemicals Limited	Director	–
Tata Consultancy Services Limited	Director	Chairman - Health Safety and Sustainability Committee Member - Audit Committee
(b) Private Limited Companies		
CSIR - Tech Private Limited	Director	
(c) Foreign Companies		
Nil	–	–
(d) Companies registered under Section 25 of the Companies Act, 1956		
Indian Institute of Human Settlements	Director	–

Dr. Vijay L. Kelkar is a member of the Executive Committee of the Board of the Company.

Dr. Vijay L. Kelkar is a Director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act 1956. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and

be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Dr. Vijay L. Kelkar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement *inter alia* stipulating the conditions for the appointment of independent directors by a listed company.

Based on the recommendations of the Nomination and Remuneration Committee it is proposed to appoint Dr. Vijay L. Kelkar as an Independent Director under Section 149 of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force) to hold office for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

Dr. Vijay L. Kelkar is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given his consent to act as Director.

The Company has received notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Dr. Vijay L. Kelkar for the office of Director of the Company.

The Company has also received declaration from Dr. Vijay L. Kelkar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Dr. Vijay L. Kelkar fulfills the conditions for his appointment as Independent Director as specified in the Act and the Listing Agreement. He is independent of the management.

Copy of the draft letter for appointment of Dr. Vijay L. Kelkar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company.

The Board considers that Dr. Vijay L Kelkar's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. Vijay L. Kelkar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Dr. Vijay L Kelkar as an Independent Director, for the approval by the Members of the Company.

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

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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Except Dr. Vijay L. Kelkar, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 17.

Resolutions Nos. 10 and 18

The Board of Directors had appointed Mrs. Ranjana Kumar as an Additional Director of the Company with effect from 8 July 2014.

Under Section 161 of the Companies Act, 2013 read with Article 94 of the Articles of Association of the Company, Mrs. Ranjana Kumar holds office only up to the date of this Annual General Meeting of the Company and is eligible for appointment. A notice in writing has been received from a Member of the Company along with the requisite deposit under Section 160 of the Companies Act, 2013 signifying his intention to propose Mrs. Ranjana Kumar as a candidate for the office of a Director.

Mrs. Ranjana Kumar is a Non-Executive Independent Director of the Company. She joined the Board of Directors of the Company on 8 July 2014.

Mrs. Ranjana Kumar is a prominent Indian Banker with varied experience of around 44 years. Mrs. Ranjana Kumar holds a Bachelor of Arts degree, and is a Gold Medalist. Mrs. Ranjana Kumar retired as a Vigilance Commissioner from the Central Vigilance Commission (A Constitutional Post with Government of India) and has held many significant positions in her career, including that as the Chairperson and Managing Director of Indian Bank, Chairperson of National Bank for Agriculture and Rural Development (NABARD), Executive Director holding concurrent charge as Chairman and Managing Director of Canara Bank, and CEO of the US operations of Bank of India based in New York.

Under her chairmanship, Mrs. Ranjana Kumar was instrumental in restructuring & turning around Indian Bank, then the weakest PSU Bank from a loss making entity, into a Profitable and successful Bank.

Mrs. Ranjana Kumar also took over “weak” U.S. Operations of Bank of India as Chief Executive Officer, U.S. Operations, at New York, (1995-1999). She ensured suitable systems and policies were put in place. The Bank was awarded a “STRONG” Rating by U.S. Federal Reserve in 1998.

She has been recipient of several awards, notable being :-

1. Lifetime Achievement Award in the Banking Industry (including PSU Banks and Private Sector Banks & Reserve Bank of India) for the year 2012 by Business World Special Issue dated 26 November 2012.
2. ‘BMA (Bombay Management Association) Woman Achiever of the Year Award 2008-09’.

3. ‘India’s turn around Queen – “Issue of November 2003’ by The Economist, UK.
4. Banker of the Year 2002 Award by Business Standard.

Mrs. Ranjana Kumar also has following distinctions:

1. First Woman Chairman and Managing Director of a Public Sector Bank in India.
2. First Women Vigilance Commissioner, Central Vigilance Commission, Government of India.

Mrs. Ranjana Kumar has authored a book titled, “A New Beginning – The Turnaround Story of Indian Bank” published by M/s. Tata McGraw-Hill Publishing Company Ltd. The Book has received Excellent Reviews and rated by the Indian Society of Training & Development, an autonomous Body, as one of the Leading Books in the Country for the year 2008-2009.

Mrs. Ranjana Kumar regularly addresses Top Managements of a cross-section of Public Sector Undertakings, Important Academic Institutions including IIM’s and IIT’s on various aspects concerning Management, leadership, issues relating to Human Resource Management etc.

She was invited to speak at Universities abroad including Prestigious Wharton School, Stanford University, University of Washington Seattle where she addressed Senior International Bankers, & World Bank.

She is presently Member in the Investment Committee of Tirumala Tirupati Devasthanam, at Tirupati.

She is also on the Board of Governors of IIM Kashipur (Uttarakhand).

Mrs. Ranjana Kumar is also on the Board and Committees of the Board of several other leading companies as stated below:

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
Tata Global Beverages Limited	Independent Director	Chairman - CSR Committee, Nomination and Remuneration Committee Member - Audit Committee
Coromandel International Limited	Independent Director	Chairman - Risk Management Committee Member - Nomination and Remuneration Committee
GVK Power & Infrastructure Limited	Independent Director	–

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Name of the Company	Nature of Interest	Committees of the Board
International Paper APPM Limited	Independent Director	Chairman - Shareholder Grievance Committee Member - CSR Committee
(b) Private Limited Companies		
International Asset Reconstruction Company Private Limited	Independent Director	Chairman - Nomination and Remuneration Committee Member - Audit Committee
Vyome Biosciences Private Limited	Independent Director	–
Rainbow Children's Medicare Private Limited	Independent Director	Member - Capex Committee
(c) Foreign Companies		
Nil	–	–
(d) Companies registered under Section 25 of the Companies Act, 1956		
Nil	–	–

Mrs. Ranjana Kumar is not a member of any of the Committees of the Company's Board.

Mrs. Ranjana Kumar is a Director who holds office only up to the date of this Annual General Meeting of the Company and is eligible for appointment. Under the Companies Act, 2013, it is required that independent directors not be liable to retire by rotation and be appointed for a fixed term. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Ranjana Kumar being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for five consecutive years.

The Securities and Exchange Board of India (SEBI) has proposed amendment to Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of independent directors by a listed company.

Based on the recommendations of the Nomination and Remuneration Committee it is proposed to appoint Mrs. Ranjana Kumar as an Independent Director under Section 149 of the Companies Act, 2013 ('the Act') and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof, for the time being in force) to hold office for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

Mrs. Ranjana Kumar is not disqualified from being appointed as Director in terms of Section 164 of the Act and have given her consent to act as Director.

The Company has received notice in writing from a Member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Ranjana Kumar for the office of Director of the Company. The Company has also received declaration from Mrs. Ranjana Kumar that she meets with the criteria of independence as prescribed both under subsection (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mrs. Ranjana Kumar fulfills the conditions for her appointment as Independent Director as specified in the Act and the Listing Agreement. She is independent of the management.

Copy of the draft letter for appointment of Mrs. Ranjana Kumar as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

The Board considers that Mrs. Ranjana Kumar's continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mrs. Ranjana Kumar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Ranjana Kumar as an Independent Director, for the approval by the Members of the Company.

Mrs. Ranjana Kumar does not hold any shares in the Company.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Except Mrs. Ranjana Kumar, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item Nos. 10 and 18.

Resolution No. 19

The Board of Directors on the recommendation of the Audit Committee have appointed, M/s. N. I. Mehta & Co., Cost Accountants, Mumbai, (ICWA Registration No. 000023) as Cost Auditors of the Company for the financial year 2014-15. A Certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors will be available for inspection at the Registered Office of the Company and shall also available at the meeting.

As per Rule 14 of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members. The Board will decide on the remuneration payable to M/s. N. I. Mehta & Co. as mutually agreed upon and on the recommendation of the Audit Committee. Hence this enabling resolution is put for the consideration of the Members.

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None of the Directors and Key Managerial personnel or their relatives are interested in the above resolution.

The Board of Directors recommends the resolution for your approval.

Resolution No. 20

Section 197 of the Companies Act, 2013 provides for payment of remuneration to the Directors who are neither Managing Directors nor Wholtime Directors (that is non-executive directors) for an amount not exceeding in aggregate of one percent of the net profits of the Company. The Board of Directors of the Company, subject to the approval of Members of the Company, may propose to remunerate the non-executive directors (i.e. directors other than the Managing Director and the Wholtime Directors) for an amount not exceeding in aggregate of one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Act.

The said remuneration to Non-Executive Directors, if paid, shall be in addition to the sitting fee payable to them for attending meetings of the Board and Committees thereof.

Save and except all the Non-Executive Directors of the Company and their relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 20 of the Notice.

The Board recommends the Special Resolution set out at Item No. 20 of the Notice for approval by the Members.

Resolutions Nos. 21 and 22

The Board of Directors of the Company and/or a Committee thereof was authorized pursuant to Section 293(1)(d) of the Companies Act, 1956 to borrow moneys in excess of aggregate of its Paid up Capital and Free Reserves, as may be permitted by Law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding ₹2,000 crore as prescribed in the Ordinary Resolution passed by the Members at Annual General Meeting held on 31 August 2009. The Board was also authorized for creation of any mortgage / charge, if needed in connection with the borrowings under Section 293(1)(a) of the Companies Act, 1956.

The Company has been executing such powers in terms of the said Resolutions passed by the Members under the provisions of Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956. Corresponding Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 empowers the Board to borrow moneys in excess of the aggregate of its Paid up Capital and Free Reserves, and to create any mortgage/charge in connection with such borrowings, subject to the approval of the Members of the Company by way of Special Resolution in General Meeting.

In view of the enactment of the new Companies Act, 2013, the Company would be required to pass a fresh resolution as aforesaid enabling it to exercise powers under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013.

The proposed Special Resolution will have to be considered in the above context. This will enable the Board to borrow funds and create any mortgage/charge in connection with such borrowings, as and when considered appropriate.

None of the Directors and the Key Managerial Personnel of the Company, including their relatives, is in any way, concerned or interested, financially or otherwise, in the said resolutions.

The Board recommends the Special Resolution set out at Item Nos. 21 and 22 of the Notice for approval by the Members.

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

Mr. ANIL KUMAR HIRJEE

Mr. A. K. Hirjee, 75, is a Promoter Non-Executive Director of the Company. He joined the Board of Directors of the Company on 5 September 1993. Mr. Hirjee is B.A.(Hons.), LL.B. (Hons.), Barrister-at-Law, SLOAN Fellow of London Business School. He has 51 years of experience in different areas of Business Management and his expertise extends to finance, banking, legal, commercial, industrial and general administration. He has been actively associated with leading Charitable Institutions.

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

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
The Bombay Dyeing & Mfg. Co. Ltd.	Director	Member - Share Transfer, Shareholders' / Investors' Grievance and Ethics and Compliance Committee Member - Remuneration Committee
The Bombay Burmah Trading Corpn. Ltd.	Vice Chairman	Chairman and Member - Shareholders' / Investors' Grievance Committee Member - Audit Committee Member - Remuneration Committee

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Name of the Company	Nature of Interest	Committees of the Board
Atlas Copco (India) Limited	Chairman	Chairman - Audit Committee Chairman - Remuneration Committee Member - Shareholders / Investors' Grievance Committee
HDFC Trustee Co. Ltd.	Chairman	Chairman - Audit Committee Chairman - Risk Management Committee Member - Customer Services Committee
(b) Private Limited Companies		
Chika Pvt. Ltd.	Director	–
Go Investments & Trading Pvt. Ltd.	Director	–
(c) Foreign Companies:		
ABI Holdings Limited, UK	Director	–
Associated Biscuits International Ltd., UK	Director	–
Britannia Brands Ltd., UK	Director	–
Bannatyne Enterprises Pte Ltd., Singapore	Director	–
Dowbiggin Enterprises Pte Ltd, Singapore	Director	–
Nacupa Enterprises Pte Ltd., Singapore	Director	–
Spargo Enterprises Pte Ltd., Singapore	Director	–
Valletort Enterprises Pte Ltd., Singapore	Director	–
(d) Companies registered under Section 25 of the Companies Act, 1956		
Nil	–	–

Mr. Hirjee is member of the Audit Committee, Stakeholders Relationship Committee, Finance Committee, Nomination and Remuneration Committee and Executive Committee of the Board of the Company.

Mr. Hirjee does not hold any shares in the Company.

Except Mr. Hirjee, being an appointee, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 3.

Mr. JEH N. WADIA

Mr. Jeh N. Wadia, 40, is a Promoter Executive Director of the Company. He joined the Board of Directors of the Company on 14 September 2005. He is a M.Sc.-Engineering Management from Warwick University, England. The World Economic Forum elected him as a Young Global leader in the year 2008.

He has been the Managing Director of GoAir, since founding it in 2004, He is also the managing director of Bombay Dyeing, a diversified company with interests in Real Estate, Retail, Textiles and PSF.

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

Name of the Company	Nature of Interest	Committees of the Board
(a) Public Limited Companies		
The Bombay Dyeing & Mfg. Co. Ltd.	Managing Director	Member - Stakeholders Relationship Committee
The Bombay Burmah Trading Corpn. Ltd.	Director	–
Wadia Techno – Engineering Services Ltd.	Director	–
Go Airlines (India) Ltd.	Managing Director	–
(b) Private Limited Companies		
Integrated Clinical Research Science Pvt. Ltd.	Director	–
Virtual Education Network Private Ltd.	Director	–
Go Airways Private Ltd.	Director	–
Go Holdings Private Ltd.	Director	–

Britannia Industries Limited

Name of the Company	Nature of Interest	Committees of the Board
Go Cargo Private Ltd.	Director	–
Go Engineering Private Ltd.	Director	–
Go Training Private Ltd.	Director	–
Go Investments & Trading Private Ltd.	Director	–
(c) Foreign Companies		
Naira Holding Ltd. B V I	Director	–
(d) Companies registered under Section 25 of the Companies Act, 1956		
Nil	–	–

He is a member of Stakeholders Relationship Committee of the Company. He does not hold any shares in the Company.

Except Mr. Jeh N. Wadia being an appointee, Mr. Nusli N. Wadia (his Father) and Mr. Ness N. Wadia (his Brother), none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

By Order of the Board of Directors
For **BRITANNIA INDUSTRIES LIMITED**

Registered Office:
5/1A, Hungerford Street,
Kolkata - 700 017.
8 July 2014

Vivek P. Raizada
Head Legal and Company Secretary



*A*t Britannia, we absolutely love what we do. But what we love more is who we do it for. That's why, over the past year, we have done countless little things to offer our consumers a delightful experience in every bite. From purchasing the right ingredients and creating aspirational packaging, to using the learnings from unique consumer research methods; each Britannia employee has strived to improve the organoleptic appeal of our product offerings. So now, when you taste a Britannia product, you will know what love tastes like.

Britannia Annual Report 2013-14

BOARD OF DIRECTORS

CHAIRMAN :

Nusli N Wadia

MANAGING DIRECTOR :

Vinita Bali (till 31 March 2014)

Varun Berry (Executive Director in-charge of India Business till 31 March 2014. Managing Director from 1 April 2014)

DIRECTORS :

A K Hirjee

S S Kelkar

Nasser Munjee

Nimesh N Kampani

Avijit Deb

Jeh N Wadia

Keki Dadiseth

Ajai Puri

Ness N Wadia

Vijay L Kelkar

MANAGEMENT TEAM :

Vinod Krishna Menon	-	Chief Financial Officer
Vinay Singh Kushwaha	-	Vice President-Supply Chain
Pascal Ville	-	Vice President-R&D and Quality
Ashok Namboodiri	-	Head-Dairy Business
Manoj Balgi	-	Head-Procurement
Prashant Vatkar	-	Chief Executive Officer-Britannia International Business

COMPANY SECRETARY :

Vivek P Raizada

AUDITORS :

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

BANKERS :

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

(Corporate Identity Number: L15412WB1918PLC002964)

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

Executive Office : Britannia Gardens, Old Airport Road, Vimanapura, Bangalore - 560 017.

Phone : +91 33 22872439/2057, +91 80 39400080 Fax : +91 80 25263265, 25266063

Website : www.britannia.co.in Email Id : investorrelations@britindia.com

Britannia Annual Report 2013-14

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FINANCIAL HIGHLIGHTS

₹ in crores	2013-14	2012-13	% Change
STANDALONE			
Net Sale of Products	6,232.09	5,564.38	12%
Profit from Operations	533.24	314.45	70%
Shareholders' Funds	853.46	636.41	34%
Capital Expenditure	98.59	192.88	(49)%
Profit Before Exceptional Items and Tax	562.62	332.18	69%
Profit Before Tax	542.62	332.18	63%
Net Profit	369.83	233.87	58%
Cash Profit	433.21	290.95	49%
Per Equity Share (Nominal value of ₹ 2/- each)			
Earnings (Basic)	30.87	19.57	58%
Dividend	12.00	8.50	41%
Dividend + Tax	14.04	9.94	41%
CONSOLIDATED			
Net Sale of Products	6,829.32	6,135.91	11%
Profit from Operations	544.02	347.49	57%
Profit Before Tax	569.32	358.43	59%
Net Profit	395.35	259.50	52%

REPORT OF THE DIRECTORS

The Directors present their Annual Report together with the Statement of Accounts for the year ended 31 March 2014.

1. FINANCIAL RESULTS

Particulars	₹ in crores	
	Year ended 31 March'14	Year ended 31 March'13
Sale of Products	6,347.85	5,649.66
Other Operating Revenues	75.30	51.11
Other Income	34.82	55.47
Profit from Operations (PBT before other income, finance costs and exceptional items)	533.24	314.45
Profit Before Tax	542.62	332.18
Less: Tax Expense	172.79	98.31
Net Profit	369.83	233.87
Add: Profit brought forward	326.89	235.35
Profit available for Appropriation	696.72	469.22
Less: Proposed Dividend	143.91	101.66
Less: Tax on Proposed Dividend	24.46	17.28
Less: Dividend (including tax on dividend) for previous year on equity shares issued under ESOS after the year end	0.22	-
Less: Transfer to General Reserve	36.98	23.39
Balance carried forward to Balance Sheet	491.15	326.89
Net Cash Flow from Operating Activities	614.51	272.01

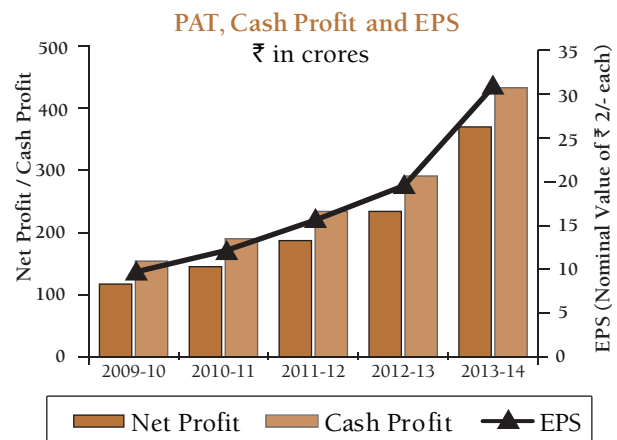
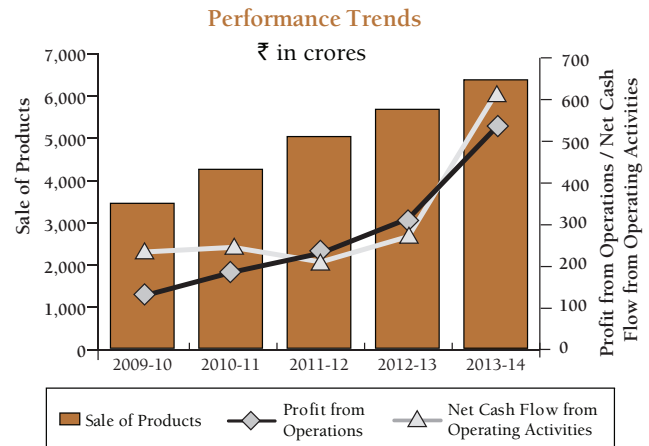
2. OVERVIEW OF COMPANY PERFORMANCE

In a challenging economic environment and intensely competitive market, Profit from Operations increased 69.6%, from ₹ 314.45 crores to ₹ 533.24 crores. Several of your Company's power brands grew double digit resulting in overall

revenue growth of 12%. Your Company focused on profitability, capital productivity and working capital management to generate cash flow from operating activities of ₹ 614.51 crores compared to ₹ 272.01 crores in the previous year. Earnings per share (of ₹ 2/- each) increased to ₹ 30.87 from ₹ 19.57 in the previous year.

Based on the assessment of business of Daily Bread Gourmet Foods (India) Private Limited (wholly owned subsidiary) and in accordance with Accounting Standard 13 - "Accounting for Investments", prescribed by the Companies (Accounting Standard) Rules, 2006 of the Companies Act, 1956, your Company has made a provision of ₹ 20 crores for diminution in value of investment made in equity shares of Daily Bread Gourmet Foods (India) Private Limited.

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



Your Company leveraged strong brands and focused on fundamental levers of operation to drive profitable growth and strengthen its competitive position. Sales, distribution and

channel capabilities have been strengthened to increase width of distribution in rural markets and depth in the urban markets. Several initiatives were undertaken to drive sales productivity, which includes re-structuring of sales team, distributor consolidation, portfolio reconfiguration to simplify handling, split portfolio for focused selling, hub & spoke model to increase reach etc.

Your Company supported its brands aggressively in an intensely competitive market and focused on extracting the maximum out of its investment in advertising and sales promotion (A&SP) and channel infrastructure, through a series of initiatives focused on higher throughput, better returns, branding and communication excellence.

Your Company focused to balance cost, quality and aspiration in its brand for consumer affordability at every price point. Your Company also reinforced a strong cost effectiveness culture towards creating a robust demand & supply chain and leadership economics.

3. CONSOLIDATED FINANCIAL RESULTS

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standard 21 - "Consolidated Financial Statements", prescribed by the Companies (Accounting Standard) Rules, 2006 of the Companies Act, 1956. The Consolidated Statements reflect the results of the Company and those of its Subsidiaries. As required by Clause 32 of the Listing Agreement entered into 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 2014 was ₹ 6,945.52 crores compared with ₹ 6,221.82 crores in the previous year, a growth of 11.6%.

Consolidated Net Profit for the year ended 31 March 2014 was ₹ 395.35 crores compared with ₹ 259.50 crores in the previous year, a growth of 52.3%.

₹ in crores

Particulars	Year ended 31 March'14	Year ended 31 March'13
Sale of Products	6,945.52	6,221.82
Other Operating Revenues	83.39	49.50
Other income	33.59	52.24
Profit from Operations	544.02	347.49
(PBT before other income and finance costs)		
Profit Before Tax	569.32	358.43
Net Profit	395.35	259.50

SUBSIDIARIES

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

Britannia Dairy Private Limited (BDPL)

The Dairy business of your Company was impacted by unprecedented increase in milk cost of ~ 30% during the year. Your Company focused on value-added products and registered a turnover of ₹ 299.32 crores compared to ₹ 309.19 crores in the previous year. The business achieved a Net Profit of ₹ 10.67 crores compared to ₹ 35 crores in the previous year as a result of inordinate inflation in milk cost.

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 ₹ 19.94 crores during the year, compared with ₹ 23.06 crores in the previous year. Loss for the year was ₹ 3.30 crores compared to ₹ 2.67 crores in the previous year.

Strategic Food International Co. LLC, Dubai (SFIC)

SFIC sales increased by 4.1% at AED 16.16 crores (₹ 265.71 crores) compared with AED 15.53 crores (₹ 229.92 crores) for the previous year. It increased market share in key markets of UAE and KSA. SFIC posted a net profit of AED 0.29 crores (₹ 4.74 crores) as compared to a net loss of AED 0.33 crores (₹ 4.91 crores). Continued focus on product mix, productivity improvement and cost efficiencies helped to drive a profitable growth.

Al Sallan Food Industries Co. SAOC (ASFI)

ASFI sales are primarily to SFIC and for the year ended 31 March 2014 closed at RO 0.86 crores (₹ 135.30 crores), almost at the level of previous year. It posted a net loss of RO 2.13 lakhs (₹ 3.34 crores) against a net profit of RO 0.09 lakh (₹ 0.12 crores) in the previous year.

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

BAMPL, a company formed in Mauritius and a wholly-owned subsidiary of your 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, Dubai, a Jebel Ali Free Zone Offshore company.

The combined revenue and profit of holding companies for the year ended 31 March 2014 was USD 0.13 crores (₹ 7.69 crores) and USD 0.01 crores (₹ 0.30 crores) compared to USD 0.12 crores (₹ 6.53 crores) and loss of USD 0.01 crores (₹ 0.25 crores) respectively, for the year ended 31 March 2013.

Investment Companies

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

The combined revenue and loss of the investment companies for the year ended 31 March 2014 was ₹ Nil and ₹ 0.02 crores respectively.

Further, pursuant to Section 4 of the Companies Act, 1956, the following companies engaged in manufacturing of biscuits at various locations are also subsidiaries of your Company. The Revenue from Operations / Net Sales and Net Profit of the said subsidiaries for 2013-14 are as under:

₹ in crores

Name of Subsidiary	Revenue from Operations / Net Sales	Net Profit
International Bakery Products Limited, Puducherry	18.05	0.29
J B Mangharam Foods Private Limited, Gwalior	25.26	0.25
Manna Foods Private Limited, Madurai	29.09	(0.19)
Ganges Vally Foods Private Limited, Hoogly	16.86	0.24
Sunrise Biscuit Company Private Limited, Guwahati	131.65	0.02

Welfare Companies

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

4. DIVIDEND

The Board of Directors are pleased to recommend a dividend of 600% on the paid up equity share capital of the Company, which amounts to ₹ 12/- per share, for consideration and approval by the Members at the Annual General Meeting. The total payout amounts to ₹ 168.37 crores including dividend distribution tax of ₹ 24.46 crores.

5. THE BRITANNIA PROMISE TO SPREAD DELIGHT

Last year your Company took an oath to coalesce the cost, quality and aspiration imaginatively to deliver a unique and ecstatic experience to its consumers. Guided by this Britannia Promise, an objective analysis was conducted to assess where we stand in terms of our products versus where we should be. This identified several opportunities which your Company aggressively pursued, resulting in a significantly superior consumer experience. This reflects in our market place performance. Equally, there are several other identified opportunities that are in various stages of completion. Many of these will reach consumers during the course of the current year.

Not only did Britannia Promise become the fountainhead of delightful consumer offering, but it also shaped the day-to-day activities of your Company. Your Company recognizes that we are only as good as the last product we delivered to consumers. Keeping this in mind all employees of your Company recommitted themselves to ensuring that the products that reach consumers are not only superior to competitors in their design but they also reach with consistently high quality. Consequently each employee of your Company maintains market-place-vigilance and is effectively an independent market information source reporting back into a mechanism designed to identify and correct market-place deficiency quickly and comprehensively.

6. BRANDS

Brands form the core of your Company's business and keeping them relevant and differentiated is the first priority of your Company. 2013-14 has been a year of consolidating and growing base brands and brands launched in the previous years. Concurrently, your Company has kept up the pace of differentiation by working and investing aggressively behind new consumer understanding, advertising and activation programs and marketplace competitiveness.

Your Company's pillar brands like Good Day, MarieGold, 50 50, NutriChoice, Jim Jam, Bourbon, MilkBikis continued to drive growth for the Company

by expanding both penetration and consumption in Indian homes. The Jim Jam brand was restaged with new packaging and a new chocolate variant as well as consumer facing advertising which brought alive the creaminess and jami-ness of the inherent product.

Your Company continues to focus on its two strength areas – Health and Indulgence – through brands that are targeted specifically on each of these need states. Brands are also segmented on consumer segments like Premium, Mid, Mass or demographic segments like homemakers, kids, adults, families etc. New campaigns were created for Good Day (Happy Good Day to you), NutriChoice Digestive (Tasty Health Biscuits) and NutriChoice Cracker (The Honestly Good Biscuit) to ensure that your brands stayed top of mind and relevant to consumers. Britannia Cakes was restaged with new packaging and new advertising.

The premium segment of the market saw intense activity in 2013-14 and your Company ensured that packs and products were kept price and value competitive – through the introduction of new SKUs or through consumer bonus programmes. This has resulted in improved performance of brands and helped expand their distribution as well as consumer penetration footprint. In 2013-14, your Company leveraged the understanding created with the Britannia Promise to innovate and renovate products to deliver the right cost, quality and aspiration to the consumers. This will be the continued endeavour of your Company over the next many years to come, making the product the centrepiece of all development work.

2013-14 symbolized a year of intense competitive activity with a subdued consumer activity on account of economic slowdown – it was critical for your Company to keep its brands salient on media in addition to delivering every day good quality. Your Company continued to invest in the traditional Television medium while increasing impact and visibility through hoardings and bus shelter (OOH medium), through the modern trade and key accounts retail visibility program as well as through investing behind new media like digital albeit in a small manner.

7. SUPPLY CHAIN AND MANUFACTURING OPERATIONS

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

Company increased operating control on capacity with the commissioning of a Greenfield facility for biscuit manufacturing at Jhagadia, Gujarat and commencing work on the new Greenfield project in Perundurai, Tamil Nadu. 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. To improve the back-end planning process and availability, your Company has implemented the process of Advanced Planning & Optimizing (APO) tool which will provide an integrated platform to calibrate supply to a dynamic demand scenario. In the area of logistics the focus was on execution effectiveness and optimum space utilization for higher throughput.

8. QUALITY STANDARDS

Your Company assiduously works on enhancing delivered product quality through structured programs that build a quality culture. The culture of continuous improvement is deployed through various initiatives across the Company to improve the effectiveness of our processes and systems.

Your Company started a "Organoleptic8" Program, in order to give more weightage to the consumers sensorial appreciation. Your Company competency on "Organoleptic" differentiation will be significantly enhanced to deliver new and unique experiences across the portfolio.

9. INFORMATION TECHNOLOGY (IT)

IT systems are the backbone, which support timely decisions through converting data into actionable information. During 2013-14, your Company started realizing the benefits of best in class Supply Chain IT capabilities enabled through SAP during 2012-13. Integrating end-to-end supply chain covering demand, capacity and production planning has enabled an increased service delivery with reduction of inventory.

Your Company has also successfully rolled out handheld based system to enable its sales people to do better planning and execution.

Your Company has successfully built Procurement analytics / dashboards which provides greater visibility to commodity trends.

In 2014-15, your Company proposes to enhance analytics capabilities in other areas like marketing and finance. Your Company is also looking at centralizing / consolidating various activities in line with global trends, which will help your Company to increase its flexibility to respond to market changes.

10. ENVIRONMENT AND SAFETY

Energy conservation and the use of clean fuels continue to be a priority area for your Company. Biomass gassifier has been successfully commissioned at two factories and more will be installed in the coming year. A focused Energy Program has been established with a view to carrying out specific initiatives in the field of Energy Efficiency and Conservation.

Environment, Health and Safety are treated as core value at your Company. Your Company has strengthened its workplace system & practices as a part of ZERO accident culture through several accident prevention program techniques and has introduced site level performance indicators to promote positive & proactive culture at work place. Your Company also partnered with a leading company having expertise in Safety Management Systems as part of safety capability building in enhancing skills for shop floor line management. As part of this engagement, several programs were organized across various locations.

Your Company also initiated several activities as part of employee engagement in safety management like:

- (a) Safety week celebrations to enhance the awareness on safety practices at work place.
- (b) Adopted engineering controls for all hazardous rotating parts which has potential to cause accidents.
- (c) On the job training to workmen on safe work practices.
- (d) Visual display at work place for better understanding on hazards and risks.
- (e) Mock drills as part of emergency response system.
- (f) Safety inspection program to identify unsafe conditions and eliminate them.
- (g) Near miss reporting to capture potential areas and mitigate the same.

11. CORPORATE SOCIAL RESPONSIBILITY (CSR)

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. This covers two broad areas of food-based solutions to increase nutrition as well as energy conservation, which includes waste management.

Your Company continued its partnership with Karnataka Nutrition Mission in some villages in Karnataka to comprehensively address sanitation, health and immunization initiatives, nutrition supplementation for children, adolescent girls, pregnant women and nursing mothers. The 1st phase of this project was completed during the year.

As mentioned in previous reports, the “Britannia Nutrition Foundation” (BNF) 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 2013, BNF was selected as the ‘nutrition partner’ in a first-of-its-kind project in India, under a municipal corporation’s (East Delhi Municipal Corporation (EDMC)) jurisdiction. Through this program BNF assessed the health and nutritional status, including height, weight and haemoglobin of 50,000 children. The records of the Health Checks conducted have since been digitized and handed over to EDMC to be made a part of their school records. Their daily diets were supplemented with Iron & multiple micro-nutrient fortified biscuits and parents of the children were counseled on causes & effects of anemia, ways to overcome it through proper eating habits and the importance of sanitation and hygienic living conditions, both within the home and the community.

The Foundation also partnered with AIIMS to do a field study on the efficacy of Nutrition Intervention through fortified food to “at-risk child populations”. BNF also worked with Wadia Hospital in Mumbai to supplement the daily diets of all IPD (In Patient Department) children with Tiger biscuits.

The work of the Foundation also featured on 2 independent programs on Television focusing on malnutrition:

- NDTV program on “Our Girls, Our Pride” in December 2013.
- ‘The Quest for Shunya’ (on Times Now) in October 2013, on companies / organizations that are on a Quest to reduce malnutrition.

The commitments of your Company in addressing child and maternal malnutrition were also included as a part of the SUN (Scaling Up Nutrition) (which originated from the United Nations Standing

Committee on Nutrition (UNSCN) wherein UN agencies, Bilateral Partners and NGOs / CSOs come together to exchange information and discuss nutrition related issues) and DFID (Department for International Development of the Government of UK) global commitments.

12. PENSION

The proceedings in the suit filed by the Pensioners Welfare Association ('the Association') are in progress in the Honourable 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 Honourable Court's interim order passed on 1 January 2009 as reiterated by the Honourable 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 Honourable 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 High Courts.

These and related matters have been dealt with in Note No. 29 to the financial statements, which are self-explanatory.

13. 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.

14. 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.

15. DIRECTORS

The Board of Directors of your Company at their Meeting held on 11 November 2013 had appointed Mr. Varun Berry as an Additional Director of the Company with effect from 11 November 2013, in

terms of Section 161 of the Companies Act, 2013 [corresponding to Section 260 of the Companies Act, 1956] and Article 94 of the Articles of Association of the Company and whose term of office expires at the ensuing Annual General Meeting and is eligible for appointment as Director of the Company. In the same Meeting Mr. Varun Berry was also appointed as Wholetime Director designated as Executive Director of the Company with effect from 11 November 2013 for a period of five years. Further, the Board of Directors of your Company at their Meeting held on 25 March 2014 had appointed Mr. Varun Berry as Managing Director of the Company with effect from 1 April 2014 for a period from 1 April 2014 to 10 November 2018. Later, the Board of Directors of your Company at their Meeting held on 26 May 2014 had revised the terms and conditions of the appointment of Mr. Varun Berry as Managing Director of the Company for a period of five years with effect from 1 April 2014 to 31 March 2019.

Ms. Vinita Bali retired as Managing Director of the Company and also ceased to be a Director on the Board of the Company with effect from the close of business on 31 March 2014. Your Directors wish to place on record their appreciation for the contribution made by Ms. Vinita Bali during her tenure as Managing Director.

In accordance with the provisions of Section 149 and other applicable provisions of the Companies Act, 2013, your Directors are seeking appointment of Dr. Ajai Puri, Mr. Keki Dadiseth, Mr. Avijit Deb, Mr. Nimesh N. Kampani, Mr. S S Kelkar, Mr. Nasser Munjee and Dr. Vijay L Kelkar as Independent Directors for five consecutive years with effect from the date of the Annual General Meeting to be held on 12 August 2014 upto 11 August 2019 with an option to retire from the office at any time during the term of appointment.

In accordance with the provisions Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. A K Hirjee and Mr. Jeh N Wadia, Directors, retiring by rotation at the ensuing Annual General Meeting, are eligible for re-appointment.

Details of the proposal along with necessary resolutions for the appointment / re-appointment of the aforesaid Directors have been included in the Notice convening the ensuing AGM and Explanatory Statement under Section 102 of the Companies Act, 2013.

16. 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.

17. 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 ₹ 23.91 crores as at 31 March 2013 to ₹ 23.99 crores as at 31 March 2014 consequent to allotment of 4,00,000 equity shares in aggregate on three occasions upon the exercise of stock options by Ms. Vinita Bali as granted under the ESOS in 2009, 2010, 2011 and 2012 respectively. Details of each allotment have been mentioned in Corporate Governance Report.

18. 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 your 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 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 2013-14. 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 was filed within the due date and for 31 March 2014 will be filed within the prescribed period.

19. AUDITORS

M/s. B S R & Co. LLP retire in accordance with the provisions of the Companies Act, 2013. They have indicated their willingness to continue in office and are recommended for appointment as the Company's Auditors in accordance with the provisions of the Companies Act, 2013.

20. 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 2014 and of the profit of the Company for the year ended 31 March 2014;
- (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.

21. 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
26 May 2014

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 2014.

Form 'A'

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

A. CONSERVATION OF ENERGY

(a) Some of the energy conservation measures undertaken during 2013-14 are:

- (i) Vapour absorption chiller through oven flue gases commissioned successfully.
- (ii) Steam boiler replaced with higher system efficiency pressurized hot water generator.
- (iii) Improved insulation material has helped in reducing the heat requirement of ovens for baking.
- (iv) Variable frequency drives installation on various high power consumption motors has reduced the power consumption.
- (v) Compressor load controllers installed for better loading : unloading ratio and efficiency.
- (vi) Fuel combustion efficiency improved by installing better efficiency and right sized burners in baking ovens.
- (vii) Old water chillers replaced with new and better efficiency chillers.
- (viii) Air pre-heaters installed for recovering waste heat of flue gases in baking ovens.

(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 ₹ 25-30 crores has been planned for 2014-15 in various projects related to further savings in energy consumption and use of alternate fuels.

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

In spite of a significant increase in fuel and energy costs, the impact of these on product cost have been marginal as both electricity and baking fuel consumptions were reduced.

For the year ended	31 March 2014	31 March 2013
ELECTRICITY		
(a) Purchased (gwh)	19.26	16.28
Total amount (₹ crores)	12.10	9.85
Rate / Unit (₹ / kwh)	6.28	6.05
(1gwh = 1,000,000 kwh)		
(b) Own generation		
(i) Through diesel generator (gwh)	1.49	2.31
Unit per litre of diesel oil (kwh / Litre)	3.22	3.07
Cost / Unit (₹ / kwh)	16.89	13.63
(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)	83,084	76,065
Total Cost (₹ crores)	45.37	36.69
Rate / Unit (₹ / Billion cal)	5,461	4,824
Consumption per unit of production		
Bakery products		
Biscuits & Cakes (MT)	155,153	135,571
Electricity (kwh/MT)	134	137
Baking Fuel (Billion cal / MT)	0.54	0.56

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

The rate per unit of electricity purchased had increased to ₹ 6.28 per kwh, compared to ₹ 6.05 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. The increase was 24% and 13% respectively.

However, consumption of energy (power and baking fuel) per ton of biscuit produced has reduced due to structured energy program taken up by your Company and improving operational efficiencies in the factories.

The total energy cost per MT of production increase was contained to 4.3% through productivity, operating efficiencies and energy reduction program despite the above inflation in power and cost of fuels.

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:

- (i) Using renewable fuels (biomass) as a baking fuel through the gassifier technology has helped in reducing cost of baking fuel.
- (ii) Vapour absorption machine installed for producing chilled water by using waste heat of flue gases.
- (iii) Using biomass as fuel, pressurized hot water generator installed in place of steam boiler.
- (iv) Centralization of oven control by installing PLC, VFD's and pressure transducers on ovens has helped with lesser manual interventions as well as trending of critical parameters for better quality.

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

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

(c) Details of imported technology:

- (i) Your Company is in the process of evaluating alternative technology for rusk manufacturing. This will improve the product quality and also productivity.
- (ii) Year of import : Under evaluation.

(iii) Has the technology been fully absorbed: Not Applicable.

(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):

2013-14 was a transition year for R&D. We worked on consolidating our innovations projects portfolio that is in pipeline. These new development projects integrated from the very beginning "Organoleptic8" principle based development program to help deliver new products which are basis consumer needs.

Details of efforts made in innovation and technology absorption are:

1. Core areas of Research by the Company:

- (i) Creation of a range of differentiated products / packaging for the high margin segments (launch in 2014-15).
- (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:
 - New chocolate variant in Jim Jam.
 - New chocolate variant in Treat.
- (ii) Renovations of existing products:
 - Tiger Cream.
- (iii) Packaging upgradation for differentiation and serving different consumption occasions and consumer segments:
 - Transition from PVC to PP trays for greener packaging and improvement of the Quality.
 - Renovated pack for the Cake range.
 - Renovated pack for the Pure Magic and Bourbon ranges.

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3. Future plan of action:

Your Company will continue to focus on technology and ingredients led innovations to create different, better and special products experiences. With those specificities, it will be much more difficult for our competitors to copy these differentiated products. It will:

- (i) Focus on technological or functional ingredients solutions to develop products with new benefits.
- (ii) Provide value through differentiated product / pack.
- (iii) Explore new ingredients, processes and technologies to create products providing new taste experiences.

4. Expenditure on R&D:

₹ in crores

Particulars	31 March 14
Capital	0.08
Recurring	9.91
Total	9.99
Total R&D expenditure as a % of turnover (sale of products)	0.16%

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 14
Foreign exchange used *	67.87
Foreign exchange earned	125.09

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

On behalf of the Board

Mumbai
26 May 2014

Nusli N Wadia
Chairman

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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	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="text-align: right; border-bottom: 1px solid black;">No. of Options</th> </tr> </thead> <tbody> <tr> <td>Financial Year: 2008-09</td> <td style="text-align: right;">75,000 *</td> </tr> <tr> <td>Financial Year: 2009-10</td> <td style="text-align: right;">75,000 *</td> </tr> <tr> <td>Financial Year: 2010-11</td> <td style="text-align: right;">1,00,000 *</td> </tr> <tr> <td>Financial Year: 2011-12</td> <td style="text-align: right;">1,25,000</td> </tr> <tr> <td>Financial Year: 2012-13</td> <td style="text-align: right; border-bottom: 1px solid black;">1,00,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right; border-bottom: 3px double black;">4,75,000</td> </tr> </tbody> </table> <p>* Adjusted number of options consequent upon sub-division of the equity shares on and from 9 September 2010.</p>		No. of Options	Financial Year: 2008-09	75,000 *	Financial Year: 2009-10	75,000 *	Financial Year: 2010-11	1,00,000 *	Financial Year: 2011-12	1,25,000	Financial Year: 2012-13	1,00,000	Total	4,75,000
	No. of Options														
Financial Year: 2008-09	75,000 *														
Financial Year: 2009-10	75,000 *														
Financial Year: 2010-11	1,00,000 *														
Financial Year: 2011-12	1,25,000														
Financial Year: 2012-13	1,00,000														
Total	4,75,000														
(b) The pricing formula	<p>The exercise price was determined in accordance with the pricing formula approved by the Members i.e. at the latest available closing market price on the stock exchange having highest trading volume, prior to the date of the meeting of the Board of Directors or Remuneration / Compensation Committee in which options were granted.</p> <p>Accordingly the options were granted at an exercise price of ₹ 1,125.30/-, ₹ 1,698.15/-, ₹ 1,668.55/-, ₹ 391.75/- 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.</p> <p>The prices relating to the options granted on 29 October 2008 and 27 May 2009 were adjusted downwards by ₹ 170/-, being the face value of bonus debenture, issued as per Scheme of Arrangement approved by Honourable High Court of Calcutta by its order dated 11 February 2010.</p> <p>Consequent upon the sub-division of equity shares on and from 9 September 2010, the exercise prices were further adjusted as under:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 40%;">Date of Grant</th> <th style="text-align: right;">Adjusted Exercise Price (₹ / share)</th> </tr> </thead> <tbody> <tr> <td>29 October 2008</td> <td style="text-align: right;">191.06</td> </tr> <tr> <td>27 May 2009</td> <td style="text-align: right;">305.63</td> </tr> <tr> <td>27 May 2010</td> <td style="text-align: right;">333.71</td> </tr> </tbody> </table>	Date of Grant	Adjusted Exercise Price (₹ / share)	29 October 2008	191.06	27 May 2009	305.63	27 May 2010	333.71						
Date of Grant	Adjusted Exercise Price (₹ / share)														
29 October 2008	191.06														
27 May 2009	305.63														
27 May 2010	333.71														
(c) Options vested (as at 31 March 2014)	<p>Nil.</p> <p>Options vest 1 year after date of grant of options.</p> <p>The third lot of 1,00,000 options which were granted on 27 May 2010 were vested on 27 May 2011 the fourth lot of 1,25,000 options were granted on 27 May 2011 were vested on 27 May 2012 and while fifth lot of 1,00,000 options were granted on 28 May 2012 were vested on 28 May 2013.</p> <p>There were no vested options outstanding to be exercised as at 31 March 2014.</p>														
(d) Options exercised (as at 31 March 2014)	4,75,000 Options.														

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(e) The total number of shares arising as a result of exercise of option	4,75,000 Equity Shares. (During the year under review, Ms. Vinita Bali had made a disclosure to the Company under Regulation 13(4) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 intimating the change in her shareholding upon selling of 75,000 equity shares on 21 November 2013. As on the close of 31 March 2014, Ms. Vinita Bali held 4,00,000 equity shares of ₹ 2/- each of the Company).
(f) Options lapsed	Nil.
(g) Variation of terms of options	Not Applicable.
(h) Money realized by exercise of options till date	₹ 17,24,66,500/-
(i) Total number of options in force	Nil.
(j) Employee wise details of options granted to:	
(i) Senior managerial personnel	4,75,000 Options granted to the Managing Director, Ms. Vinita Bali as on close of 31 March 2014.
(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"	₹ 30.87/-
(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	₹ 0.21 crore.
(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 ₹ 0.21 crore. The profit before tax and EPS would be lower by ₹ 0.21 crore and ₹ 0.02/- 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: Not Applicable as no options were granted during the year. Weighted average Fair Value of Option: Nil.
(n) Description of method and significant assumptions used during the year to estimate the fair values of options:	Not Applicable as no options were granted during the year.
(i) Risk – free interest rate	
(ii) Expected life of options	
(iii) Expected volatility	
(iv) Expected dividends	
(v) Market price (latest available closing price prior to the date of the meeting of the Board for grant)	

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AUDITOR'S CERTIFICATE

To the Board of Directors of Britannia Industries Limited

We have examined the records and documents maintained by Britannia Industries Limited ('the Company') and based on the information and explanations given to us and to the best of our knowledge and belief, we confirm that the Britannia Industries Limited Employee Stock Option Scheme (ESOS) approved by the Company at its Annual General Meeting held on 28 July 2008, duly amended by the special resolutions passed by the company at its Annual General Meeting held on 9 August 2010 and 6 August 2011, have been implemented in accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended up to Circular No. 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. LLP
Chartered Accountants
Firm registration number: 101248W

Place: Bangalore
Date : 26 May 2014

Sunil Gaggar
Partner
Membership number: 104315

MANAGEMENT DISCUSSION AND ANALYSIS

(A) INDUSTRY STRUCTURE AND DEVELOPMENT

Bakery

Your Company's bakery business constitutes of biscuits, cake, bread and rusk. Biscuit is estimated to be the largest ready to eat food business in India growing at 12%-14% over last three years. This has attracted interest from both foreign and national players. The additional marketing activity has only led to more visibility for the category and helped maintain the growth momentum.

Despite its large size, per capita consumption of biscuits in India has been low when compared to even our Asian neighbours. Thus, increased consumption and upgrade across the rungs of the price ladder will be the primary source of growth for Biscuits.

Cake and Rusk are comparatively less developed categories since a majority of the players are local entrepreneurs and the products are more basic than say biscuits. In recent times large Indian companies have shown interest in these segments but your Company continues to be the largest and in many parts of the country the only national player. Your Company's growth in these categories has been on account of products that are consistently superior, made available at affordable prices through a wider and more reliable retail footprint. We expect this to continue.

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

The year has been challenging for the overall economy and towards the end of the fiscal year bakery categories began to feel the impact with growth slowing down to high single digits.

Dairy

India remains the largest milk producing and consuming market in the world. Milk prices registered significant inflation during the year, impacted by increased cattle feed costs at a domestic level as well as external economic and regulatory factors. While liquid milk consumption continues to drive the industry, there has been a significant shift in the dynamics of the value added segment of

dairy with access to milk, portfolio strategies and increasing investments determining the right to succeed.

Meanwhile, the dairy industry continues to benefit from an array of factors including increased per capita income driving the need for value added products, economic activity on the rise in the metro cities and the emergence of modern format retail with increased emphasis on cold chain infrastructure. A premium on time with the emergence of nuclear families is creating a need for products that are convenient yet safe and traditional. Accessibility, increased competition and launch of new products in the value added space are all resulting in increased options for the Indian consumer.

The dairy industry is developing along four trends that include - (i) Cooperatives modernizing with products which are gold standard and seeking a dominant presence, (ii) Regional private players looking to go national and investing in both brand building and capacity, (iii) Emerging regional players with limited portfolio and (iv) International Dairy companies looking to invest into the Indian market. The Value Added Dairy Industry in the coming years is expected to witness increased competitive play and significant investments with an emphasis on offering the consumer superior and differentiated products.

(B) BUSINESS STRATEGY

Your Company's business strategy is captured in the Britannia Promise which we discussed last year.

As India becomes more affluent and is exposed to ever increasing diversity of products – both in bakery and other food categories, your Company expects the building blocks of its strategy viz. competitively superior product, delivered consistently at the right value across India to help us achieve our objective of faster than market and profitable growth.

Such a strategy requires your Company to be vigilant in the market, first by anticipating and then acting upon consumer trends to capture delight leadership, having supply systems that deliver consistently high quality products manufactured at the optimum cost and a distribution system that is capable of reaching them to all demanding consumers and beyond.

Your Company will train this strategy first and foremost on its core categories of bakery and dairy before playing selectively in attractive adjacencies.

Bakery

This year your Company focused on the fundamentals to achieve business goals. The products were fine-tuned or redesigned to become competitively superior, front-end was reorganized to become more efficient & effective and operations were tightened to minimize waste, increase productivity and improve quality. But most importantly your Company continued to support its brands aggressively to remain top of consumers' mind and earn their affection.

Distribution was the first fundamental business pillar that your Company strengthened this year. After due analysis your Company reconfigured the frontline sales organization to make it leaner, more productive and accountable. This has had two significant impacts on the output. Your Company's width (# stores) of distribution has increased in rural markets and depth (sale/store) has increased in the urban markets. Your Company piloted a distribution-model that doubles sales pipeline capacity by employing two salesmen to represent Britannia. This new model requires a modest incremental expenditure in return for a step jump in sales. The results have been encouraging and this will be rolled out across the country in the coming year. Similarly rural distribution reach increase has been achieved through a hub and spoke model.

Brands are the pillars of your Company's current business and its future. As discussed earlier, your Company supported its brands aggressively. More importantly your Company successfully experimented with new vehicles to bring alive its brands and engaging with consumers. These new vehicles include the fast expanding digital medium, innovative out-of-home advertising alongside conventional advertising. After a long hiatus your Company re-established its connection with Cricket. This has boosted its visibility and impact in the market-place.

Brands operating in consumer packaged goods require high investment behind building consumer equity. Your Company is focused on making sure that this money is utilized effectively and efficiently. Through the use of sophisticated analytical tools, your Company has been able to significantly improve return on its marketing investment.

Work on innovation continues at an accelerated pace but our focus on organoleptic supremacy means each innovation has to meet more stringent criteria than ever before. To be able to meet these stringent criteria your Company has redesigned its entire market and consumer understanding program incorporating organoleptic methodologies capable of higher reliability measurement and revealing unarticulated consumer needs.

Dairy

The Dairy strategy of your Company will remain focused on driving and developing the differentiated portfolio, extracting benefits from an integrated sales and distribution system and diversified sourcing. While milk inflation has adversely impacted margins, the key emphasis going forward will be on upgrading product organoleptics to give the consumer a strong value for money proposition.

Your Company will also implement various initiatives in all areas of operations to create an efficient and robust supply chain and build cold chain capabilities to enhance sales and service to the trade and final consumers. The business will also look for opportunities to reduce recipe cost by infusing new technology and optimize structural cost savings across the value chain.

(C) SEGMENT INFORMATION

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

(D) OUTLOOK

In the near term it is expected that the economic conditions will not change significantly. Your Company estimates industry growth to be 8%-10% which is lower than growth rates of earlier years. While this presents a revenue challenge, your Company expects to be challenged on the cost front on account of commodity prices and in some case even by regulatory environment in areas such as excise and depreciation.

In this environment, your Company will focus on the fundamental building blocks of business viz. width / depth and quality of distribution, efficiency in operations, consistent and high product quality, aggressive support for its brands and nurturing a strong and cohesive team to achieve faster than market and profitable growth.

In the longer-term your Company expects the growth to track back to 12%-15% level. Mainly because your Company expects that the virtuous cycle of “higher disposable income → higher aspiration → higher consumption → higher job creation → higher disposable income” will be restored.

Commodity volatility is an unavoidable part of modern day business and your Company has established a strong cost effectiveness culture through focused programs and formal organization structure. This will help mitigate the commodity volatility significantly.

(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 12.4% from ₹ 5,649.66 crores in 2012-13 to ₹ 6,347.85 crores in 2013-14. Net Profit grew 58.1% from ₹ 233.87 crores to ₹ 369.83 crores.

The key financials are as under:

Particulars	₹ in crores	
	2013-14	2012-13
Sales of Products	6,347.85	5,649.66
Total Expenditure	5,779.59	5,338.78
Profit Before Tax	542.62	332.18
Tax Expense	172.79	98.31
Net Profit	369.83	233.87

(F) OPPORTUNITIES AND THREATS

Bakery

Indian consumer with constantly expanding wallet and higher aspiration constitutes the largest opportunity for your Company. Second opportunity lies in the constant force of technology change. This provides your Company with opportunity to meet consumer needs differently from its competitors. Technology also gives us opportunity to improve efficiency and productivity e.g. Biomass and Solar energy.

These opportunities are equally visible to the current and future competitors of your Company and that constitutes the primary threat. As opportunities in rest of the world diminish, India will become one of the main sources of growth for many international players and that will pose a threat to your Company.

A combination of market place vigilance, strengthening an already strong brand through consistent investment, designing our offerings for organoleptic ecstasy and our strong go-to-market organization will constitute the set of assets that will help exploit the opportunity while dealing with the threat effectively.

Dairy

The Dairy business will continue to leverage brand Britannia with focus on visual identity and brand propositions. Consumers are not focused on price point but are looking for a strong value proposition in products. The capacity to invest in new technology and the ability to leverage technical know-how of dairy will drive ability to create value.

Meanwhile consumer and retail trends continue to be favourable with infrastructure improvements in urban metros, emergence of modern format retail trade and consumer propensity to experiment with food and willingness to upgrade to safe, nutritious and indulgent packaged food.

Entry of new players, both domestic and international seeking a share of the growing industry and willing to invest for the long term is a key threat. Meanwhile, Co-operatives are strengthening their position with control over milk subsidizing value added portfolios.

(G) RISKS AND CONCERNS

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

(H) INTERNAL CONTROL SYSTEMS AND ADEQUACY

Your Company's internal control systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information.

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 business 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 has laid high emphasis on driving an effective and transparent Performance Culture and an open mindset. This is evident in the way performance is closely tracked and its impact on your Company's financial sustainability monitored. Leaders today provide feedback not only on performance but also on demonstration of Core Values and Leadership skills defined for each layer of Organization hierarchy. Top performers and high achievers are recognized for their exemplary performance as part of the rewards and recognition program. In the year gone by, your Company has focused on functional training programs such as Food Safety and Regulations, Energy Management, Lean Sigma, TQM, Industrial Safety, to name a few.

Your Company is committed to creating an environment of learning and development, promote internal talent and develop cross functional expertise. Your Company provides learning opportunities through facilitator led learning, workshops and experiential learning through cross-functional projects, programs and assignments.

In 2013-14, your Company has continued to maintain amicable Industrial Relation footprints by focusing on increased worker level engagement through formal and informal communication and training forums.

As of 31 March 2014, Your Company had 2,386 employees (including 1,023 workmen) on its rolls.

(J) CAUTIONARY STATEMENT

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

Britannia Annual Report 2013-14

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 high credentials of considerable professional experience and expertise in diverse fields who actively contribute in the deliberations of the Board, covering all strategic policy matters and decisions. As on close of business hours of 31 March 2014, the Board comprised of Twelve (12) Directors consists of Eleven (11) Non-Executive Directors of which Seven (7) Independent Directors constituting more than 50% of the Board strength.

During the year 2013-14, eight (8) Board Meetings were held, the dates of the Meetings being 2 April 2013, 24 May 2013, 3 July 2013, 12 August 2013, 16 September 2013, 11 November 2013, 14 February 2014 and 25 March 2014. 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 on close of business hours on 31 March 2014 are given hereunder:

Name of the Director (with DIN)	Nature of Directorship	No. of Board Meetings attended	Whether attended last AGM held on 12.08.2013	No. of outside Directorship held #	No. of Board Committees of other Companies in which a Member / Chairman ##
Mr. Nusli N Wadia (DIN: 00015731)	Promoter and Non-Executive Chairman	8	Yes	7	Nil
Ms. Vinita Bali (DIN: 00032940)	Managing Director *	8	Yes	6	Member - 2
Mr. Varun Berry (DIN: 05208062)	Executive Director **	3	Yes ^	Nil	Nil
Mr. Keki Dadiseth (DIN: 00052165)	Non-Executive and Independent	6	Yes	8	Member - 3 / Chairman - 3
Mr. Avijit Deb (DIN: 00047233)	Non-Executive and Independent	6	Yes	Nil	Nil
Mr. A K Hirjee (DIN: 00044765)	Promoter and Non-Executive	7	Yes	4	Member - 4 / Chairman - 3
Mr. Nimesh N Kampani (DIN: 0000907)	Non-Executive and Independent	4	Yes	7	Member - 1 / Chairman - 1
Mr. S S Kelkar (DIN: 00015883)	Non-Executive and Independent ***	8	Yes	8	Member - 4
Mr. Jeh N Wadia (DIN: 00088831)	Promoter and Non-Executive	6	Yes	4	Nil
Dr. Ajai Puri (DIN: 02631587)	Non-Executive and Independent	5	Yes	Nil	Nil
Mr. Nasser Munjee (DIN: 00010180)	Non-Executive and Independent	6	Yes	11	Member - 3 / Chairman - 4
Mr. Ness N Wadia (DIN: 00036049)	Promoter and Non-Executive	8	Yes	6	Member - 1
Dr. Vijay L Kelkar (DIN: 00011991)	Non-Executive and Independent	4	Yes	7	Member - 3 / Chairman - 1

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.

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- # 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.
- * Ms. Vinita Bali retired as Managing Director of the Company and also ceased to be a Director on the Board of the Company with effect from the close of business on 31 March 2014.
- ** During the year under review the Board of Directors of the Company at their Meeting held on 11 November 2013 appointed Mr. Varun Berry as Additional Director and Wholetime Director designated as Executive Director of the Company with effect from 11 November 2013 for a period of 5 years. Further, the Board of Directors of the Company at their Meeting held on 25 March 2014 appointed Mr. Varun Berry as Managing Director of the Company with effect from 1 April 2014 for a period from 1 April 2014 to 10 November 2018.
- *** Based on the declaration received from Mr. S S Kelkar, Director to consider him as an Independent Director upon his resignation as Director from the Board of the Promoter Companies, the Company has considered him as an Independent Director as per the Listing Agreement.
- ^ Mr. Varun Berry attended the AGM held on 12 August 2013 as Chief Operating Officer of the Company.

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 2014, comprised of following six (6) Non-Executive Directors as members:

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. Vivek P Raizada, Head - Legal and Company Secretary, is the Secretary to the Audit Committee.

The role and terms of reference of the Audit Committee includes review of Internal Audit reports and Statutory Auditors' 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 responses thereto by the management.

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During the year under review, the Audit Committee held four (4) Meetings, the dates of the meetings being 20 May 2013, 11 August 2013, 7 November 2013 and 10 February 2014.

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	4
Mr. Nimesh N Kampani	3
Mr. Keki Dadiseth	3
Mr. Avijit Deb	4
Mr. A K Hirjee	4
Mr. Ness N Wadia	3

At the Annual General Meeting of the Company held on 12 August 2013, the Chairman of the Audit Committee, Mr. Nasser Munjee, 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 for the period 1 April 2013 to 24 March 2014 comprised of 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.

The broad terms of reference of the Remuneration / Compensation Committee included:

- (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 / Wholtime 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 period 1 April 2013 to 24 March 2014 the Remuneration / Compensation Committee held two (2) Meetings, the dates of the meetings being 24 May 2013 and 11 November 2013. The attendance of the members at the Remuneration / Compensation Committee Meetings held during the said period is as follows:

Name	No. of Remuneration / Compensation Committee Meetings Attended
Mr. Keki Dadiseth	1
Mr. Nusli N Wadia	2
Mr. A K Hirjee	2
Mr. Nimesh N Kampani	1
Mr. Nasser Munjee	2
Dr. Ajai Puri	1

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(c) **Nomination Committee:**

The Committee for the period 1 April 2013 to 24 March 2014 comprised of the following Directors.

Mr. Nusli N Wadia - Chairman of the Committee

Mr. Nimesh N Kampani

The broad terms of reference of the Nomination Committee includes to identify and recommend to the Board the appointment of the Managing Director / Wholtime Director / Chief Executive Officer of the Company.

During the period 1 April 2013 to 24 March 2014 the Nomination Committee held one (1) Meeting, the date of the meeting being 7 November 2013. The attendance of the members at the Nomination Committee Meeting held during the said period is as follows:

Name	No. of Nomination Committee Meeting Attended
Mr. Nusli N Wadia	1
Mr. Nimesh N Kampani	1

(d) **Nomination and Remuneration Committee:**

The Board of Directors of the Company at their Meeting held on 25 March 2014 had approved to merge Nomination Committee and Remuneration / Compensation Committee to constitute a new Committee, Nomination and Remuneration Committee in line with the requirement of the New Companies Act, 2013. The Committee as on 31 March 2014 comprised of the following Directors as members.

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. Mr. Vivek P Raizada, Head - Legal and Company Secretary, is the Secretary to the Nomination and Remuneration Committee.

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

- (i) The Committee to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board, their appointment and removal and shall carry out evaluation of every director's performance.
- (ii) The Committee to formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (iii) The Committee while formulating the policy will ensure that:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors and key managerial personnel of the quality required to run the Company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The expression "senior management" means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

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During the period 25 March 2014 to 31 March 2014 the Nomination and Remuneration Committee held one (1) Meeting, the date of the meeting being 25 March 2014. The attendance of the members at the Nomination and Remuneration Committee Meeting held during the said period is as follows:

Name	No. of Nomination and Remuneration Committee Meeting Attended
Mr. Keki Dadiseth	1
Mr. Nusli N Wadia	1
Mr. A K Hirjee	1
Mr. Nimesh N Kampani	1
Mr. Nasser Munjee	1
Dr. Ajai Puri	Nil

Remuneration Policy:

Managing Director

Ms. Vinita Bali was re-appointed as Managing Director for a period of five years effective 31 May 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.

Ms. Vinita Bali retired as Managing Director of the Company and also ceased to be a Director on the Board of the Company with effect from the close of business on 31 March 2014.

The details of remuneration paid to Ms. Vinita Bali for the year 2013-14 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	4,10,83,742	75,000 **	75,000 **	1,00,000 **	1,25,000	1,00,000

* 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/- each 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) Following equity shares were allotted to Ms. Vinita Bali upon exercise of Options granted to her:

No. of Equity Shares	Date of Allotment	Option Granted in Year
75,000	21 September 2012	2008
75,000	2 April 2013	2009
1,00,000	11 June 2013	2010
1,25,000	24 July 2013	2011
1,00,000	5 December 2013	2012

During the year under review, Ms. Vinita Bali had made a disclosure to the Company under Regulation 13 (4) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 intimating the change in her shareholding upon selling of 75,000 equity shares on 21 November, 2013.

As on the close of business on 31 March 2014, Ms. Vinita Bali held 4,00,000 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 Report of the Directors.

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The remuneration to Ms. Vinita Bali comprises of 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.

Executive Director

Mr. Varun Berry was appointed as Executive Director by the Board of Directors at their Meeting held on 11 November 2013 for a period of five years effective 11 November 2013. The said appointment is subject to the approval of Members of the Company at the ensuing Annual General Meeting. The terms and conditions of appointment and remuneration payable to Mr. Berry as Executive Director were fixed by the Board of Directors of the Company and to this effect, an agreement was entered between the Executive Director and the Company.

Further, during the year under review the Board of Directors of the Company at their Meeting held on 25 March 2014 appointed Mr. Varun Berry as Managing Director of the Company with effect from 1 April 2014 for a period from 1 April 2014 to 10 November 2018. The said appointment is subject to the approval of Members of the Company at the ensuing Annual General Meeting. The terms and conditions of appointment and remuneration payable to Mr. Berry as Managing Director were fixed by the Board of Directors of the Company and to this effect, an agreement was entered between the Managing Director and the Company.

The remuneration to Mr. Berry comprises of basic salary (upto a maximum of ₹ 15 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 to Mr. Berry by way of salary and perquisites and allowances as specified above in compliance with Schedule XIII of the Companies Act, 1956 and with the approval of the Central Government, if and to the extent necessary (including any statutory modifications and/or in the event of any re-enactment or re-codification of the Companies Act, 1956, amendment thereto the forgoing shall continue to remain in force and reference to various provisions of the Companies Act, 1956 shall be deemed to be substituted by the corresponding provisions of the new Act or the amendment thereto or the Rules and Notifications issued thereunder).

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 him six months' basic salary in lieu of such notice.

The details of remuneration paid to Mr. Varun Berry for the period from 11 November 2013 to 31 March 2014 are as follows:

Name	Salary / Benefits (₹)	Commission (₹) #	Total (₹)*
Mr. Varun Berry	78,68,825	59,87,671	1,38,56,496

* 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.

The total amount payable as commission to Mr. Varun Berry (Chief Operating Officer till 10 November 2013 and Executive Director in-charge of India Business w.e.f. 11 November 2013 till 31 March 2014) is ₹ 1.55 crores for the year 2013-14.

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 Members of the Company have approved the payment of commission to Non-Executive Directors at the Annual General Meeting held on 9 August 2010.

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Details of remuneration to Non-Executive Directors for the year 2013-14 are given below:

Name	Sitting Fees (₹)	Commission (₹)	Total (₹)
Mr. Nusli N Wadia	2,40,000	3,00,00,000	3,02,40,000
Mr. A K Hirjee	4,00,000	22,66,000	26,66,000
Mr. S S Kelkar	2,80,000	15,96,000	18,76,000
Mr. Nimesh N Kampani	2,40,000	13,09,000	15,49,000
Mr. Avijit Deb	2,00,000	12,77,000	14,77,000
Mr. Jeh N Wadia	1,40,000	8,30,000	9,70,000
Mr. Keki Dadiseth	2,20,000	18,51,000	20,71,000
Dr. Ajai Puri	1,20,000	13,72,000	14,92,000
Mr. Nasser Munjee	2,60,000	16,91,000	19,51,000
Mr. Ness N Wadia	2,80,000	22,98,000	25,78,000
Dr. Vijay L Kelkar	80,000	5,10,000	5,90,000

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 2014 by the Members at the Annual General Meeting to be held on 12 August 2014. 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.

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

The Board of Directors of the Company at their Meeting held on 25 March 2014 had re-named the Share Transfer & Shareholders' / Investors' Grievance and Ethics / Compliance Committee to Stakeholders Relationship Committee. The composition of the Committee and terms of reference were unchanged except the words 'shares and shareholders' wherever appearing has been altered to 'shares and/or security and shareholders and/or securityholders' respectively.

The Stakeholders Relationship Committee consists 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 (till 31 March 2014)
Mr. Varun Berry	-	Managing Director (w.e.f. 1 April 2014)

* Ms. Vinita Bali ceased to be a Director on the Board of the Company with effect from the close of business on 31 March 2014.

The Committee:

- (i) approves and monitors transfers, transmission, splitting, consolidation and dematerialization, rematerialisation of shares and/or securities and issue of duplicate share and/or security certificates by the Company over and above the delegated power as detailed below;
- (ii) looks into various issues relating to shareholders and/or securityholders, including redressal of complaints relating to transfer of shares and/or security, 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 of Directors of the Company at their Meeting held on 10 November 2010 had delegated the powers to approve transfer and transmission of securities, issuance of duplicate certificates of securities etc. subject to certain guidelines and limits laid down and as modified by the Board at its meeting held on 6 August 2011, severally to the Chief Financial Officer and the Company Secretary.

During the year under review, the Committee held three (3) Meetings, the dates of the meetings being 11 November 2013, 9 January 2014 and 28 February 2014.

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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	3
Mr. S S Kelkar	3
Mr. Nimesh N Kampani	2
Mr. Jeh N Wadia	1
Ms. Vinita Bali*	2

* Ms. Vinita Bali ceased to be a Director on the Board of the Company with effect from the close of business on 31 March 2014.

Mr. Vivek P Raizada, Head - Legal and Company Secretary, is the Compliance Officer of the Company.

Complaints received and resolved during the year:

No. of shareholders' complaints received during the year	48
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 2014.

The Company obtains half-yearly certificates from a Company Secretary in Practice on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Clause 47 (c) of the Listing Agreement.

(f) 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.

(g) 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, three (3) Meetings of the Committee were held, the dates of meetings being 12 August 2013, 16 September 2013 and 7 November 2013. All the Members of the Committee attended all the 3 meetings. Further, telephone meetings were held by the Committee members every month to review investments / disinvestments / re-investments and related issues.

(h) Innovation Committee:

The Committee consisted of the following Members:

Dr. Ajai Puri	-	Non-Executive Director (Chairman)
Mr. Keki Dadiseth	-	Non-Executive Director
Mr. Ness N Wadia	-	Non-Executive Director
Ms. Vinita Bali*	-	Managing Director (till 31 March 2014)
Mr. Varun Berry	-	Managing Director (w.e.f. 1 April 2014)

* Ms. Vinita Bali ceased to be a Director on the Board of the Company with effect from the close of business on 31 March 2014.

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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 held from time to time.

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

Pursuant to Section 135 of the Companies Act, 2013, the Company constituted a Corporate Social Responsibility (CSR) Committee of the Board at the Board Meeting held on 25 March 2014.

The CSR Committee consists of the following Directors:

Mr. Keki Dadiseth
Mr. Ness N. Wadia
Mr. S. S. Kelkar
Dr. Ajai Puri

The CSR Committee will:

- (i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- (ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- (iii) monitor the CSR Policy of the Company from time to time.

No meeting of the CSR Committee was held during the year under review.

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
12 August 2013	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098.	11.00 a.m.	Nil
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.

- (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 No. 40 of the Notes to Accounts for the year 2013-14.

- (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.

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- (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 2013-14 have been prepared in accordance 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'), the guidelines issued by the Securities and Exchange Board of India ('SEBI') and the Companies Act, 2013 to the extent relevant.
- (g) **CEO/ CFO Certification:**
Mr. Varun Berry, 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 2014.
- (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:

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

Quarterly, half-yearly and yearly financial results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with Stock Exchanges 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 presentations made to analysts and others are also posted on the Company's website. The shareholding pattern and Corporate Governance disclosures as per Listing Agreement are filed electronically through Corporate Filing and Dissemination System (CFDS), NSE Electronic Application Processing System (NEAPS), BSE Corporate Compliance & Listing Centre (BSE Listing Centre) and investor complaints are redressed through SEBI Complaints Redress System (SCORES).

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

Two presentations were made to the institutional investors and to the analysts during the year 2013-14 which are available on the website of the Company - www.britannia.co.in.

7. GENERAL SHAREHOLDER INFORMATION

- (i) **Annual General Meeting - Date, time and venue:**
12 August 2014 – 11 a.m. at Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098.
- (ii) **Financial calendar (tentative):**

Period	Approval of Quarterly Results
For the first quarter ending 30 June 2014	2 nd week of August 2014
For the second quarter and half year ending 30 September 2014	2 nd week of November 2014
For the third quarter ending 31 December 2014	1 st week of February 2015
For the year ending 31 March 2015	Last week of May 2015

- (iii) **Book closure period** : Friday, 25 July 2014 to Tuesday, 12 August 2014 (both days inclusive).
- (iv) **Dividend payment date** : On or from 23 August 2014.

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(v) 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.

Listing fees for equity shares as prescribed have been paid to the aforesaid Stock Exchanges up to 31 March 2015.

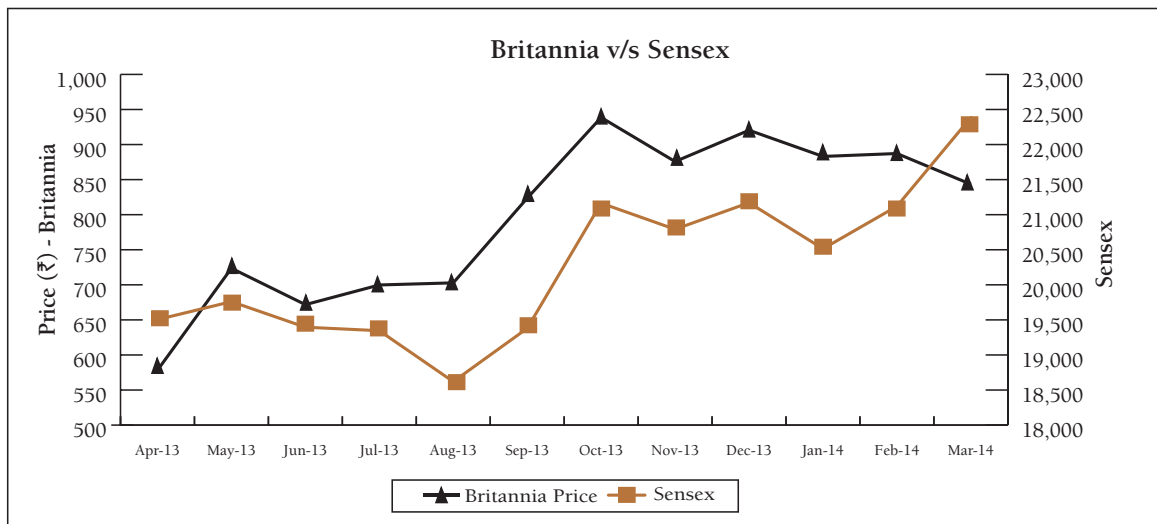
(vi) Stock Code:

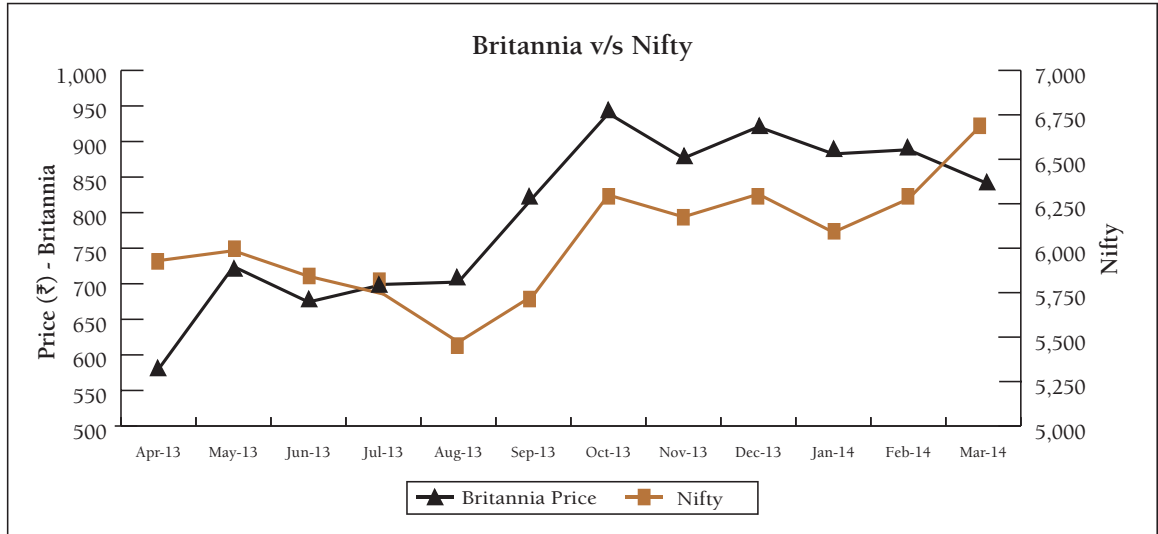
Stock Exchange	Equity Shares
Bombay Stock Exchange Limited (BSE)	500825
National Stock Exchange of India Limited (NSE)	BRITANNIA

(vii) Stock Price Data:

Year/ Month	BSE (Closing Stock Price)		BSE (Sensex) (Monthly Closing)	NSE (Closing Stock Price)		NSE (Nifty) (Monthly Closing)
	(in ₹)			(in ₹)		
	High	Low		High	Low	
2013						
April	585.00	505.00	19,504.18	583.90	504.00	5,930.20
May	727.00	557.10	19,760.30	730.00	556.15	5,985.95
June	752.20	644.90	19,395.81	751.90	645.20	5,842.20
July	746.90	665.60	19,345.70	747.00	662.00	5,742.00
August	774.80	658.00	18,619.72	773.00	657.80	5,471.80
September	840.00	704.00	19,379.77	837.00	703.50	5,735.30
October	972.50	823.00	21,164.52	971.50	822.00	6,299.15
November	965.35	870.00	20,791.93	965.00	869.50	6,176.10
December	937.70	852.55	21,170.68	938.00	854.05	6,304.00
2014						
January	932.00	840.00	20,513.85	933.00	840.20	6,089.50
February	923.00	865.25	21,120.12	922.25	866.00	6,276.95
March	899.00	812.00	22,386.27	899.00	809.10	6,704.20

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





- (ix) In terms of Section 205C of the Companies Act, 1956 read with the Investor Education and Protection Fund (Awareness and Protection of Investor) Rules, 2001, during the year ended 31 March 2014, the Company has credited an aggregate amount of ₹ 13,74,330/- to the Investor Education and Protection Fund (IEPF).

As at 31 March 2014, the Company's unpaid / unclaimed dividend / interest / debenture redemption proceeds account had a balance of ₹ 4,18,54,205.87/- in various dividend / interest / debenture redemption proceeds accounts. The Company sends out reminders to those Shareholders who have not claimed the dividends for earlier years to claim the same from the Company failing which the Company would be required to transfer the same to IEPF after seven years.

- (x) Registrar and Transfer 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.

Phone : 022-67720300 / 400

Fax : 022-28591568

Contact Person: Ms. Indira P. Karkera

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

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- (xi) (a) Distribution of shares according to Size, Class and Categories of Shareholding as on 31 March 2014:

Group of Shares	No. of Shareholders	Percentage to Total Shareholders	No. of Shares held	Percentage to Total Shares
1 to 500	38,345	82.72	29,19,118	2.43
501 to 1000	4,023	8.68	26,71,897	2.23
1001 to 2000	2,325	5.02	31,22,708	2.61
2001 to 3000	600	1.29	14,39,790	1.20
3001 to 4000	217	0.47	7,61,954	0.64
4001 to 5000	136	0.29	6,29,384	0.53
5001 to 10000	307	0.66	22,48,320	1.87
10001 and above	405	0.87	10,61,32,644	88.49
Total	46,358	100.00	11,99,25,815	100.00

- (b) Shareholding Pattern as on 31 March 2014:

Category of Shareholder	No. of Shareholders	Total No. of Shares held	Percentage of Shareholding
Promoters*	7	6,08,68,345	50.75
Mutual Funds	73	45,00,626	3.75
Banks and Financial Institutions	23	55,77,563	4.65
Foreign Institutional Investors	149	2,41,11,621	20.11
Bodies Corporate and Trusts	1,001	39,15,918	3.27
Director and Relatives	1	4,00,000	0.33
Foreign Nationals and NRIs	919	5,65,816	0.47
Indian Public	44,185	1,99,85,926	16.67
Total	46,358	1,19,925,815	100.00

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

- (xii) Dematerialisation of Shares:

The Company's shares are available for dematerialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 11,54,79,267 equity shares representing 96.29% of the total equity capital were held in dematerialised form with NSDL and CDSL as on 31 March 2014.

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

- (xiv) Plant Locations:

Kolkata	15, Taratola Road, Kolkata, West Bengal.
Delhi	33, Lawrence Road, Delhi.
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.
Gujarat	Plot No. 23, G.I.D.C. Jhagadia Industrial Estate, Jhagadia, Gujarat.

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(xv) Address for Correspondence:

Executive Office	Registered Office
Britannia Industries Limited Britannia Gardens, Old Airport Road, Vimanapura, Bangalore - 560 017. Phone : (080)39400080 Fax : (080)25266063 Contact Persons: Mr. Vivek P Raizada / Mr. Chirag Karia E-mail Id: vivekraizada@britindia.com / chirag@britindia.com	Britannia Industries Limited 5/1A, Hungerford Street, Kolkata - 700 017. Phone : (033) 22872439/2057 Fax : (033) 22872501 Contact Persons: Mr. B K Guha / Ms. Pousali Sinha E-mail Id: 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.

(xvi) Subsidiary Companies Monitoring Framework:

All the subsidiary companies of the Company are managed by their respective Boards having the rights and obligations to manage these companies in the best interest of their stakeholders.

The Company monitors the performance of its subsidiary Companies, *inter alia*, by reviewing:

- Financial Statements, in particular the investment made by the unlisted subsidiary companies, statement containing all significant transactions and arrangements entered into by the unlisted subsidiary companies forming part of the financials being reviewed by the Audit Committee of your Company on a quarterly basis.
- Minutes of the meetings of the unlisted subsidiary companies, if any, are placed before the Company's Board regularly.

(xvii) Audit of Reconciliation of Share Capital:

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

(xviii) Corporate Identity Number (CIN):

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L15412WB1918PLC002964.

(xix) Information flow to the Board Members:

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

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

(a) The Board:

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

The dates of appointment of Independent Directors are as follows:

Name of the Independent Director	Date of First Appointment
Mr. Avijit Deb	4 June 1996
Mr. Nimesh N Kampani	29 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
Mr. S S Kelkar	12 August 1998

(b) Remuneration / Compensation Committee:

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

(c) 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.

(d) Audit Qualifications:

There are no qualifications in the Independent Auditor's Report on the financial statements for the year 2013-14.

(e) Whistle Blower Policy:

The Board has adopted a Whistle Blower Policy to maintain highest standards of professionalism, honesty, integrity, ethical behavior and to provide a mechanism for employees to voice concern in a responsible and effective manner about all protected disclosures concerning unethical matters involving serious malpractice, abuse or wrongdoing within the organisation, the Company has a Whistle Blower Policy in place, applicable to the Company.

(f) Code for Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has a comprehensive Code of Conduct for Prohibition of Insider Trading in the Company's shares.

(g) 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.

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 2014.

For Britannia Industries Limited

Place: Mumbai
Date : 26 May 2014

Varun Berry
Managing Director

**Auditors' 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 2014, 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. LLP
Chartered Accountants
Firm registration number: 101248W

Place: Bangalore
Date : 26 May 2014

Sunil Gaggar
Partner
Membership number: 104315

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 2014, 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") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. 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 judgement, 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 2014;
- (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 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
 - (e) on the basis of written representations received from the directors as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014, 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. LLP
Chartered Accountants

Firm registration number: 101248W

Sunil Gaggur

Partner

Place: Bangalore

Date : 26 May 2014

Membership number: 104315

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 2014. 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 ₹ 50 crores and the year-end balances of such loans aggregated ₹ Nil. The Company has not granted any other secured or unsecured loan to any other company/ firm/ other party 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 of the Act, 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 appear 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,

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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 2014 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 2014 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
	30,408,288	1994-2007	High Court(s)
	250,070,330	1980-2011	CESTAT(s)
	210,717,015	1992-2012	Appellate Authority up to Commissioner's level
Sales tax / Value added tax	110,683,634	1998-2014	Supreme Court
	332,348,999	1989-2014	High Court(s)
	48,433,925	1996-2012	Tribunal(s)
	376,775,356	1997-2014	Appellate Authority up to Commissioner's level
Income tax	309,299,788	1992-2005	High Court
	17,528,856	1990-2008	Tribunal
	54,571,308	2009-2011	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 debenture holders. 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 purposes for which they were raised.
- (xvii) According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company as at 31 March 2014, short term funds of ₹ 84.88 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 Accountants of India. As represented to us by the Management, the aforementioned 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) The Company did not have any outstanding debentures during the year.
- (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. LLP
Chartered Accountants
Firm registration number: 101248W
Sunil Gaggar
Partner
Membership number: 104315

Place: Bangalore
Date : 26 May 2014

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BALANCE SHEET

₹ in crores

As at	Note No.	31 March 2014	31 March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	23.99	23.91
(b) Reserves and surplus	3	829.47	612.50
		853.46	636.41
(2) Share application money pending allotment	2 (e)	-	2.29
(3) Capital subsidy	44	4.28	4.82
(4) Non-current liabilities			
(a) Long-term borrowings	4	0.34	0.41
(b) Deferred tax liabilities (net)	5	9.16	13.62
(c) Other long-term liabilities	6	18.77	19.18
		28.27	33.21
(5) Current liabilities			
(a) Short-term borrowings	7	-	189.24
(b) Trade payables	8	484.68	333.61
(c) Other current liabilities	9	148.37	210.49
(d) Short-term provisions	10	325.38	272.96
		958.43	1,006.30
		1,844.44	1,683.03
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	11		
(i) Tangible assets		529.81	437.76
(ii) Intangible assets		15.85	13.92
(iii) Capital work-in-progress		97.22	128.44
		642.88	580.12
(b) Non-current investments	12	228.95	234.10
(c) Long-term loans and advances	13	100.43	141.31
(d) Other non-current assets	29	12.12	12.12
(2) Current assets			
(a) Current investments	14	144.04	45.50
(b) Inventories	15	366.86	331.49
(c) Trade receivables	16	53.69	77.12
(d) Cash and bank balances	17	65.78	64.48
(e) Short-term loans and advances	18	229.69	196.79
		860.06	715.38
		1,844.44	1,683.03
Significant accounting policies	1		

See accompanying notes to financial statements

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

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee

S S Kelkar

Nasser Munjee

Nimesh N Kampani

Jeh N Wadia

Keki Dadiseth

Ajai Puri

Ness N Wadia

Vijay L Kelkar

Chief Financial Officer : Vinod Krishna Menon

Company Secretary : Vivek P Raizada

Place : Mumbai

Date : 26 May 2014

Sunil Gaggar

Partner

Membership number: 104315

Place : Bangalore

Date : 26 May 2014

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STATEMENT OF PROFIT AND LOSS

₹ in crores

For the year ended	Note No.	31 March 2014	31 March 2013
I. Revenue from operations			
Sale of products		6,347.85	5,649.66
Less: Excise duty		(115.76)	(85.28)
Net sale of products		6,232.09	5,564.38
Other operating revenues	19	75.30	51.11
		6,307.39	5,615.49
II. Other income	20	34.82	55.47
III. Total revenue (I + II)		6,342.21	5,670.96
IV. Expenses:			
Raw materials including packaging materials consumed		3,165.53	2,890.42
Purchase of stock-in-trade	21	656.78	638.18
Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(12.58)	(10.16)
Employee benefits expense	23	172.45	143.50
Finance costs	24	5.44	37.74
Depreciation and amortisation expense	11	63.38	57.08
Other expenses	25	1,728.59	1,582.02
Total expenses		5,779.59	5,338.78
V. Profit before exceptional and extraordinary items and tax (III - IV)		562.62	332.18
VI. Exceptional items (Profit) / Loss	12 (a)	20.00	-
VII. Profit before tax (V - VI)		542.62	332.18
VIII. Tax expense			
(1) Current tax			
Income tax		177.25	92.85
(2) Deferred tax charge / (credit)		(4.46)	5.46
IX. Profit for the year (VII - VIII)		369.83	233.87
X. Earnings per equity share [Refer note 38]			
(1) Basic [nominal value of ₹ 2/- each]		30.87	19.57
(2) Diluted [nominal value of ₹ 2/- each]		30.87	19.55
Weighted average number of equity shares used in computing earnings per share:			
- Basic		119,799,171	119,490,267
- Diluted		119,799,171	119,608,513
Significant accounting policies	1		

See accompanying notes to financial statements

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

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia
Managing Director : Varun Berry
Directors : A K Hirjee
S S Kelkar
Nasser Munjee
Nimesh N Kampani
Jeh N Wadia
Keki Dadiseth
Ajai Puri
Ness N Wadia
Vijay L Kelkar

Sunil Gaggar
Partner

Membership number: 104315
Place : Bangalore
Date : 26 May 2014

Chief Financial Officer : Vinod Krishna Menon
Company Secretary : Vivek P Raizada
Place : Mumbai
Date : 26 May 2014

Britannia Annual Report 2013-14

CASH FLOW STATEMENT

₹ in crores

For the year ended	31 March 2014	31 March 2013
Cash flows from operating activities		
Profit before tax	542.62	332.18
Adjustments for:		
Depreciation and amortisation	63.38	57.08
Profit on sale of investments, net	(3.47)	(14.73)
Profit on sale of fixed assets, net	(9.38)	(7.98)
Provision for diminution in value of investment	20.00	-
Dividend income	(0.27)	(0.23)
Interest income	(20.00)	(32.35)
Interest expense	5.44	37.74
Operating profit before working capital changes	598.32	371.71
(Increase) / decrease in inventories	(35.37)	50.79
(Increase) / decrease in trade receivables	23.43	(24.98)
(Increase) / decrease in loans and advances and other assets	19.55	(64.11)
(Increase) / decrease in bank balances (other than cash and cash equivalents)	4.59	(5.82)
Increase / (decrease) in liabilities and provisions	185.86	23.86
Cash generated from operations	796.38	351.45
Income taxes paid, net of refund	(181.87)	(79.44)
Net cash provided by operating activities	614.51	272.01
Cash flows from investing activities		
Purchase of fixed assets (including finance leased assets)	(98.59)	(192.88)
Proceeds from sale of fixed assets	10.20	8.80
(Purchase) / sale of investments, net	(109.92)	164.07
Inter-corporate deposits (placed) / redeemed, net	(50.00)	60.00
Loans given to subsidiaries	(8.69)	(29.31)
Loans repaid by subsidiaries	9.50	7.24
Interest received	19.89	35.74
Dividend received	0.27	0.23
Net cash provided by / (used in) investing activities	(227.34)	53.89
Cash flows from financing activities		
Repayment of secured loans, net	(4.66)	(400.58)
Interest paid	(6.08)	(38.74)
Proceeds from share allotment	13.52	1.44
Proceeds from share application money pending allotment	-	2.29
Proceeds from capital subsidy	-	5.00
(Repayment) / proceeds of unsecured loans, net	(209.32)	189.24
Dividend paid including tax thereon	(118.92)	(117.76)
Net cash provided by / (used in) financing activities	(325.46)	(359.11)
Net (decrease) / increase in cash and cash equivalents	61.71	(33.21)
Cash and cash equivalents at the beginning of the year	(7.02)	26.19
Cash and cash equivalents at the end of the year (Refer note below)	54.69	(7.02)

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CASH FLOW STATEMENT (CONTINUED)

₹ in crores

For the year ended	31 March 2014	31 March 2013
Note:		
Cash and cash equivalents at the end of the year	59.80	53.91
Book overdraft [Refer note 9]	(5.11)	(60.93)
	54.69	(7.02)

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants

Firm registration number: 101248W

Sunil Gaggar

Partner

Membership number: 104315

Place : Bangalore

Date : 26 May 2014

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee

S S Kelkar

Nasser Munjee

Nimesh N Kampani

Jeh N Wadia

Keki Dadiseth

Ajai Puri

Ness N Wadia

Vijay L Kelkar

Chief Financial Officer : Vinod Krishna Menon

Company Secretary : Vivek P Raizada

Place : Mumbai

Date : 26 May 2014

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'), the guidelines issued by the Securities and Exchange Board of India ('SEBI') and the Companies Act, 2013 to the extent relevant.

(b) Use of estimates

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

(c) Fixed assets

Tangible assets

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

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

Intangible assets

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

(d) Depreciation and amortisation

Depreciation in respect of all the assets is provided on straight line method. 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 five years.

Computers (part of office equipments) are depreciated over a period of four years.

Computer software is 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(g) Inventories

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

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

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

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

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

(k) Foreign currency transactions

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

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

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

(l) Derivative contracts

Based on the principle of prudence as provided in Accounting Standard 1- "Disclosure of Accounting Policies", the Company assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 "Effects of Changes in Foreign Exchange Rates" (Refer point (k)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each balance sheet date. Provision for 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 by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(r) **Cash flow statement**

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

(s) **Borrowing costs**

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

(t) **Capital subsidy**

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

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

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

(v) **Cash and cash equivalents**

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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2014	31 March 2013
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	23.99	23.91
[119,925,815 equity shares of ₹ 2/- each (previous year: 119,525,815 equity shares of ₹ 2/- each)]*		
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (previous year: 60,866,095 equity shares of ₹ 2/- each) are held by the subsidiaries of The Bombay Burmah Trading Corporation Limited, the ultimate holding company [Refer note (a) below].		
Rights, preferences and restrictions attached to the equity shares:		
<ul style="list-style-type: none"> - The Company has only one class of shares referred to as equity shares having a par value of ₹ 2/-. Each holder of equity shares is entitled to one vote per share. - The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. - During the year ended 31 March 2014, the amount of per share dividend recognised as distributions to equity shareholders is ₹ 12/- (previous year: ₹ 8.5/-). The total dividend appropriation for the year ended 31 March 2014 amounted to ₹ 168.37 (previous year: ₹ 118.94) including corporate dividend tax of ₹ 24.46 (previous year: ₹ 17.28). - 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 and exercised. Allotment details: 75,000 shares were allotted on 21 September 2012 at an exercise price of ₹ 191.06/-; 75,000 shares were allotted on 2 April 2013 at an exercise price of ₹ 305.63/-; 100,000 shares were allotted on 11 June 2013 at an exercise price of ₹ 333.71/-; 125,000 shares were allotted on 24 July 2013 at an exercise price of ₹ 391.75/- and 100,000 shares were allotted on 5 December 2013 at an exercise price of ₹ 528.75/- [Refer note (d) below].		
	23.99	23.91

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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 2014		31 March 2013	
	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 2014		31 March 2013	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	44.95%	53,904,500	45.10%
Arisaig Partners (Asia) Pte Ltd.	10,671,488	8.90%	10,671,488	8.93%

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

	31 March 2014		31 March 2013	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	119,525,815	23.91	119,450,815	23.89
Shares issued during the reporting year	400,000	0.08	75,000	0.02
Closing balance at the end of the reporting year	119,925,815	23.99	119,525,815	23.91

- (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/-; 125,000 options on 27 May 2011 at an exercise price of ₹ 391.75/- and 100,000 options on 28 May 2012 at an exercise price of ₹ 528.75/- 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 Honourable Calcutta High Court on 11 February 2010.

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

The Company has not granted options during the year 2013-14.

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 2014	31 March 2013
Options outstanding at the beginning of the year	325,000	375,000
Options granted during the year	-	100,000
Options vested during the year	100,000	125,000
Options exercised during the year [Refer note (e) below]	325,000	150,000
Shares allotted against options exercised during the year	400,000	75,000
Options lapsed during the year	-	-
Shares under option at the end of the year	-	325,000
Options exercisable at the end of the year	-	225,000
Weighted average price per option (₹)	-	416.05

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
No. of options granted	100,000
Date of grant	28 May 2012
Vesting period (years)	1
Expected life of option (years)	3
Expected volatility	22.16%
Risk free rate	8.08%
Expected dividends expressed as a dividend yield	1.61%
Weighted-average fair values of options per share (₹)	113.91

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 2014	31 March 2013
Net profit (as reported)	369.83	233.87
Less: Stock-based compensation expense determined under fair value based method net of Intrinsic Value (without considering tax impact)	0.21	1.19
Net profit (pro-forma) considered for computing EPS (pro-forma)	369.62	232.68
Basic earnings per share (as reported) (₹)	30.87	19.57
Basic earnings per share (pro-forma) (₹)	30.85	19.47
Diluted earnings per share (as reported) (₹)	30.87	19.55
Diluted earnings per share (pro-forma) (₹)	30.85	19.45

- (e) During the previous year ended 31 March 2013, an amount of ₹ 2.29 crores was received as advance against 75,000 stock options exercised by the Managing Director. The shares were allotted on 2 April 2013. The amount was 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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 3 - Reserves and surplus

	General reserve	Capital redemption reserve	Capital reserve	Securities premium	Surplus	As at 31 March 2014
Balance at the beginning of the year	279.80	3.96	0.43	1.42	326.89	612.50
Additions:						
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	369.83	369.83
Transfer from surplus	36.98	-	-	-	-	36.98
On issue of equity shares	-	-	-	15.73	-	15.73
	<u>316.78</u>	<u>3.96</u>	<u>0.43</u>	<u>17.15</u>	<u>696.72</u>	<u>1,035.04</u>
Deductions:						
Transfer to general reserve	-	-	-	-	36.98	36.98
Proposed dividend*	-	-	-	-	143.91	143.91
Tax on proposed dividend	-	-	-	-	24.46	24.46
Dividend for previous year on equity shares issued under ESOS after the year end	-	-	-	-	0.19	0.19
Tax on dividend for previous year on equity shares issued under ESOS after the year end	-	-	-	-	0.03	0.03
Balance at the end of the year	<u>316.78</u>	<u>3.96</u>	<u>0.43</u>	<u>17.15</u>	<u>491.15</u>	<u>829.47</u>

* The Board of Directors of the Company has recommended a dividend of ₹ 12/- per share of face value of ₹ 2/- amounting to ₹ 143.91 for the year ended 31 March 2014.

	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
	<u>279.80</u>	<u>3.96</u>	<u>0.43</u>	<u>1.42</u>	<u>469.22</u>	<u>754.83</u>
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	<u>279.80</u>	<u>3.96</u>	<u>0.43</u>	<u>1.42</u>	<u>326.89</u>	<u>612.50</u>

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

As at	31 March 2014	31 March 2013
Note 4 - Long-term borrowings		
Secured		
Long-term maturities of finance lease obligations	0.34	0.41
[Refer note 9 (note (a)) for details of maturity period, repayment terms and rate of interest]		
[Secured by hypothecation of assets (vehicles) taken on lease]		
	<u>0.34</u>	<u>0.41</u>

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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 2014		31 March 2013	
	Asset	Liability	Asset	Liability
Depreciation and amortisation	-	41.23	-	37.83
Voluntary retirement scheme, terminal compensation benefits	2.16	-	3.53	-
Statutory payments	23.78	-	17.55	-
Provisions allowed on payments, write off	6.13	-	3.13	-
	<u>32.07</u>	<u>41.23</u>	<u>24.21</u>	<u>37.83</u>
		<u>9.16</u>		<u>13.62</u>

As at	31 March 2014	31 March 2013
Note 6 - Other long-term liabilities		
Deposits from customers	18.77	19.18
	<u>18.77</u>	<u>19.18</u>
Note 7 - Short-term borrowings		
Unsecured		
From banks [Refer note (a) below]	-	189.24
	<u>-</u>	<u>189.24</u>

Note:

(a) Short-term borrowings outstanding in the previous year was fully repaid in the current year: Rate of interest ranged between 9.25% to 9.35% per annum and Period of maturity ranged between 1 day to 30 days.

Note 8 - Trade payables

Due to micro and small enterprises [Refer note below]	4.53	5.96
Others	480.15	327.65
	<u>484.68</u>	<u>333.61</u>

Note:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2014. 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	4.53	5.96
- 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.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2014	31 March 2013
Note 9 - Other current liabilities		
Current maturities of long-term debt		
(a) Term loans		
From banks	-	25.71
(Term loan outstanding in the previous year was fully repaid in the current year. The same was 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% per annum.)		
Current maturities of finance lease obligations [Refer note (a) below]	0.11	0.12
Interest accrued but not due	0.23	0.62
Unclaimed debenture interest *	0.47	0.72
Unpaid dividend *	2.48	2.24
Unclaimed debenture redemption balance *	1.24	5.82
Other payables:		
- Book overdraft	5.11	60.93
- Advance from customers	16.04	11.59
- Creditors for capital goods	10.55	14.70
- Statutory related liabilities (VAT, TDS, PF etc.)	50.82	59.44
- Other liabilities	61.32	28.60
	148.37	210.49
	148.37	210.49
* Investor Education and Protection Fund shall be credited when due.		
Note:		
(a) Rate of interest for finance lease obligations ranges from 13.6% to 19.2% per annum.		
Number of repayment installments (quarterly) for lease obligations ranges from 6 to 19.		
Period of maturity for the lease obligations ranges from 1.5 years to 5 years.		
Note 10 - Short-term provisions		
Provision for employee benefits	8.11	7.67
Others:		
Excise and service tax related issues (a)	39.36	28.72
Sales tax and other issues (a)	48.51	38.85
Trade and other issues (a)	19.00	33.09
Provision for income tax	42.03	45.69
Proposed dividend	143.91	101.66
Tax on proposed dividend	24.46	17.28
	325.38	272.96
	325.38	272.96

(a) Refer note 28.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Note 11 - Fixed assets

₹ in crores

Description	Gross block at cost			Accumulated depreciation and amortisation				Net block	
	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	As at 1 April 2013	Charge for the year	On deletions during the year	As at 31 March 2014	As at 31 March 2013
Tangible assets									
Own assets									
Freehold land	7.61	53.94	-	61.55	-	-	-	61.55	7.61
Leasehold land (a)	22.92	6.34	-	29.26	0.76	0.33	-	28.17	22.16
Buildings (b)	115.48	29.79	0.17	145.10	22.49	3.85	0.13	118.89	92.99
Plant and equipment	569.19	60.35	3.11	626.43	274.57	50.98	2.50	303.38	294.62
Furniture and fixtures	11.38	1.31	-	12.69	4.62	0.61	-	7.46	6.76
Motor vehicles	0.76	0.17	-	0.93	0.22	0.06	-	0.65	0.54
Office equipment	35.57	1.10	-	36.67	22.86	4.43	-	9.38	12.71
Leased assets									
Motor vehicles	0.70	0.25	0.33	0.62	0.33	0.12	0.16	0.33	0.37
Total	763.61	153.25	3.61	913.25	325.85	60.38	2.79	529.81	437.76
Intangible assets									
Own assets									
Trademarks	0.03	-	-	0.03	-	-	-	0.03	0.03
Designs	0.01	-	-	0.01	-	-	-	0.01	0.01
Computer software	20.57	5.47	-	26.04	6.69	3.54	-	15.81	13.88
Total	20.61	5.47	-	26.08	6.69	3.54	-	15.85	13.92
Previous year	784.22	158.72	3.61	939.33	332.54	63.92^(c)	2.79	545.66	451.68
Add: Capital work-in-progress	677.36	130.67	23.81	784.22	298.27	57.26	22.99	97.22	128.44
								642.88	580.12

Notes:

- (a) Agreement in respect of leasehold land at one factory (previous year: one factory) is in the process of renewal.
- (b) Buildings include fully paid unquoted shares and bonds in respect of ownership of flats in 1 Co-operative Housing Societies (previous year: 2 Co-operative Housing Societies); 10 shares (previous year: 509 shares) of ₹ 50/- each and Nil interest free loan stock bonds (previous year: 50 interest free loan stock bonds of ₹ 100/- each).

(c) Depreciation:

Depreciation charge for the year	63.92	57.26
Transfer from capital subsidy [Refer note 1 (t) and 44]	(0.54)	(0.18)
Net depreciation charge for the year	63.38	57.08

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 12 - Non-current investments

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
At cost less provision for other than temporary diminution					
Non-trade investments					
<u>Unquoted</u>					
(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
Britannia Dairy Private Limited	₹10	5,779,999	5,779,999	70.02	70.02
Boribunder Finance and Investments Private Limited	₹10	2,670,999	2,670,999	2.58	2.58
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	2,000	2,000	0.01	0.01
				88.47	88.47
Daily Bread Gourmet Foods (India) Private Limited	₹4	56,681,417	51,681,417	22.67	20.67
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	24,372,087	22,264,087	121.69	108.84
				144.36	129.51
Less: Provision for diminution in value of investments [Refer note (a) below]				55.00	35.00
				89.36	94.51
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
			(a)	178.43	183.58
(ii) Investments in preference shares (fully paid)					
Subsidiaries					
Britannia Dairy Private Limited - 10% Non-Cumulative Redeemable Preference Shares	₹10	6,000,000	6,000,000	6.00	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - Preference Shares	USD 1	7,411,000	7,411,000	0.05	0.05
			(b)	6.05	6.05
			(a) + (b)	184.48	189.63

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
(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	1,008,560	1,002,536	3.08	3.08
ICICI Prudential Life Insurance Company Limited - Group Leave Encashment	₹10	2,955,032	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	1,050	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.		Amount	
		As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
(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				228.95	234.10
Total quoted non-current investments				31.46	31.46
Total unquoted non-current investments				197.49	202.64
				228.95	234.10
Aggregate provision for diminution in value of investments				55.00	35.00
Aggregate market value of quoted non-current investments				41.51	39.49
Aggregate value of long-term investments (part of non-current investments)				228.95	234.10
Aggregate value of long-term investments (part of current investments)				0.50	0.50

Note:

- (a) During the 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 has, based on its assessment of the business of Daily Bread Gourmet Foods (India) Private Limited, made a provision of ₹ 20 for diminution (other than temporary) on long-term investment made in equity shares of Daily Bread Gourmet Foods (India) Private Limited.

As at	31 March 2014	31 March 2013
Note 13 - Long-term loans and advances		
Unsecured		
<i>Considered good:</i>		
- Capital advances	1.89	34.95
- Deposits	8.44	8.45
- Loans and advances to related parties *	66.58	72.63
- Other loans and advances:		
Recoverable in cash or in kind or for value to be received	18.39	21.11
Advance income tax and tax deducted at source	5.13	4.17
<i>Considered doubtful:</i>		
- Loans and advances recoverable in cash or in kind or for value to be received	5.89	5.90
- Loans and advances to related parties *	1.04	1.04
	107.36	148.25
Less: Provision for doubtful loans / advances	6.93	6.94
	100.43	141.31

* Forms a part of outstanding balances as disclosed under note 40.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 14 - Current investments

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2014	As at 31 March 2013	As at 31 March 2014	As at 31 March 2013
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					
IDFC Cash Fund - Growth	₹1,000	52,116	42,114	8.04	6.00
J.P Morgan India Liquid Fund	₹10	4,317,687	3,948,615	7.12	6.00
DSP Black Rock Liquidity Fund - Growth	₹1,000	28,078	35,775	5.11	6.00
Reliance Liquid Fund Cash Plan - Growth	₹1,000	24,261	31,734	5.00	6.00
Taurus Liquid Fund - Growth	₹1,000	29,638	47,452	4.09	6.00
ICICI Prudential Liquid Fund - Growth	₹100	535,642	288,517	10.10	5.00
IDBI Liquid Fund - Growth	₹1,000	59,210	39,758	8.10	5.00
Birla Sunlife Cash Plus - Growth	₹100	299,727	266,356	6.15	5.00
L&T Liquid Fund - Growth	₹1,000	63,555	-	11.07	-
Reliance Liquid Fund Treasury Plan - Growth	₹1,000	35,740	-	11.07	-
Kotak Liquid Fund - Growth	₹1,000	41,007	-	10.57	-
Templeton India Treasury Management Account - Growth	₹1,000	47,237	-	9.00	-
Birla Sunlife Floating Rate Fund - Growth	₹100	443,424	-	7.54	-
Kotak Floater Fund - Growth	₹1,000	33,979	-	7.07	-
Reliance Liquidity Fund - Growth	₹1,000	31,860	-	6.10	-
ICICI Prudential Money Market Fund - Cash Plan - Growth	₹100	346,573	-	6.09	-
UTI Money Market Fund - Growth	₹1,000	35,804	-	5.10	-
HDFC Liquid Fund - Growth	₹10	1,990,143	-	5.00	-
Tata Liquid Fund - Growth	₹1,000	13,264	-	3.14	-
HDFC Cash Management Fund - Growth	₹10	756,067	-	2.01	-
UTI Liquid Fund Cash Plan - Growth	₹1,000	29,107	-	6.07	-
Total current investments				144.04	45.50
Total quoted current investments				-	-
Total unquoted current investments				144.04	45.50
				144.04	45.50
Aggregate market value of quoted current investments				-	-
Aggregate value of current investments				144.04	45.50
(a) Aggregate value of long-term investments (part of current investments)				0.50	0.50

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2014	31 March 2013
Note 15 - Inventories *		
Raw materials	150.59	129.95
Packing materials	46.48	45.12
Work-in-progress	0.30	0.59
Finished goods	135.63	120.77
Stock-in-trade	16.24	18.12
Stores and spare parts	17.62	16.94
	366.86	331.49
* Refer note 1 (g) for mode of valuation for inventories.		
Note 16 - Trade receivables		
Unsecured		
<i>Considered good:</i>		
- Over six months	4.16	2.91
- Others	49.53	74.21
	53.69	77.12
<i>Considered doubtful:</i>		
- Over six months	4.77	4.77
	58.46	81.89
Less: Provision for doubtful receivables	4.77	4.77
	53.69	77.12
Note 17 - Cash and bank balances		
<i>Cash and cash equivalents:</i>		
- Cash on hand	0.04	0.03
- Cheques on hand	47.95	41.28
- Current accounts	11.81	12.60
<i>Other bank balances:</i>		
- Unpaid dividend accounts	2.48	2.24
- Unclaimed debenture interest	0.47	0.72
- Unclaimed debenture redemption balance	1.24	5.82
- Deposit accounts [Refer note (a) below]	1.79	1.79
	65.78	64.48

Note:

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

As at	31 March 2014	31 March 2013
Note 18 - Short-term loans and advances		
Unsecured		
<i>Considered good:</i>		
- Deposits	3.46	2.16
- Loans and advances to related parties *	30.54	20.23
- Other loans and advances:		
Recoverable in cash or in kind or for value to be received	137.85	167.72
Inter-corporate deposits	50.00	-
Employee benefits - gratuity, net [Refer note 41 (b)]	3.21	2.20
Balances with customs, port trust, excise etc.	3.64	3.60
Interest accrued but not due	0.99	0.88
	229.69	196.79

* Forms a part of outstanding balances as disclosed under note 40.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

For the year ended	31 March 2014	31 March 2013
Note 19 - Other operating revenues		
Royalty income	10.27	8.03
Scrap sales	20.71	18.02
Other receipts [Refer note (a) below]	28.06	22.21
Provisions and liabilities no longer required written back, net	16.26	2.85
	75.30	51.11

Note:

(a) Includes an amount of ₹ 23.89 (previous year: ₹ 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 2014	31 March 2013
Note 20 - Other income			
Interest income	Long-term	12.97	22.84
	Current	7.03	9.51
Dividend income	Long-term	0.27	0.23
Net gain / (loss) on sale of investments	Long-term	-	0.94
	Current	3.47	13.79
Other non-operating income:			
- Profit on sale of fixed assets		9.38	7.98
- Foreign exchange gain, net		-	0.12
- Other receipts		1.70	0.06
		34.82	55.47
Note 21 - Purchase of stock-in-trade			
Biscuits and high protein food		398.18	360.55
Bread, bread toast and rusk		48.66	44.95
Cake		177.89	206.74
Others		32.05	25.94
		656.78	638.18
Note 22 - Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Opening stock:			
- Finished goods		120.77	118.45
- Stock-in-trade		18.12	9.20
- Work-in-progress		0.59	1.42
Closing stock:			
- Finished goods		135.63	120.77
- Stock-in-trade		16.24	18.12
- Work-in-progress		0.30	0.59
		(12.69)	(10.41)
Less: Excise duty on opening stock of finished goods		(4.14)	(3.89)
Add: Excise duty on closing stock of finished goods		4.25	4.14
Increase / (decrease)		0.11	0.25
		(12.58)	(10.16)

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

For the year ended	31 March 2014	31 March 2013
Note 23 - Employee benefits expense		
Salaries and wages	157.85	127.89
Contribution to provident and other funds	6.43	7.18
Staff welfare expenses	8.17	8.33
Voluntary retirement scheme expenditure	-	0.10
	172.45	143.50
Note 24 - Finance costs		
Interest expense:		
- Redeemable non-convertible bonus debentures	-	32.50
- Finance lease	0.05	0.10
- Bank and others	5.39	5.14
	5.44	37.74
Note 25 - Other expenses		
Consumption of stores and spares	13.03	11.23
Power and fuel	65.12	52.27
Rent [Refer note 27 (a)]	5.09	6.30
Repairs and maintenance:		
- Plant and equipment (a)	10.31	12.46
- Buildings (a)	1.84	1.02
- Others	16.87	14.22
Insurance	1.37	1.33
Rates and taxes, net	21.71	17.78
Carriage, freight and distribution	371.68	335.96
Auditors' remuneration (b):		
- Audit fees	0.53	0.53
- Other services	0.08	0.08
- Expenses reimbursed	0.10	0.08
Advertising and sales promotion	502.91	463.62
Conversion charges	542.57	491.91
Foreign exchange loss, net	1.06	-
Bad debts and advances written off, net	-	0.10
Miscellaneous	174.32	173.13
	1,728.59	1,582.02
(a) Includes stores and spares consumed	5.30	6.96
(b) Excluding service tax		

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 26 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 ₹ 37.87 (previous year: ₹ 43.37).
- (b) Bank guarantee and letter of credit for ₹ 7.15 (previous year: ₹ 9.60).
- (c) Discounted cheques ₹ 0.88 (previous year: ₹ 0.42).

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 28].
- (ii) **Commitments:**
 - (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 9.51 (previous year: ₹ 30.32).
 - (b) The Company has furnished the following corporate guarantees:

Banking facilities given to	Name of the bank	31 March 2014	31 March 2013
(i) Britannia and Associates (Mauritius) Private Limited, Mauritius *	Royal Bank of Scotland, Singapore	-	60.73
	Bank of America	149.70	135.75

* The following are the loan balances outstanding against the corporate guarantees mentioned above: Bank of America: ₹ 119.76 crores (USD 20 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 judgments pending at various forums.

- (c) The Company has furnished the following letters of comfort / letters of awareness:

Banking facilities given to	Name of the bank	31 March 2014	31 March 2013
(i) Britannia Dairy Private Limited	HSBC Bank	4.50	4.50
(ii) Strategic Food International Co. LLC, Dubai	Royal Bank of Scotland	29.34	56.16
(iii) Al Sallan Food Industries Co. SAOC	Royal Bank of Scotland	11.41	10.35

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

Note 27 (a) **Operating leases**

The Company has certain operating leases for office facilities and residential premises (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of ₹ 5.09 (previous year: ₹ 6.30) 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 2014		31 March 2013	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.17	0.11	0.18	0.12
Later than 1 year and not later than 5 years	0.39	0.34	0.48	0.41
	0.56	0.45	0.66	0.53

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.11 (previous year: ₹ 0.13) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

Note 28

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 2013	Additions *	Utilisation *	Reversals / adjustments *	31 March 2014
(a) Excise and service tax related issues	28.72	10.64	-	-	39.36
(b) Sales tax and other issues	38.85	9.79	(0.31)	0.18	48.51
(c) Trade and other issues	33.09	0.19	(0.31)	(13.97)	19.00
	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

(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 29

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 Honourable 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 Honourable Calcutta High Court disposed off the Writ Petition pending before the Single Judge. The Fund filed a Special Leave Petition ('SLP') before

the Honourable Supreme Court against the Order of the Division Bench. The Honourable Supreme Court at its hearing on 12 May 2008 set aside the Order of the Division Bench of the Honourable 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 Honourable Calcutta High Court.

Pursuant to the directions of the Honourable 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 Honourable Madras High Court and by the Pensioners Welfare Association in the Honourable Calcutta High Court, the Honourable 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 Honourable City Civil Court, Bangalore, where the Honourable 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. Since then, the Funds have been complying with the said Order. In April 2010, the Honourable City Civil Court 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. This was challenged by Britannia Industries Limited ("BIL" / "Company") in an Appeal before the Honourable Karnataka High Court, the Honourable 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 Honourable City Civil Court, Bangalore, i.e. with effect from 17 June 2008. The Company filed Special Leave Petitions (SLPs) in the Honourable Supreme Court against the above Order of the Honourable Karnataka High Court, Bangalore. The Honourable Supreme Court passed an Order in January 2011 disposing of the SLPs, and directing that the Pension Fund should continue to pay pension as per the interim order passed by the Bangalore City Civil Court on 1 January 2009 (i.e. on Defined Contribution basis) till disposal of the suit by the Trial Court. The proceedings in the main suit are currently in progress in the Honourable Bangalore City Civil Court and Sessions Judge. However, in the meanwhile the Association further filed an application stating certain members have joined the Association post retirement from BIL and are eligible for pension and hence the Court should direct BIL and the Fund to pay pension to these employees, BIL and the Fund filed their objections to this Application on 31 August 2013.

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 30 (a) Sale of products (Manufactured goods)

Product group	31 March 2014	31 March 2013
Biscuits and high protein food	4,831.24	4,270.02
Bread, bread toast and rusk	614.33	548.99
Cake	107.88	95.95
Others	5.16	15.12
	<u>5,558.61</u>	<u>4,930.08</u>

The above values does not include sale of raw materials for processing purposes (including wheat) and by-products on conversion of inputs aggregating to ₹ 30.83 (previous year: ₹ 49.38), which has been netted off with cost of material.

Sale of products (Traded goods)

Product group	31 March 2014	31 March 2013
Biscuits and high protein food	483.24	405.79
Bread, bread toast and rusk	63.11	52.77
Cake	196.40	214.83
Others	46.49	46.19
	<u>789.24</u>	<u>719.58</u>

(b) Raw materials including packaging materials consumed

Description	31 March 2014	31 March 2013
Flour	906.93	787.00
Fats and oils	483.80	492.06
Sugar	458.87	465.48
Lamination roll	299.32	264.33
Others	1,016.61	881.55
	<u>3,165.53</u>	<u>2,890.42</u>

	31 March 2014		31 March 2013	
	Value	%	Value	%
Imported	8.09	0.26	6.19	0.21
Indigenous	3,157.44	99.74	2,884.23	99.79
	<u>3,165.53</u>	<u>100.00</u>	<u>2,890.42</u>	<u>100.00</u>

(c) Stores and spare parts consumed

	31 March 2014		31 March 2013	
	Value	%	Value	%
Imported	-	-	-	-
Indigenous	18.33	100.00	18.19	100.00
	<u>18.33</u>	<u>100.00</u>	<u>18.19</u>	<u>100.00</u>

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	31 March 2014	31 March 2013
Note 31 Opening and closing stock of finished goods (Manufactured goods)		
(a) Opening 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
(b) Closing stock		
Biscuits and high protein food	125.53	110.70
Bread, bread toast and rusk	6.39	4.84
Cake	3.03	3.10
Others	0.68	2.13
	135.63	120.77
Note 32 Opening and closing stock of finished goods (Traded goods)		
(a) Opening 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
(b) Closing stock		
Biscuits and high protein food	8.48	8.37
Bread, bread toast and rusk	1.67	2.41
Cake	5.51	6.45
Others	0.58	0.89
	16.24	18.12
Note 33 Opening and closing stock of work-in-progress		
(a) Opening stock		
Biscuits and high protein food	0.59	1.42
	0.59	1.42
(b) Closing stock		
Biscuits and high protein food	0.30	0.59
	0.30	0.59
Note 34 Expenditure in foreign currency		
(a) Trade promotion and media related	5.66	1.49
(b) Professional fees	0.48	0.35
(c) Others	0.21	0.14

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	31 March 2014	31 March 2013
Note 35 Value of imports on C.I.F. basis		
(a) Capital goods	1.62	12.30
(b) Raw materials	8.16	7.35
(c) Components and spare parts	-	0.81
Note 36 Earnings in foreign currency		
(a) Exports at free on board value	111.92	87.23
(b) Royalty	7.84	5.81
(c) Others	5.33	3.40
Note 37 Dividend remitted in foreign currency (net of tax)	31 March 2013	31 March 2012
Relating to the year ended		
Number of non-resident shareholders	6	6
Number of equity shares held (nominal value ₹ 2/- per share)	60,866,095	60,866,095
Amount remitted	51.74	51.74
	31 March 2014	31 March 2013
Note 38 Earnings per share		
(a) Net profit attributable to the equity shareholders	369.83	233.87
(b) Weighted average number of equity shares outstanding during the year	119,799,171	119,490,267
(c) Effect of potential equity shares on employee stock option outstanding	-	118,246
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	119,799,171	119,608,513
Nominal value of equity shares (₹)	2	2
Basic earnings per share (₹)	30.87	19.57
Diluted earnings per share (₹)	30.87	19.55

Note 39 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 40 Related party disclosures under Accounting Standard 18

Relationships

- | | |
|-----------------------------|---|
| 1. Ultimate holding company | The Bombay Burmah Trading Corporation Limited |
| Holding company | Associated Biscuits International Limited (ABIL), UK |
| 2. Subsidiary companies | Al Sallan Food Industries Co. SAOC |
| | Boribunder Finance and Investments Private Limited |
| | Britannia and Associates (Dubai) Private Company Limited, Dubai |
| | Britannia and Associates (Mauritius) Private Limited, Mauritius |
| | Britannia Dairy Holdings Private Limited, Mauritius |
| | Britannia Dairy Private Limited |
| | Daily Bread Gourmet Foods (India) Private Limited |

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 (iii) below]
6. Key Management Personnel (KMP) *	
Managing Director	Mr. Varun Berry
Erstwhile Managing Director	Ms. Vinita Bali

* Mr. Varun Berry was appointed as Executive Director (w.e.f. 11 November 2013). Further, effective from 1 April 2014, Mr. Varun Berry has been appointed as Managing Director of the Company. Ms. Vinita Bali has ceased to be Managing Director of the Company w.e.f. the close of business on 31 March 2014.

	Relationship	31 March 2014	31 March 2013
<u>Related party transactions during the year:</u>			
Investments made			
<u>Equity shares:</u>			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	12.85	15.56
Boribunder Finance and Investments Private Limited	Subsidiary	-	0.50
Total		12.85	16.06
Conversion of loan to equity shares			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	2.00	-
Investments sold			
Boribunder Finance and Investments Private Limited	Subsidiary	-	1.11
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
Shared service income			
Britannia Dairy Private Limited	Subsidiary	1.60	-
Rental income			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.05	-

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2014	31 March 2013
<u>Related party transactions during the year:</u>			
Remittance of dividend			
Associated Biscuits International Limited (ABIL), UK	Holding company	45.82	45.82
Others	Fellow subsidiary companies	5.92	5.92
Total		51.74	51.74
SAP license fee recovered from			
J B Mangharam Foods Private Limited	Subsidiary	0.01	0.01
International Bakery Products Limited	Subsidiary	0.01	0.01
Ganges Vally Foods Private Limited	Subsidiary	0.01	0.01
Manna Foods Private Limited	Subsidiary	0.01	0.01
Britannia Dairy Private Limited	Subsidiary	-	0.08
Sunrise Biscuit Company Private Limited	Subsidiary	0.02	0.02
Strategic Food International Co. LLC, Dubai	Subsidiary	0.04	0.04
Al Sallan Food Industries Co. SAOC	Subsidiary	0.03	0.03
Total		0.13	0.21
Purchase of finished goods / consumables and ingredients			
Strategic Food International Co. LLC, Dubai	Subsidiary	0.41	0.06
Al Sallan Food Industries Co. SAOC	Subsidiary	0.01	0.08
Sunrise Biscuit Company Private Limited	Subsidiary	163.14	142.48
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.02	-
Nalanda Biscuits Company Limited	Associate	64.01	19.53
Total		227.59	162.15
Conversion charges			
International Bakery Products Limited	Subsidiary	18.30	14.12
J B Mangharam Foods Private Limited	Subsidiary	25.85	18.81
Ganges Vally Foods Private Limited	Subsidiary	16.92	16.31
Manna Foods Private Limited	Subsidiary	29.09	23.43
Klassik Foods Private Limited	Associate	4.20	3.55
Total		94.36	76.22
Sale of goods / consumables and ingredients			
Sunrise Biscuit Company Private Limited	Subsidiary	0.94	1.29
Strategic Food International Co. LLC, Dubai	Subsidiary	0.72	0.82
Britannia Dairy Private Limited	Subsidiary	0.29	1.12
Nalanda Biscuits Company Limited	Associate	0.77	1.58
Total		2.71	4.81
Interest and dividend income			
Manna Foods Private Limited	Subsidiary	5.95	5.80
J B Mangharam Foods Private Limited	Subsidiary	1.45	0.30
Sunrise Biscuit Company Private Limited	Subsidiary	0.62	0.81
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.41	0.38
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.55	0.43
Total		8.98	7.72

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2014	31 March 2013
<u>Related party transactions during the year:</u>			
Royalty income			
Strategic Food International Co. LLC, Dubai	Subsidiary	7.84	5.81
Purchase of trademarks			
Britannia Sports (partnership firm)	Others	-	0.01
Remuneration #			
Mr. Varun Berry ##	KMP	1.39	-
Ms. Vinita Bali	KMP	4.11	4.10
Total		5.50	4.10
<p># Excludes: Contributions to employee retirement / post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.</p> <p>## Mr. Varun Berry was appointed as Executive Director w.e.f. 11 November 2013, thus, the remuneration disclosed above is for the proportionate period. Further, effective from 1 April 2014, Mr. Varun Berry has been appointed as Managing Director of the Company.</p>			
Shares allotted under employee stock option scheme for consideration received during the current year			
<u>Ms. Vinita Bali</u>	KMP		
Equity shares		0.06	0.02
Securities premium		13.46	1.42
Total		13.52	1.44
Shares allotted under employee stock option scheme for consideration received during the previous year (2012-13)			
<u>Ms. Vinita Bali</u>	KMP		
Equity shares		0.02	-
Securities premium		2.27	-
Total		2.29	-
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
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	0.70	2.29
J B Mangharam Foods Private Limited	Subsidiary	5.03	10.49
Manna Foods Private Limited	Subsidiary	2.96	15.38
Total		8.69	29.31
Loan repaid by			
Sunrise Biscuit Company Private Limited	Subsidiary	2.55	0.80
Manna Foods Private Limited	Subsidiary	4.55	6.44
J B Mangharam Foods Private Limited	Subsidiary	0.40	-
Total		7.50	7.24

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2014	31 March 2013
<u>Related party closing balances as on balance sheet date:</u>			
Outstanding - net receivables / (payables)			
Ganges Vally Foods Private Limited	Subsidiary	(0.11)	0.77
J B Mangharam Foods Private Limited	Subsidiary	17.75	13.15
International Bakery Products Limited	Subsidiary	1.45	1.08
Sunrise Biscuit Company Private Limited	Subsidiary	11.72	9.99
Manna Foods Private Limited	Subsidiary	60.81	61.73
Al Sallan Food Industries Co. SAOC	Subsidiary	-	0.02
Strategic Food International Co. LLC, Dubai	Subsidiary	0.72	0.76
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.08	0.41
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	5.06	5.86
Britannia Dairy Private Limited	Subsidiary	0.41	0.37
Nalanda Biscuits Company Limited	Associate	0.70	0.92
Klassik Foods Private Limited	Associate	(0.06)	0.27
Total		98.53	95.33
Provision for doubtful loans / advances			
Manna Foods Private Limited	Subsidiary	1.04	1.04
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	121.69	108.84
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	2.58
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	22.67	20.67
Klassik Foods Private Limited	Associate	0.32	0.32
Nalanda Biscuits Company Limited	Associate	0.28	0.28
Others	Subsidiary	0.23	0.23
Total		239.48	224.63
Provision for diminution in value of investment			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	35.00	35.00
Daily Bread Gourmet Foods (India) Private Limited [Refer note 12 (note (a))]	Subsidiary	20.00	-
Total		55.00	35.00

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2014	31 March 2013
<u>Related party closing balances as on balance sheet date:</u>			
Corporate Guarantee			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	149.70	196.48
Letter of awareness / comfort			
Strategic Food International Co. LLC, Dubai	Subsidiary	29.34	56.16
Al Sallan Food Industries Co. SAOC	Subsidiary	11.41	10.35
Britannia Dairy Private Limited	Subsidiary	4.50	4.50
Total		45.25	71.01

Letter of financial and operational support given to the 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) Britannia Sports (partnership firm) has been dissolved during the year ended 31 March 2013.

Note 41 Employee benefits

(a) Post retirement benefit - Defined contribution plans

The Company has recognised an amount of ₹ 5.85 (previous year: ₹ 5.70) as expenses under the defined contribution plans in the statement of profit and loss for the year:

	31 March 2014	31 March 2013
Benefit (Contribution to)		
Provident Fund *	3.58	3.36
Family Pension Scheme	1.18	1.06
Pension Fund	1.09	1.28
Total	5.85	5.70

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

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

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

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
1. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:					
Obligations as at 1 April	14.53	13.93	15.46	15.75	14.67
Service cost	0.96	0.88	0.94	1.01	0.94
Interest cost	1.16	1.18	1.28	1.26	1.17
Benefits settled	(2.26)	(2.19)	(3.46)	(2.29)	(1.03)
Actuarial (gain) / loss	(0.17)	0.73	(0.28)	(0.27)	(0.02)
Obligations as at year end 31 March	14.22	14.53	13.93	15.46	15.75
2. Change in plan asset:					
Plan assets as at 1 April at fair value	16.73	16.30	17.51	16.61	14.15
Expected return on plan assets	1.45	1.39	1.44	1.33	1.13
Actuarial gain / (loss)	(0.08)	(0.08)	(0.19)	0.07	-
Contributions	1.59	1.31	1.01	1.79	2.36
Benefits settled	(2.26)	(2.19)	(3.46)	(2.29)	(1.03)
Plan assets as at 31 March at fair value	17.43	16.73	16.30	17.51	16.61
3. Reconciliation of present value of the obligation and the fair value of the plan assets:					
Present value of obligation as at 31 March	14.22	14.53	13.93	15.46	15.75
Plan assets as at 31 March at fair value	17.43	16.73	16.30	17.51	16.61
Amount recognised in balance sheet asset / (liability)	3.21	2.20	2.37	2.04	0.86

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
4. Expenses recognised in the statement of profit and loss:					
Current service cost	0.96	0.88	0.94	1.01	0.94
Interest cost	1.16	1.18	1.28	1.26	1.17
Expected return on plan assets	(1.45)	(1.39)	(1.44)	(1.33)	(1.13)
Actuarial (gain) / loss	(0.09)	0.81	(0.09)	(0.34)	(0.01)
Net cost	0.58	1.48	0.68	0.61	0.97
5. Amount recognised in the balance sheet:					
Opening (asset) / liability	(2.20)	(2.37)	(2.04)	(0.86)	0.52
Expense as above	0.58	1.48	0.68	0.61	0.97
Employers' contribution paid	(1.59)	(1.31)	(1.01)	(1.79)	(2.36)
Closing (asset) / liability	(3.21)	(2.20)	(2.37)	(2.04)	(0.86)
6. Experience adjustment:					
On plan liabilities (gain) / loss	1.25	0.21	(0.14)	0.18	0.08
On plan assets gain / (loss)	(0.08)	(0.08)	(0.19)	0.07	(0.07)
	% Invested	% Invested	% Invested	% Invested	% Invested
7. Investment details:					
Government of India securities	23.02	26.79	27.08	25.45	22.96
State Government securities	26.80	22.74	20.00	15.91	18.04
Public sector securities	45.27	45.66	43.82	50.35	50.11
Mutual funds	1.51	1.03	0.78	0.63	0.85
Special deposit scheme	3.40	3.78	8.32	7.66	8.04
	100.00	100.00	100.00	100.00	100.00
8. Principal actuarial assumptions:					
Discount factor [Refer note (i) below]	9.02%	8%	8.50%	8.25%	8%
Estimated rate of return on plan assets [Refer note (ii) below]	9.02%	8%	8.50%	8.25%	8%
Attrition rate:					
Service related:					
Below 5 years	4%	2%	2%	1%	1%
5 years and above	14%	14%	14%	14%	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 42 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 2014	31 March 2013	31 March 2014	31 March 2013
Subsidiaries				
Sunrise Biscuit Company Private Limited, net	4.86	7.41	7.41	8.20
Daily Bread Gourmet Foods (India) Private Limited, net	4.05	5.35	6.05	5.35
J B Mangharam Foods Private Limited	15.12	10.49	15.52	10.49
Manna Foods Private Limited	58.57	60.16	60.65	60.22
Others				
Purbasha Properties Private Limited (repayment schedule in excess of 7 years)	3.30	3.63	3.63	3.95

Note 43 **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 ₹ Nil (previous year: ₹ 25.71) and loan payable of ₹ Nil (previous year: ₹ 20.08), relating to foreign exchange forward contracts for hedging has been netted off and disclosed under 'Short-term loans and advances'.

The Company has designated certain foreign exchange forward contracts (relating to foreign currency receivables and payables) outstanding as on 31 March 2014 as hedge of committed transaction. On that date, the Company had forward contracts amounting to USD 2,686,908 and EUR 58,287 (previous year: USD 1,741,026 and EUR 39,150). As at the year end the unrealized exchange gain of ₹ 0.55 has not been accounted for (previous year: unrealized exchange gain of ₹ 0.05) (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 Nil / ₹ Nil (previous year: USD 185,294 / ₹ 1.01).

Note 44 **Capital subsidy**

During the year ended 31 March 2013, an amount of ₹ 5 was received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 0.54 (previous year: ₹ 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 ₹ 4.28 (previous year: ₹ 4.82) has been classified as capital subsidy in the balance sheet [Refer note 1 (t)].

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 45 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability. The following significant regroupings / reclassifications of the previous year figures have been made:

Particulars	Previous year grouping	Current year grouping	Amount
Excise and service tax related issues	Long-term provisions	Short-term provisions	28.72
Sales tax and other issues	Long-term provisions	Short-term provisions	38.85
Trade and other issues	Long-term provisions	Short-term provisions	33.09
Provision for income tax	Long-term provisions	Short-term provisions	37.90

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

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:

₹ in '000

Note No.	Description	31 March 2014	31 March 2013
12.	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 - 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
25.	Other expenses:		
(a)	Miscellaneous		
	Includes share of loss in the partnership firm - Britannia Sports	-	28
40.	Related party disclosures under Accounting Standard 18:		
		Relationship	
(a)	Investments written off on liquidation:		
-	Britannia Sports (partnership firm)	Others	49
(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

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

₹ in '000

Note No.	Description	31 March 2014	31 March 2013
(d)	Outstanding as at year end - net receivables / (payables)		
-	Britannia Dairy Holdings Private Limited, Subsidiary Mauritius	46	46
-	Al Sallan Food Industries Co. SAOC Subsidiary	(48)	-
-	Boribunder Finance and Investments Subsidiary Private Limited	-	35

As per our report of even date attached

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

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia
Managing Director : Varun Berry
Directors : A K Hirjee
S S Kelkar
Nasser Munjee
Nimesh N Kampani
Jeh N Wadia
Keki Dadiseth
Ajai Puri
Ness N Wadia
Vijay L Kelkar

Sunil Gaggar
Partner
Membership number: 104315
Place : Bangalore
Date : 26 May 2014

Chief Financial Officer : Vinod Krishna Menon
Company Secretary : Vivek P Raizada
Place : Mumbai
Date : 26 May 2014

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 2014, 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 2014;
- (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 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 9.35% of total assets, 4.10% of total revenues and other income and 17.29% 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 9.34% of total assets, 4.10% of total revenue and other income and 17.26% 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

Britannia Annual Report 2013-14

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 2014 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

0.03% 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 ₹ 0.27 crores for the year ended 31 March 2014.

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

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

Place: Bangalore
Date : 26 May 2014

Sunil Gaggar
Partner
Membership number: 104315

Britannia Annual Report 2013-14

CONSOLIDATED BALANCE SHEET

₹ in crores

As at	Note No.	31 March 2014	31 March 2013
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	2	23.99	23.91
(b) Reserves and surplus	3	769.84	526.85
		<u>793.83</u>	<u>550.76</u>
(2) Share application money pending allotment	2 (e)	-	2.29
(3) Capital subsidy	37	4.28	4.82
(4) Minority interest		2.38	2.26
(5) Non-current liabilities			
(a) Long-term borrowings	4	28.42	27.20
(b) Deferred tax liabilities (net)	5	8.88	12.76
(c) Other long-term liabilities	6	19.03	19.67
(d) Long-term provisions	7	3.93	4.67
		<u>60.26</u>	<u>64.30</u>
(6) Current liabilities			
(a) Short-term borrowings	8	119.76	314.15
(b) Trade payables	9	556.69	393.51
(c) Other current liabilities	10	241.53	277.42
(d) Short-term provisions	11	328.14	273.96
		<u>1,246.12</u>	<u>1,259.04</u>
		<u><u>2,106.87</u></u>	<u><u>1,883.47</u></u>
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets	12		
(i) Tangible assets		724.65	623.60
(ii) Intangible assets		15.93	13.98
(iii) Capital work-in-progress		107.09	147.30
		<u>847.67</u>	<u>784.88</u>
(b) Goodwill on consolidation, net	12	107.01	99.22
(c) Non-current investments	13	35.02	35.29
(d) Long-term loans and advances	14	58.95	89.87
(e) Other non-current assets	30	12.12	12.12
(2) Current assets			
(a) Current investments	15	162.85	72.91
(b) Inventories	16	420.27	374.67
(c) Trade receivables	17	108.70	122.81
(d) Cash and bank balances	18	109.07	102.93
(e) Short-term loans and advances	19	245.21	188.77
		<u>1,046.10</u>	<u>862.09</u>
		<u><u>2,106.87</u></u>	<u><u>1,883.47</u></u>
Significant accounting policies	1		

See accompanying notes to financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W

Sunil Gaggar

Partner

Membership number: 104315

Place : Bangalore

Date : 26 May 2014

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee
S S Kelkar
Nasser Munjee
Nimesh N Kampani
Jeh N Wadia
Keki Dadiseth
Ajai Puri
Ness N Wadia
Vijay L Kelkar

Chief Financial Officer : Vinod Krishna Menon

Company Secretary : Vivek P Raizada

Place : Mumbai

Date : 26 May 2014

Britannia Annual Report 2013-14

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in crores

For the year ended	Note No.	31 March 2014	31 March 2013
I. Revenue from operations			
Sale of products		6,945.52	6,221.82
Less: Excise duty		(116.20)	(85.91)
Net sale of products		<u>6,829.32</u>	<u>6,135.91</u>
Other operating revenues	20	83.39	49.50
		<u>6,912.71</u>	<u>6,185.41</u>
II. Other income	21	33.59	52.24
III. Total revenue (I + II)		<u>6,946.30</u>	<u>6,237.65</u>
IV. Expenses:			
Raw materials including packaging materials consumed		3,657.40	3,350.51
Purchase of stock-in-trade	22	525.13	518.51
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(11.51)	(7.67)
Employee benefits expense	24	262.66	226.75
Finance costs	25	8.29	41.30
Depreciation and amortisation expense	12	83.18	73.15
Other expenses	26	1,851.83	1,676.67
Total expenses		<u>6,376.98</u>	<u>5,879.22</u>
V. Profit before tax (III - IV)		569.32	358.43
VI. Tax expense			
(1) Current tax			
Income tax [Refer note 35]		179.88	100.29
Minimum alternative tax credit entitlement		(2.42)	(6.89)
(2) Deferred tax charge / (credit)		(3.88)	5.15
VII. Profit for the year before share of profits/(losses) of associates (net) and minority interest (V - VI)		<u>395.74</u>	<u>259.88</u>
Share of net loss of associates		(0.27)	(0.30)
Share of profit of minority		(0.12)	(0.08)
VIII. Profit for the year		<u>395.35</u>	<u>259.50</u>
IX. Earnings per equity share [Refer note 31]			
(1) Basic [nominal value of ₹ 2/- each]		33.00	21.72
(2) Diluted [nominal value of ₹ 2/- each]		33.00	21.70
Weighted average number of equity shares used in computing earnings per share:			
- Basic		119,799,171	119,490,267
- Diluted		119,799,171	119,608,513
Significant accounting policies	1		

See accompanying notes to financial statements

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

Sunil Gaggar
Partner
Membership number: 104315
Place : Bangalore
Date : 26 May 2014

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia
Managing Director : Varun Berry
Directors : A K Hirjee
S S Kelkar
Nasser Munjee
Nimesh N Kampani
Jeh N Wadia
Keki Dadiseth
Ajai Puri
Ness N Wadia
Vijay L Kelkar
Chief Financial Officer : Vinod Krishna Menon
Company Secretary : Vivek P Raizada
Place : Mumbai
Date : 26 May 2014

Britannia Annual Report 2013-14

CONSOLIDATED CASH FLOW STATEMENT

₹ in crores

For the year ended	31 March 2014	31 March 2013
Cash flows from operating activities		
Profit before tax	569.32	358.43
Adjustments for:		
Depreciation and amortisation	83.18	73.15
Profit on sale of investments, net	(5.65)	(14.65)
Profit on sale of fixed assets, net	(9.65)	(7.94)
Dividend income	(0.28)	(0.24)
Interest income	(14.09)	(24.92)
Interest expense	8.29	41.30
Operating profit before working capital changes	631.12	425.13
(Increase) / decrease in inventories	(43.07)	58.20
(Increase) / decrease in trade receivables	18.35	(7.56)
(Increase) / decrease in loans and advances and other assets	17.15	(87.26)
(Increase) / decrease in bank balances (other than cash and cash equivalents)	8.48	(11.30)
Increase / (decrease) in liabilities and provisions	225.24	31.83
Cash generated from operations	857.27	409.04
Income taxes paid, net of refund	(185.79)	(89.24)
Net cash provided by operating activities	671.48	319.80
Cash flows from investing activities		
Purchase of fixed assets (including finance leased assets)	(110.12)	(224.98)
Proceeds from sale of fixed assets	10.62	9.58
(Purchase) / sale of investments, net	(84.29)	154.96
Inter-corporate deposits (placed) / redeemed, net	(75.00)	60.00
Interest received	12.87	28.38
Dividend received	0.28	0.24
Net cash provided by / (used in) investing activities	(245.64)	28.18
Cash flows from financing activities		
Repayment of secured loans, net	(6.09)	(401.83)
Interest paid	(8.85)	(42.29)
(Repayment) / proceeds of unsecured loans	(237.00)	175.00
Proceeds from share allotment	13.52	1.44
Proceeds from share application money pending allotment	-	2.29
Proceeds from capital subsidy	-	5.00
Dividend paid including tax thereon	(118.92)	(117.76)
Net cash provided by / (used in) financing activities	(357.34)	(378.15)
Net (decrease) / increase in cash and cash equivalents	68.50	(30.17)
Cash and cash equivalents at the beginning of the year	21.85	52.02
Cash and cash equivalents at the end of the year (Refer note below)	90.35	21.85

Britannia Annual Report 2013-14

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

₹ in crores

For the year ended	31 March 2014	31 March 2013
Note:		
Cash and cash equivalents at the end of the year	98.58	83.96
Book overdraft [Refer note 10]	(5.11)	(60.93)
Effect of exchange rate changes	(3.12)	(1.18)
	90.35	21.85

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants

Firm registration number: 101248W

Sunil Gaggar

Partner

Membership number: 104315

Place : Bangalore

Date : 26 May 2014

for and on behalf of the Board of Directors

Chairman : Nusli N Wadia

Managing Director : Varun Berry

Directors : A K Hirjee

S S Kelkar

Nasser Munjee

Nimesh N Kampani

Jeh N Wadia

Keki Dadiseth

Ajai Puri

Ness N Wadia

Vijay L Kelkar

Chief Financial Officer : Vinod Krishna Menon

Company Secretary : Vivek P Raizada

Place : Mumbai

Date : 26 May 2014

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ 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 (where control exists) are excluded from consolidation as they are not significant:

Name of the entity	Relationship	Country of incorporation
Vasna 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’), the guidelines issued by the Securities and Exchange Board of India (‘SEBI’) and the Companies Act, 2013 to the extent relevant.

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.

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 2014 amounts to ₹ 8.37 and ₹ 3.83 (previous year: ₹ 3.77 and ₹ 2.86) 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 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 2014	31 March 2013
Britannia Dairy Private Limited	16.15	17.54

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

(n) **Foreign currency transactions**

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

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

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

(o) **Derivative contracts**

Based on the principle of prudence as provided in Accounting Standard 1 - "Disclosure of accounting policies", the Group assesses losses, if any, by marking to market all its outstanding derivative contracts [other than those accounted under Accounting Standard 11 - "Effects of changes in foreign exchange rates" (Refer point (n) above)] at the balance sheet date and provides for such losses. The net gain, if any, based on the said evaluation is not accounted for in line with the 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

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

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation carried out at each balance sheet date. Provision for compensated absences is based on actuarial valuation carried out as at 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 by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(v) **Cash flow statement**

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

(w) **Capital subsidy**

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

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

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

(y) **Cash and cash equivalents**

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2014	31 March 2013
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	23.99	23.91
[119,925,815 equity shares of ₹ 2/- each (previous year: 119,525,815 equity shares of ₹ 2/- each)]*		
* Of the total fully paid up equity shares: 60,866,095 equity shares of ₹ 2/- each (previous year: 60,866,095 equity shares of ₹ 2/- each) are held by the subsidiaries of The Bombay Burmah Trading Corporation Limited, the ultimate holding company [Refer note (a) below].		
Rights, preferences and restrictions attached to the equity shares:		
<ul style="list-style-type: none"> - 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 2014, the amount of per share dividend recognized as distribution to equity shareholders is ₹ 12/- (previous year: ₹ 8.5/-). The total dividend appropriation for the year ended 31 March 2014 amounted to ₹ 168.37 (previous year: ₹ 118.94) including corporate dividend tax of ₹ 24.46 (previous year: ₹ 17.28). - 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 and exercised. Allotment details: 75,000 shares were allotted on 21 September 2012 at an exercise price of ₹ 191.06/-; 75,000 shares were allotted on 2 April 2013 at an exercise price of ₹ 305.63/-; 100,000 shares were allotted on 11 June 2013 at an exercise price of ₹ 333.71/-; 125,000 shares were allotted on 24 July 2013 at an exercise price of ₹ 391.75/- and 100,000 shares were allotted on 5 December 2013 at an exercise price of ₹ 528.75/- [Refer note (d) below].		
	23.99	23.91

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 2014		31 March 2013	
	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 2014		31 March 2013	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	53,904,500	44.95%	53,904,500	45.10%
Arisaig Partners (Asia) Pte Ltd.	10,671,488	8.90%	10,671,488	8.93%

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

	31 March 2014		31 March 2013	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	119,525,815	23.91	119,450,815	23.89
Shares issued during the reporting year	400,000	0.08	75,000	0.02
Closing balance at the end of the reporting year	119,925,815	23.99	119,525,815	23.91

- (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/-; 125,000 options on 27 May 2011 at an exercise price of ₹ 391.75/- and 100,000 options on 28 May 2012 at an exercise price of ₹ 528.75/- 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 Honourable Calcutta High Court on 11 February 2010.

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

The Company has not granted options during the year 2013-14.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Method used for accounting of share based payment plan:

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

Movement in the options under the scheme:	31 March 2014	31 March 2013
Options outstanding at the beginning of the year	325,000	375,000
Options granted during the year	-	100,000
Options vested during the year	100,000	125,000
Options exercised during the year [Refer note (e) below]	325,000	150,000
Shares allotted against options exercised during the year	400,000	75,000
Options lapsed during the year	-	-
Shares under option at the end of the year	-	325,000
Options exercisable at the end of the year	-	225,000
Weighted average price per option (₹)	-	416.05

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

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 2014	31 March 2013
Net profit (as reported)	395.35	259.50
Less: Stock-based compensation expense determined under fair value based method net of Intrinsic Value (without considering tax impact)	0.21	1.19
Net profit (pro-forma) considered for computing EPS (pro-forma)	395.14	258.31
Basic earnings per share (as reported) (₹)	33.00	21.72
Basic earnings per share (pro-forma) (₹)	32.98	21.62
Diluted earnings per share (as reported) (₹)	33.00	21.70
Diluted earnings per share (pro-forma) (₹)	32.98	21.60

- (e) During the previous year ended 31 March 2013, an amount of ₹ 2.29 crores was received as advance against 75,000 stock options exercised by the Managing Director. The shares were allotted on 2 April 2013. The amount was 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.

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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 2014
Balance at the beginning of the year	257.03	3.96	0.63	266.76	1.42	(2.95)	526.85
Additions:							
Net profit after tax transferred from the statement of profit and loss	-	-	-	395.35	-	-	395.35
Foreign currency translation adjustment	-	-	-	-	-	0.50	0.50
On issue of equity shares	-	-	-	-	15.73	-	15.73
Transfer from surplus	36.89	-	-	-	-	-	36.89
	<u>293.92</u>	<u>3.96</u>	<u>0.63</u>	<u>662.11</u>	<u>17.15</u>	<u>(2.45)</u>	<u>975.32</u>
Deductions:							
Transfer to general reserve	-	-	-	36.89	-	-	36.89
Proposed dividend*	-	-	-	143.91	-	-	143.91
Tax on proposed dividend	-	-	-	24.46	-	-	24.46
Dividend for previous year on equity shares issued under ESOS after the year end	-	-	-	0.19	-	-	0.19
Tax on dividend for previous year on equity shares issued under ESOS after the year end	-	-	-	0.03	-	-	0.03
Balance at the end of the year	<u>293.92</u>	<u>3.96</u>	<u>0.63</u>	<u>456.63</u>	<u>17.15</u>	<u>(2.45)</u>	<u>769.84</u>

* The Board of Directors of the Company has recommended a dividend of ₹ 12/- per share of face value of ₹ 2/- amounting to ₹ 143.91 for the financial year ended 31 March 2014.

	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
	<u>257.03</u>	<u>3.96</u>	<u>0.63</u>	<u>409.09</u>	<u>1.42</u>	<u>(2.95)</u>	<u>669.18</u>
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	<u>257.03</u>	<u>3.96</u>	<u>0.63</u>	<u>266.76</u>	<u>1.42</u>	<u>(2.95)</u>	<u>526.85</u>

* The Board of Directors of the Company had 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.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2014	31 March 2013
Note 4 - Long-term borrowings		
Secured		
(a) Term loans		
From banks [Refer note (a) below]	28.08	26.79
(b) Long-term maturities of finance lease obligations [Refer note 10 (note (b)) for details of security, maturity period, repayment terms and rate of interest] [Secured by hypothecation of assets (vehicles) taken on lease]	0.34	0.41
	28.42	27.20

Note:

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

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 2014		31 March 2013	
	Asset	Liability	Asset	Liability
Depreciation	-	44.06	-	39.83
Voluntary retirement scheme, terminal compensation benefits	2.70	-	3.60	-
Statutory payments	23.78	-	17.62	-
Provisions allowed on payments, write off	7.69	-	4.05	-
Others	1.01	-	1.80	-
	35.18	44.06	27.07	39.83
		8.88		12.76

As at	31 March 2014	31 March 2013
Note 6 - Other long-term liabilities		
Deposits from customers	19.03	19.67
	19.03	19.67
Note 7 - Long-term provisions		
Employee benefits	3.93	4.67
	3.93	4.67
Note 8 - Short-term borrowings		
Unsecured		
From banks *	119.76	314.15
	119.76	314.15

* Includes:

- (i) Term Loan of ₹ Nil (previous year: ₹ 189.24): Rate of interest ranged between 9.25% to 9.35% per annum and period of maturity ranged between 1 day to 30 days. The same was fully repaid in the current year.
- (ii) Loan of ₹ 119.76 (previous year: ₹ 124.91) availed by Britannia and Associates (Mauritius) Private Limited, Mauritius to support working capital requirement of its Middle East subsidiaries. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an Interest rate of one year applicable LIBOR + markup as agreed with the bank. Date of maturity of the loan is 13 July 2014.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2014	31 March 2013
Note 9 - Trade payables		
Due to Micro, Small and Medium Enterprises	4.53	5.96
Others	552.16	387.55
	<u>556.69</u>	<u>393.51</u>
Note 10 - Other current liabilities		
Current maturities of long-term debt		
Term loans [Refer note (a) below]	1.47	38.51
Current maturities of finance lease obligations [Refer note (b) below]	0.11	0.14
Interest accrued but not due on borrowings	0.65	1.18
Unclaimed debenture interest *	0.47	0.50
Unpaid dividends *	2.48	2.24
Unclaimed debenture redemption balance *	1.24	5.82
Other payables:		
- Book overdraft	5.11	60.93
- Advance from customers	21.24	15.27
- Creditors for capital goods	10.55	14.70
- Statutory related liabilities (VAT, TDS, PF etc.)	52.48	60.60
- Other liabilities	145.73	77.53
	<u>241.53</u>	<u>277.42</u>

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

Notes:

(a) Term loan includes:

- (i) External commercial borrowings of ₹ Nil (previous year: ₹ 25.71) repayable in 60 months from 19 September 2008 being the date of origination of loan. Rate of interest being 7.1% per annum. The same has been repaid fully in the current year.
- (ii) The current maturities of interest free soft loan from Government of Oman through Oman Development Bank of ₹ 1.47 (previous year: ₹ 1.41) is repayable in 13 annual installments from 1 August 2006. Loan is secured by first ranking mortgage on all the tangible assets of the Al Sallan Food Industries Co. SAOC.
- (iii) The term loan of ₹ Nil (previous year: ₹ 11.39) availed by Britannia and Associates (Mauritius) Private Limited, Mauritius to fund its acquisition and support working capital of its Middle East subsidiaries. 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. The same has been repaid fully in the current year.

(b) Rate of interest for finance lease obligations ranges from 13.6% to 19.2% per annum.

Number of repayment installments (quarterly) for lease obligations ranges from 6 to 19.

Period of maturity for the lease obligations ranges from 1.5 year to 5 years.

As at	31 March 2014	31 March 2013
Note 11 - Short-term provisions		
Provision for employee benefits	10.35	8.69
Employee benefits - gratuity, net [Refer note 34 (b)]	-	0.05
Others:		
Excise related issues (a)	39.41	28.72
Sales tax and other issues (a)	48.58	38.85
Trade and other issues (a)	18.68	32.76
Provision for income tax	42.75	45.95
Proposed dividend	143.91	101.66
Tax on dividend	24.46	17.28
	<u>328.14</u>	<u>273.96</u>

(a) Refer note 29.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2014	31 March 2013
Note 13 - Non-current investments		
At cost less provision for other than temporary diminution		
<u>Long-term</u>		
<u>Unquoted</u>		
Non-trade investments		
Investments in equity instruments - Associates	0.87	1.14
Less: Provision for diminution in value of investments	0.01	0.01
	0.86	1.13
Investments in insurance policy	5.99	5.99
	6.85	7.12
<u>Quoted</u>		
Non-trade investments		
Investments in debentures / bonds	25.00	25.00
Investments in equity instruments	3.17	3.17
	28.17	28.17
	35.02	35.29
Note 14 - Long-term loans and advances		
Unsecured		
<i>Considered good:</i>		
- Capital advances	1.99	35.72
- Deposits	12.00	11.60
- Other loans and advances:		
Recoverable in cash or in kind or for value to be received	22.96	25.68
Advance income tax and tax deducted at source	11.18	8.37
Minimum alternative tax credit entitlement	10.82	8.50
<i>Considered doubtful:</i>		
- Loans and advances recoverable in cash or in kind or for value to be received	6.00	6.01
	64.95	95.88
Less: Provision for doubtful loans / advances	6.00	6.01
	58.95	89.87
Note 15 - Current investments		
Lower of cost or fair value		
<u>Current</u>		
<u>Unquoted</u>		
Non-trade investments		
Investments in mutual funds	162.85	72.91
	162.85	72.91

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

As at	31 March 2014	31 March 2013
Note 16 - Inventories *		
Raw materials	168.59	139.19
Packing materials	54.27	51.75
Work-in-progress	0.37	0.66
Finished goods	157.12	140.68
Stock-in-trade	13.59	18.12
Stores and spare parts	26.33	24.27
	<u>420.27</u>	<u>374.67</u>
* Refer note 1 (j) for mode of valuation for inventories.		
Note 17 - Trade receivables		
Unsecured		
<i>Considered good:</i>		
- Over six months	5.48	4.52
- Others	103.22	118.29
	<u>108.70</u>	<u>122.81</u>
<i>Considered doubtful:</i>		
- Over six months	4.88	4.83
- Others	0.26	6.22
	<u>113.84</u>	<u>133.86</u>
Less: Provision for doubtful debts	5.14	11.05
	<u>108.70</u>	<u>122.81</u>
Note 18 - Cash and bank balances		
<i>Cash and cash equivalents:</i>		
- Cash on hand	0.21	0.49
- Cheques on hand	49.74	45.13
- Current accounts	48.63	38.34
<i>Other bank balances:</i>		
- Unpaid dividend accounts	2.48	2.24
- Unclaimed debenture interest	0.47	0.72
- Deposit accounts [Refer note (a) below]	6.30	10.19
- Unclaimed debenture redemption balance	1.24	5.82
	<u>109.07</u>	<u>102.93</u>

Note:

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

As at	31 March 2014	31 March 2013
Note 19 - Short-term loans and advances		
Unsecured		
<i>Considered good:</i>		
- Deposits	3.49	2.37
- Other loans and advances		
Recoverable in cash or in kind or for value to be received	153.45	177.12
Inter-corporate deposits	75.00	-
Employee benefits - gratuity, net [Refer note 34 (b)]	1.33	-
Balances with customs, port trust, excise etc.	9.91	8.47
Interest accrued but not due	2.03	0.81
<i>Considered doubtful:</i>		
- Loans/advances recoverable in cash or in kind or for value to be received	2.90	2.90
	<u>248.11</u>	<u>191.67</u>
Less: Provision for doubtful loans and advances	2.90	2.90
	<u>245.21</u>	<u>188.77</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

For the year ended	31 March 2014	31 March 2013
Note 20 - Other operating revenues		
Royalty income	2.43	2.45
Scrap sales	22.81	21.99
Other receipts [Refer note (a) below]	38.14	25.06
Provisions and liabilities no longer required written back, net	20.01	-
	83.39	49.50

Note:

(a) Includes an amount of ₹ 32.68 (previous year: ₹ 17.48) towards VAT incentive for the Hajipur Factory, Bihar; Khurda Factory, Orissa and Sunrise Biscuit Company Private Limited, Assam in accordance with the State Industrial Policy of Bihar, Orissa and Assam Industrial (Tax Exemption) Scheme, 2009 respectively.

For the year ended	31 March 2014	31 March 2013
Note 21 - Other income		
Interest income		
Long-term	7.06	15.41
Current	7.03	9.51
Dividend income	0.28	0.24
Net gain/(loss) on sale of investments		
Long-term	-	0.86
Current	5.65	13.79
Other non-operating income:		
- Profit on sale of fixed assets	9.65	7.94
- Foreign exchange gain, net	-	0.12
- Provisions and liabilities no longer required written back, net	-	0.86
- Other receipts	3.92	3.51
	33.59	52.24
Note 22 - Purchase of stock-in-trade		
Biscuits and high protein food	266.53	240.88
Bread, bread toast and rusk	48.66	44.95
Cake	177.89	206.74
Others	32.05	25.94
	525.13	518.51
Note 23 - Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock:		
- Finished goods	140.68	140.70
- Stock-in-trade	18.12	9.20
- Work-in-progress	0.66	1.63
Closing stock:		
- Finished goods	157.12	140.68
- Stock-in-trade	13.59	18.12
- Work-in-progress	0.37	0.66
	(11.62)	(7.93)
Less: Excise duty on opening stock of finished goods	(4.14)	(3.88)
Add: Excise duty on closing stock of finished goods	4.25	4.14
Increase / (decrease)	0.11	0.26
	(11.51)	(7.67)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

	₹ in crores	
For the year ended	31 March 2014	31 March 2013
Note 24 - Employee benefits expense		
Salaries and wages	238.10	201.07
Contribution to provident and other funds	11.52	12.59
Staff welfare expenses	13.04	12.99
Voluntary retirement scheme expenditure	-	0.10
	262.66	226.75
Note 25 - Finance costs		
Interest expense:		
- Redeemable non-convertible bonus debentures	-	32.50
- Finance lease	0.05	0.11
- Bank and others	8.24	8.69
	8.29	41.30
Note 26 - Other expenses		
Consumption of stores and spares	20.49	15.18
Power and fuel	110.72	91.01
Rent [Refer note 28 (a)]	7.60	8.94
Repairs and maintenance:		
- Plant and equipment (a)	14.32	15.05
- Buildings (a)	2.62	1.72
- Others	19.16	16.04
Insurance	2.38	2.36
Rates and taxes, net	28.85	21.45
Carriage, freight and distribution	387.55	352.76
Auditor's remuneration (b):		
- Audit fees	0.66	0.66
- Other services	0.08	0.08
- Expenses reimbursed	0.12	0.10
Advertising and sales promotion	603.65	534.28
Conversion charges	453.36	419.68
Foreign exchange loss, net	1.03	-
Bad debts and advances written off, net	0.07	0.32
Miscellaneous	199.17	197.04
	1,851.83	1,676.67
(a) Includes stores consumed	7.06	8.19
(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 ₹ 39.81 (previous year: ₹ 45.39).
- (b) Bank guarantee and letter of credit for ₹ 21.8 (previous year: ₹ 22.44).
- (c) Discounted cheques ₹ 1.77 (previous year: ₹ 2.95).

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 ₹ 10.25 (previous year: ₹ 33.51).

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 ₹ 7.37 (previous year: ₹ 8.73) and ₹ 0.23 (previous year: ₹ 0.21) in respect of obligation under cancellable and non cancellable operating leases respectively have been recognised in the statement of profit and loss. With respect to Al Sallan Food Industries Co. SAOC, Oman, the Company has taken on lease a plot of land for factory premises at Sohar from the Public Establishment for Industrial Estates ("PEIE") for a period of 25 years from 1 January 1994 which is renewable thereafter for a further period of 25 years.

Future obligations of lease rentals applicable to above leased assets aggregate to ₹ 1.10 (previous year: ₹ 1.21) and are due:

	31 March 2014	31 March 2013
Not later than 1 year	0.23	0.21
Later than 1 year and not later than 5 years	0.87	0.84
More than five years	-	0.16
	<u>1.10</u>	<u>1.21</u>

(b) **Finance leases**

The Group has taken motor vehicles under finance leases. The total minimum lease payments and present value of minimum lease payments as at 31 March 2014 are as follows:

	31 March 2014		31 March 2013	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.17	0.11	0.20	0.14
Later than 1 year and not later than 5 years	0.39	0.34	0.48	0.41
	<u>0.56</u>	<u>0.45</u>	<u>0.68</u>	<u>0.55</u>

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.11 (previous year: ₹ 0.13) 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 2013	Additions *	Utilisation *	Reversals / adjustments *	31 March 2014
(a) Excise related issues	28.72	10.69	-	-	39.41
(b) Sales tax and other issues	38.85	9.86	(0.31)	0.18	48.58
(c) Trade and other issues	32.76	0.20	(0.31)	(13.97)	18.68

	1 April 2012	Additions *	Utilisation *	Reversals / adjustments *	31 March 2013
(a) Excise 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

(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 Honourable 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 Honourable Calcutta High Court disposed off the Writ Petition pending before the Single Judge. The Fund filed a Special Leave Petition ('SLP') before the Honourable Supreme Court against the Order of the Division Bench. The Honourable Supreme Court at its hearing on 12 May 2008 set aside the Order of the Division Bench of the Honourable 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 Honourable Calcutta High Court.

Pursuant to the directions of the Honourable 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 Honourable Madras High Court and by the Pensioners Welfare Association in the Honourable Calcutta High Court, the Honourable 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 Honourable City Civil Court, Bangalore, where the Honourable 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. Since then, the Funds have been complying with

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

the said Order. In April 2010, the Honourable City Civil Court 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. This was challenged by Britannia Industries Limited (“BIL” / “Company”) in an Appeal before the Honourable Karnataka High Court, the Honourable 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 Honourable City Civil Court, Bangalore, i.e. with effect from 17 June 2008. The Company filed Special Leave Petitions (SLPs) in the Honourable Supreme Court against the above Order of the Honourable Karnataka High Court, Bangalore. The Honourable Supreme Court passed an Order in January 2011 disposing of the SLPs, and directing that the Pension Fund should continue to pay pension as per the interim order passed by the Bangalore City Civil Court on 1 January 2009 (i.e. on Defined Contribution basis) till disposal of the suit by the Trial Court. The proceedings in the main suit are currently in progress in the Honourable Bangalore City Civil Court and Sessions Judge. However, in the meanwhile the Association further filed an application stating certain members have joined the Association post retirement from BIL and are eligible for pension and hence the Court should direct BIL and the Fund to pay pension to these employees, BIL and the Fund filed their objections to this Application on 31 August 2013.

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 2014	31 March 2013
(a) Net profit attributable to the equity shareholders	395.35	259.50
(b) Weighted average number of equity shares outstanding during the year	119,799,171	119,490,267
(c) Effect of potential equity shares on employee stock option outstanding	-	118,246
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	119,799,171	119,608,513
Nominal value of equity shares (₹)	2	2
Basic earnings per share (₹)	33.00	21.72
Diluted earnings per share (₹)	33.00	21.70

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 ₹ 6,491.14 (previous year: ₹ 5,837.91); assets located in India aggregating to ₹ 1,808.27 (previous year: ₹ 1,632.94) and capital expenditure in India aggregating ₹ 138.81 (previous year: ₹ 211.56).

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 |

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Relationships

3. Associates
 Klassik Foods Private Limited
 Nalanda Biscuits Company Limited
 Vasana Agrex and Herbs Private Limited

4. Key management personnel (KMP) *

- Managing Director Mr. Varun Berry
 Erstwhile Managing Director Ms. Vinita Bali

*Mr. Varun Berry was appointed as Executive Director (w.e.f. 11 November 2013). Further, effective from 1 April 2014, Mr. Varun Berry has been appointed as Managing Director of the Company. Ms. Vinita Bali has ceased to be Managing Director of the Company w.e.f. the close of business on 31 March 2014.

	Relationship	31 March 2014	31 March 2013
Related party transactions during the year:			
Remittance of dividend			
Associated Biscuits International Limited (ABIL), UK	Holding company	45.82	45.82
Others	Fellow subsidiary companies	5.92	5.92
Total		51.74	51.74
Purchase of finished goods			
Nalanda Biscuits Company Limited	Associate	64.01	19.53
Conversion charges			
Klassik Foods Private Limited	Associate	4.20	3.55
Remuneration #			
Mr. Varun Berry ##	KMP	1.39	-
Ms. Vinita Bali	KMP	4.11	4.10
		5.50	4.10
* Excludes: Contributions to employee retirement/post retirement and other employee benefits which are based on actuarial valuation done on an overall Company basis.			
## Mr. Varun Berry was appointed as Executive Director w.e.f. 11 November 2013, thus, the remuneration disclosed above is for the proportionate period. Further, effective from 1 April 2014, Mr. Varun Berry has been appointed as Managing Director of the Company.			
Shares allotted under employee stock option scheme for consideration received during the current year			
<u>Ms. Vinita Bali</u>	KMP		
Equity shares		0.07	0.02
Securities premium		13.46	1.42
Total		13.53	1.44
Shares allotted under employee stock option scheme for consideration received during the previous year (2012-13)			
<u>Ms. Vinita Bali</u>	KMP		
Equity shares		0.02	-
Securities premium		2.27	-
Total		2.29	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	Relationship	31 March 2014	31 March 2013
Related party transactions during the year:			
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	0.04	0.01
Nalanda Biscuits Company Limited	Associate	(0.31)	(0.31)
Total		(0.27)	(0.30)
Sale of goods/consumables and ingredients			
Nalanda Biscuits Company Limited	Associate	0.77	1.58
Related party closing balances as on balance sheet date:			
Outstanding - net receivables / (payables)			
Klassik Foods Private Limited	Associates	(0.06)	0.27
Nalanda Biscuits Company Limited	Associates	0.70	0.92
Total		0.64	1.19
Investments (including goodwill)			
Klassik Foods Private Limited	Associates	0.91	1.04
Nalanda Biscuits Company Limited	Associates	(0.22)	0.09
Vasna Agrex and Herbs Private Limited	Associates	0.01	0.01
Total		0.70	1.14
Provision for Investment			
Vasna 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 ₹ 8.30 (previous year: ₹ 8.00) as expenses under the defined contribution plans in the statement of profit and loss for the year.

	31 March 2014	31 March 2013
Benefit (Contribution to)		
Provident Fund *	5.08	4.73
Family Pension Scheme	1.52	1.37
Pension Fund	1.13	1.32
ESI	0.57	0.58
Total	8.30	8.00

* 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

(b) Post retirement benefit - Defined benefit plans

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

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

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

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
1. Reconciliation of opening and closing balances of the present value of the defined benefit obligation:					
Obligations at 1 April	21.54	19.61	20.35	20.09	18.72
Service cost	1.43	1.24	1.28	1.31	1.22
Interest cost	1.74	1.66	1.68	1.61	1.48
Benefits settled	(2.59)	(2.56)	(3.73)	(2.79)	(1.13)
Actuarial (gain) / loss	(0.58)	1.59	0.03	0.13	0.04
On acquisition	-	-	-	-	(0.24)
Obligations at the year end 31 March	21.54	21.54	19.61	20.35	20.09
2. Change in plan assets:					
Plan assets at 1 April at fair value	21.49	20.52	21.28	20.19	17.36
Expected return on plan assets	1.87	1.75	1.76	1.62	1.37
Actuarial gain / (loss)	(0.09)	(0.04)	(0.16)	0.07	0.10
Contributions	2.19	1.82	1.37	2.20	2.76
Benefit settled	(2.59)	(2.56)	(3.73)	(2.79)	(1.13)
On acquisition	-	-	-	-	(0.27)
Plan assets at 31 March at fair value	22.87	21.49	20.52	21.28	20.19
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	21.54	19.61	20.35	20.09
Plan assets at 31 March at fair value	22.87	21.49	20.52	21.28	20.19
Amount recognised in balance sheet asset / (liability)	1.33	(0.05)	0.91	0.93	0.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
4. Expenses recognised in the statement of profit and loss:					
Current service cost	1.43	1.24	1.28	1.31	1.22
Interest cost	1.74	1.66	1.68	1.61	1.48
Expected return on plan assets	(1.87)	(1.75)	(1.76)	(1.62)	(1.37)
Actuarial (gain) / loss	(0.49)	1.63	0.19	0.06	(0.06)
Net cost	0.81	2.78	1.39	1.36	1.27
5. Amount recognised in the balance sheet:					
Opening asset / (liability)	0.05	(0.91)	(0.93)	(0.10)	1.36
On acquisition	-	-	-	-	0.03
Expense as above	0.81	2.78	1.39	1.36	1.27
Employers contribution paid	(2.19)	(1.82)	(1.37)	(2.20)	(2.76)
Closing (asset) / liability	(1.33)	0.05	(0.91)	(0.93)	(0.09)
6. Experience adjustment:					
On plan liabilities (gain) / loss	1.46	0.79	0.51	0.41	0.57
On plan assets gain / (loss)	(0.09)	(0.04)	(0.16)	0.07	(0.04)
7. Investment details:	%	%	%	%	%
	Invested	Invested	Invested	Invested	Invested
Government of India securities	17.54	20.85	21.51	20.93	18.89
State Government securities	20.42	17.70	15.89	13.08	14.84
Public sector securities	34.50	35.54	34.80	41.41	41.23
Mutual funds	1.15	0.80	0.62	0.52	0.70
Special deposit scheme	2.59	2.94	6.61	6.30	6.62
Others	23.80	22.17	20.57	17.76	17.72
	100.00	100.00	100.00	100.00	100.00
8. Principal actuarial assumptions:					
Discount factor [Refer note (i) below]	9.02%	8%	8.50%	8.25%	8%
Estimated rate of return on plan assets [Refer note (ii) below]	9.02%	8%	8.50%	8.25%	8%
Attrition rate:					
Service related:					
Below 5 years	4%	2%	2%	1%	1%
5 years and above	14%	14%	14%	14%	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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

- (c) The charge for retirement benefits of Al Sallan Food Industries Co. SAOC and Strategic Food International Co. LLC, Dubai has been calculated in accordance with the laws applicable in their countries of incorporation which amounts to ₹ 2.41 (previous year: ₹ 1.81).

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 2014. 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 Standard 11- " The Effects of Changes in Foreign Exchange Rates". Accordingly, the amount receivable of ₹ Nil (previous year: ₹ 25.71) and loan payable of ₹ Nil (previous year: ₹ 20.08), relating to foreign exchange forward contracts for hedging have been netted off and disclosed under 'Short-term loans and advances'.

The Company has designated certain foreign exchange forward contracts (relating to foreign currency receivables and payables) outstanding as on 31 March 2014 as hedge of committed transaction. On that date, the Company had forward contracts amounting to USD 2,686,908 and EUR 58,287 (previous year: USD 1,741,026 and EUR 39,150). As at the year end the unrealized exchange gain of ₹ 0.55 crores has not been accounted for (previous year: unrealized exchange loss of ₹ 0.05 crores 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 Nil / ₹ Nil (previous year: USD 185,294 / ₹ 1.01).

Note 37 **Capital subsidy**

During the year ended 31 March 2013, an amount of ₹ 5 was received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 0.54 (previous year: ₹ 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 ₹ 4.28 (previous year: ₹ 4.82) has been classified as capital subsidy in the balance sheet [Refer note 1 (w)].

Note 38 Previous year's figures have been regrouped/reclassified as per the current year's presentation for the purpose of comparability. The following significant regroupings / reclassifications of the previous year figures have been made:

Particulars	Previous year grouping	Current year grouping	Amount
Excise and service tax related issues	Long-term provisions	Short-term provisions	28.72
Sales tax and other issues	Long-term provisions	Short-term provisions	38.85
Trade and other issues	Long-term provisions	Short-term provisions	32.76
Provision for income tax	Long-term provisions	Short-term provisions	37.90

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in crores

Note 39 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 2014	31 March 2013	31 March 2014	31 March 2013
Purbasha Properties Private Limited (repayment schedule in excess of 7 years)	3.30	3.63	3.63	3.95

Note 40 Figures in rupees have been rounded off to two decimal places to the nearest crore, unless otherwise stated.

Note 41 The financial statements are presented in ₹ crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ crores are given below:

Note No.	Description	₹ in '000	
		31 March 2014	31 March 2013
13.	Non-current investments:		
	(a) Unquoted - Trade investments - Investments in debentures/bonds	4	4

As per our report of even date attached

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

Sunil Gaggar
Partner
Membership number: 104315
Place : Bangalore
Date : 26 May 2014

for and on behalf of the Board of Directors
Chairman : Nusli N Wadia
Managing Director : Varun Berry
Directors : A K Hirjee
S S Kelkar
Nasser Munjee
Nimesh N Kampani
Jeh N Wadia
Keki Dadiseth
Ajai Puri
Ness N Wadia
Vijay L Kelkar
Chief Financial Officer : Vinod Krishna Menon
Company Secretary : Vivek P. Raizada
Place : Mumbai
Date : 26 May 2014

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.

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	(13,152)	13,795	237	120	-	(84)	-	(84)	-	India
2	Britannia Dairy Private Limited	INR	-	-	117,800	449,500	853,800	286,500	193,100	3,043,200	106,700	-	106,700	-	India
3	Britannia Employees' Educational Welfare Association Private Limited	INR	-	-	1,752	1,156	2,961	53	-	160	99	31	68	-	India
4	Britannia Employees' General Welfare Association Private Limited	INR	-	-	1,750	1,036	2,864	78	-	151	115	36	79	-	India
5	Britannia Employees' Medical Welfare Association Private Limited	INR	-	-	1,800	809	2,663	54	40	131	95	29	66	-	India
6	Daily Bread Gourmet Foods (India) Private Limited	INR	-	-	226,726	(219,056)	94,334	86,664	-	200,900	(32,971)	-	(32,971)	-	India
7	Flora Investments Company Private Limited	INR	-	-	2,843	14,688	17,772	241	-	-	(75)	-	(75)	-	India
8	Ganges Vally Foods Private Limited	INR	-	-	6,000	38,331	74,741	30,410	-	169,187	4,273	1,884	2,389	-	India
9	Gilt Edge Finance and Investments Private Limited	INR	-	-	2,498	15,467	18,210	245	-	-	(80)	-	(80)	-	India
10	International Bakery Products Limited	INR	-	-	5,000	12,193	131,225	114,032	-	181,209	4,383	1,519	2,864	-	India
11	J B Mangharam Foods Private Limited	INR	-	-	4,502	38,556	270,770	227,712	54	256,247	3,824	1,343	2,481	-	India
12	Manna Foods Private Limited	INR	-	-	3,750	(4,594)	645,693	646,537	21	294,002	(1,917)	-	(1,917)	-	India
13	Sunrise Biscuit Company Private Limited	INR	-	-	141,995	11,713	433,533	279,825	-	1,441,898	1,038	813	225	-	India
14	Al Sallan Food Industries Co. SAOC	OMR	155.52	156.82	311,040	(831,186)	658,686	1,178,832	-	1,356,409	(33,404)	-	(33,404)	-	Oman
15	Strategic Food International Co. LLC, Dubai	AED	16.30	16.44	317,850	(422,144)	1,563,067	1,667,361	-	2,722,330	47,423	-	47,423	-	Dubai
16	Britannia and Associates (Dubai) Private Company Limited, Dubai ##	USD	59.88	60.39	16	(123,514)	2,533,647	2,657,145	-	38,832	(2,714)	-	(2,714)	-	Dubai - JAFZA
17	Britannia and Associates (Mauritius) Private Limited, Mauritius	USD	59.88	60.39	1,459,401	(12,010)	2,650,686	1,203,295	-	38,066	5,836	153	5,683	-	Mauritius
18	Britannia Dairy Holdings Private Limited, Mauritius ##	USD	59.88	60.39	443,890	(192,610)	251,409	129	-	-	(8,422)	-	(8,422)	-	Mauritius
19	Strategic Brands Holding Company Limited, Dubai	USD	59.88	60.39	16	(4,352)	41	4,377	-	-	(783)	-	(783)	-	Dubai - JAFZA

* Converted using closing exchange rate

Converted using average exchange rate

± Represents contribution

Consolidated based on unaudited accounts

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SIGNIFICANT RATIOS

			2013-14	2012-13
Measures of Investment				
Return on equity	$\frac{\text{Net profit}}{\text{Shareholders' funds}}$	%	43.3	36.7
Book value per share	$\frac{\text{Shareholders' funds}}{\text{Number of equity shares}}$	₹	71.2	53.2
Dividend cover	$\frac{\text{Earnings per share (Basic)}}{\text{Dividend (plus tax) per share}}$	times	2.2	2.0
Measures of Performance				
Profit margin	$\frac{\text{Profit before tax and exceptional items}}{\text{Revenue from operations + Other income}}$	%	8.9	5.9
Debtors turnover	$\frac{\text{Sale of products}}{\text{Trade receivables}}$	times	118.2	73.3
Stock turnover	$\frac{\text{Sale of products}}{\text{Inventories (Finished goods + Stock-in-trade)}}$	times	41.8	40.7
Measures of Financial Status				
Debt equity ratio	$\frac{\text{Long-term borrowings + Short-term borrowings + Current maturities of long-term debt and finance lease obligations}}{\text{Shareholders' funds}}$	%	0.1	33.9
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities - Current maturities of long-term debt and finance lease obligations}}$	times	0.9	0.7
Tax ratio	$\frac{\text{Provision for tax}}{\text{Profit before tax}}$	%	31.8	29.6

Britannia Annual Report 2013-14

TEN YEAR FINANCIAL STATISTICS : 2005 - 2014

₹ in crores

As at / Year ended 31 March	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Assets employed										
Fixed assets less depreciation and amortisation	133.84	151.64	214.40	250.68	283.86	291.47	315.40	458.82	580.12	642.88
Investments (non-current and current)	330.08	359.86	320.05	380.83	423.10	490.64	545.00	428.94	279.60	372.99
Other assets / (liabilities), net	(48.50)	30.89	59.57	207.17	116.10	43.76	22.34	66.78	(7.83)	(161.96)
Miscellaneous expenditure	34.24	16.06	25.58	23.23	26.64	-	-	-	-	-
	449.66	558.45	619.60	861.91	849.70	825.87	882.74	954.54	851.89	853.91
Financed by										
Equity shares	23.89	23.89	23.89	23.89	23.89	23.89	23.89	23.89	23.91	23.99
Reserves and surplus	419.63	525.20	590.93	731.92	800.65	372.36	427.41	496.15	612.50	829.47
Loan funds (long-term borrowings, short-term borrowings and current maturities of long term debt & finance lease obligations)	6.14	9.36	4.78	106.10	25.16	429.62	431.44	434.50	215.48	0.45
	449.66	558.45	619.60	861.91	849.70	825.87	882.74	954.54	851.89	853.91
Profits and appropriations										
Sale of products	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	6,347.85
Profit before depreciation, amortisation, exceptional items and tax	261.03	217.56	151.38	253.56	286.61	204.96	242.65	299.69	389.26	626.00
Depreciation and amortisation	18.97	21.72	25.27	29.08	33.46	37.54	44.59	47.32	57.08	63.38
Profit before exceptional items and tax	242.06	195.84	126.11	224.48	253.15	167.42	198.06	252.37	332.18	562.62
Exceptional items	(21.82)	4.88	(7.70)	7.78	(20.63)	(46.64)	-	-	-	(20.00)
Profit before tax	220.24	200.72	118.41	232.26	232.52	120.78	198.06	252.37	332.18	542.62
Tax	71.47	54.29	10.76	41.26	52.12	4.27	52.77	65.63	98.31	172.79
Net profit	148.77	146.43	107.65	191.00	180.40	116.51	145.29	186.74	233.87	369.83
Dividend	33.45	35.84	35.84	43.00	95.56	59.73	77.64	101.53	101.66	143.91 *
Tax on dividend	4.69	5.03	6.09	7.31	16.24	9.92	12.60	16.47	17.28	24.46 #
Profit for the year after dividend and tax thereon	110.63	105.56	65.72	140.69	68.60	46.86	55.05	68.74	114.93	201.46

* Proposed dividend

Tax on proposed dividend

YOUR BRAND BRITANNIA
 WAS CHOSEN BY CONSUMERS
 TO BE AWARDED AT VARIOUS FORUMS.



The Platinum Award
 (Packaged Foods category)
 in the Reader's Digest Trusted
 Brand Awards 2014.



The Most Attractive Brand 2013
 (F & B- Diversified Category)
 in the TRA - India's Most Attractive
 Brands Survey 2013.



India's 2nd Most Meaningful
 Brand 2013, in the Havas
 Media survey which ranks brands
 in order of the shared value they
 create by enhancing quality of life and
 well-being of consumers and the
 communities they live in.



Bronze award winner for
 Best Brand Campaign
 (Britannia Tiger) at Times of India,
 Big Bang Awards 2013.







Executive Office
Britannia Gardens, Old Airport Road,
Vimanapura, Bangalore - 560 017
Ph: 080 - 3940 0080, Fax: 080 - 2526 6063

Registered Office
5/1A Hungerford Street,
Kolkata - 700 017, West Bengal.
Ph: 033 - 2287 0505/ 2287 2439/ 2287 2057
Fax: 033 - 2287 2501



FORM A

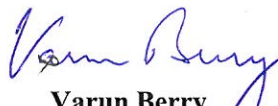
Covering Letter to the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	Britannia Industries Limited
2.	Annual financial statements for the year ended	31 March 2014
3.	Type of Audit Observation	Unqualified
4.	Frequency of observation	Not Applicable

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

for Britannia Industries Limited


Sunil Gaggar
Partner
Membership No.: 104315


Varun Berry
Managing Director


Vinod Krishna Menon
Chief Financial Officer


Nasser Munjee
Chairman- Audit Committee

Place: Bangalore
Date: 26 May 2014

Place: Mumbai
Date: 26 May 2014

Place: Mumbai
Date: 26 May 2014

Place: Mumbai
Date: 26 May 2014

AS