



13<sup>th</sup> June, 2020

The Secretary  
BSE Limited  
Phiroze Jeejeebhoy  
Towers, Dalal Street  
Fort, Mumbai - 400 001

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

Dear Sir/Madam,

**Sub : Annual Report for the financial year 2019-20 and Notice convening the 101<sup>st</sup> Annual General Meeting**

**Ref : Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for FY 2019-20 along with the Notice convening the 101<sup>st</sup> Annual General Meeting (AGM) of the Company.

In compliance with Ministry of Corporate Affairs Circular no 20/2020 dated 5 May, 2020 read with Circular no. 14/2020 dated 8 April, 2020 and Circular no 17/2020 dated 13 April, 2020 respectively and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Annual Report of the Company for FY 2019-20 and Notice of 101<sup>st</sup> AGM have been sent through email to all the Members whose Email Ids are registered with the Company/Depository Participant.

Request you to take the above information / documents on records.

Yours faithfully,  
**For Britannia Industries Limited**

**T.V Thulsidass**  
**Company Secretary**  
**Membership No.: A20927**

Encl: as above

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

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





Tomorrow  
will be a  
**Good  
Day**





# STRONG TODAY FOR A BRIGHTER TOMORROW

We have lived through strange times in the last few months. India has been uprooted from its state of normalcy and the country is dealing with uncertainty, disruptions in business and new norms of social distancing. It takes a strong foundation to weather the biggest storm this generation has seen. And the testing times showed us that we are stronger than ever.

Every member in the Britannia ecosystem stood up to the occasion, braving hurdles that came their way - from rapidly changing laws, health and hygiene practices, to lack of labour and transportation.

It is not the fastest or the strongest who will thrive in this environment. It will be the ones who are the most adaptive. We have worked together as a team, adapted every day, come up with innovative ways of working and kept the wheels of business in motion better than ever before.

We have been driven by the hunger to build our business and at the same time, help our nation by staying committed to our vision of providing affordable nutrition to all. And it is this never-say-die attitude that gives us hope that tomorrow will be a Good Day - for India, for Britannia.







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# KEY HIGHLIGHTS 2019-20



INDIA'S  
**NO.1**  
MOST TRUSTED  
FOOD BRAND

PART OF  
NIFTY  
**50**  
LEAGUE

AMONGST  
TOP  
**16**  
EMPLOYERS  
IN INDIA

MEGA  
**360°**  
CONSUMER  
ACTIVATION:  
BRITANNIA KHAO  
WORLD CUP JAO

**2%**  
OF REVENUE  
FROM NEW  
CATEGORIES

**7**  
NEW  
PRODUCT  
INNOVATIONS





# RETURN OF THE LEGENDARY 'BRITANNIA KHAO WORLD CUP JAO' CAMPAIGN

**70**  
**LAKH+**  
ENTRIES  
RECEIVED

A group of people, including men and women, are shown enjoying Britannia Khao World Cup Jao. They are wearing blue clothing and have the Indian national flag painted on their faces. They are holding and eating various Britannia products like Nutri Choice, Bouillon, and ChocoLush. The background shows a cricket stadium with a large crowd and bright lights. A green graphic of a batsman is overlaid on the left side of the image.

**10**  
runs

**BRITANNIA KHAO  
WORLD CUP JAO**  
WIN A TRIP & OTHER EXCITING PRIZES\*

Click on the icon to play the advertisement



# RELAUNCHED OUR BIGGEST BRAND GOOD DAY



**Bold** new  
packaging

New  
**Khushiyon  
Ki Zidd karo**  
campaign



Click on the icon to play the advertisement



# MARIE GOLD MY START UP CONTEST

- 1 Contest prize of Rs.10L each for the Top 10 business ideas
- 2 10,000 homemakers to undergo skill development in association with Skill India



Click on the icon to play the advertisement



# NEW TO MARKET INNOVATIONS



Click on the icon to play the advertisement





Click on the icon to play the advertisement



# NEW CATEGORIES @ 2% OF REVENUE



Click on the icon to play the advertisement





SPICY TOMATO  
FLAVOUR





# EXPANDED OUR MANUFACTURING FOOTPRINT

## 1. Nepal operations commenced



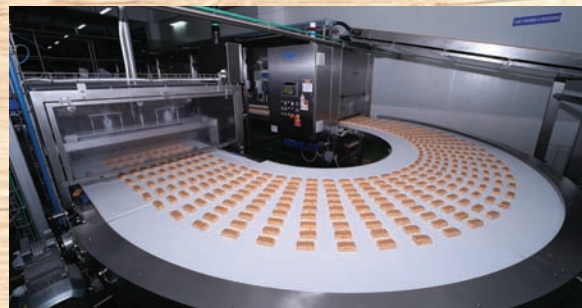
## 2. Ranjangaon Mega Food Park scaled up

**5**  
BISCUIT  
LINES

**2**  
CAKE  
LINES

**1**  
CROISSANT  
LINE

**1**  
SNACKS  
LINE





# ENGAGED TEAMS: AT WORK AND BEYOND



## Bettering Scores Year on Year



## BritFit:

Onsite & Digital wellness interventions



## Big Hearts:

Employee Volunteering Program with 12 NGOs



Entrenching Core Values of EVP Program

## Make Things Happen



## BTheChange:

Statewide cleanliness drive





# COMPANY PERFORMANCE

## Revenue from operations

(₹ in Crores)



## Net profit

(₹ in Crores)



## Shareholders Funds

(₹ in Crores)



(As on 31 March)

## Dividend

(%)



(Dividend % excludes bonus debentures)

## Market Capitalisation

(₹ in Crores)



(As on 31 March)

Note: All figures are given on standalone basis.



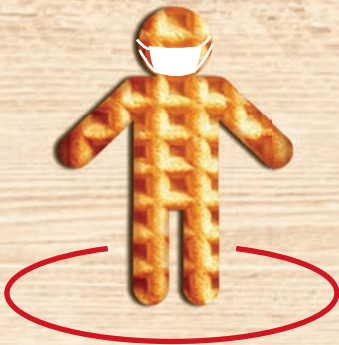
# AWARDS & ACCOLADES

The Economic  
Times Brand Equity  
'Most Trusted Brands'  
survey





**THE YEAR ENDED  
WITH A CHALLENGE THAT  
BROUGHT US TO A  
STANDSTILL**





# ENSURED AVAILABILITY OF OUR PRODUCTS DURING THE CRISIS

When the COVID 19 wave hit us, we found innovative ways to ensure that we reach our consumers.



## Partnering with **Dunzo**

To deliver Britannia products right to our consumers' doorstep



## Launching the **Britannia Store Locator**

'WhatsApp' based tool which enables consumers to find stores with Britannia products near them



## Agile **Supply Chain Response**

Factories & Warehouses promptly adapted to social distancing & hygiene norms



## Innovative **Delivery Solutions**

Overcoming lockdown obstacles





# BRITANNIA AND THE WADIA GROUP WORKED TOGETHER TO LEND A HELPING HAND

**1.35 crore+ meal equivalents**

**90 lakh** packs of Biscuits, Cakes and Rusks served to **19 states**





**WE'RE SETTING  
THE STAGE  
FOR A BRAND NEW  
GOOD DAY**







# CORPORATE INFORMATION

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## **CHAIRMAN:**

Mr. Nusli N Wadia

## **MANAGING DIRECTOR:**

Mr. Varun Berry

## **DIRECTORS:**

Mr. A.K. Hirjee  
Mr. Avijit Deb  
Mr. Jeh N Wadia  
Mr. Keki Dadiseth  
Dr. Ajai Puri  
Mr. Ness N Wadia  
Dr. Ajay Shah  
Dr. Y.S.P Thorat  
Mr. Keki Elavia  
Mrs. Tanya Dubash

## **MANAGEMENT TEAM:**

Mr. N Venkataraman - Chief Financial Officer  
Mr. Vinay Singh Kushwaha - Chief Supply Chain Officer  
Mr. Gunjan Shah - Chief Commercial Officer  
Mr. Sudhir Nema - Chief Development & Quality Officer  
Mr. Manjunath Desai - Vice President - Consumer Insight, Media & Competitive Intelligence  
Mr. Ritesh Rana - Vice President - Human Resource  
Mr. Manoj Balgi - Vice-President - Procurement  
Mr. Annu Gupta - Vice President - International Business  
Mr. Vipin Kumar Kataria - Vice President - Adjacency Business  
Mr. Vinay Subramanyam - Vice President - Marketing

## **COMPANY SECRETARY:**

Mr. T.V. Thulsidass

## **AUDITORS:**

B S R & Co. LLP  
Chartered Accountants  
B Block, 3rd Floor,  
Embassy Golf Links Business Park,  
Pebble Beach  
Bengaluru - 560 071

## **BANKERS:**

HDFC Bank Limited  
ICICI Bank Limited  
State Bank of India  
Citibank N.A.  
Coöperatieve Rabobank U.A.  
The Hongkong and Shanghai Banking Corporation Limited  
Standard Chartered Bank



## BOARD'S REPORT

Your Directors present their Report together with the Audited Financial Statements for the year ended 31 March 2020.

### I. FINANCIAL PERFORMANCE

#### a. Standalone Financial Results

Particulars	₹ in Crores	
	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from Operations	10,986.68	10,482.45
Profit before tax	1,908.26	1,716.11
Profit after tax	1,484.30	1,122.20
<b>Dividend:</b>		
Final Dividend (including tax thereon)	-	422.27 <sup>^</sup>
Interim Dividend*	841.64	-

\*Dividend Distribution Tax is not applicable with effect from 1 April 2020

<sup>^</sup> Net of dividend distribution tax on dividend received from one of the subsidiaries

#### b. Consolidated Financial Performance

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

Consolidated Sales of your Company for the financial year ended 31 March 2020 is ₹ 11,443.99 Crores vis-à-vis ₹ 10,973.46 Crores in the previous year, registering a growth of 4.3%. Consolidated Net Profit attributable to the owners of the Company for the financial year ended 31 March 2020 is ₹ 1,402.63 Crores vis-à-vis ₹ 1,159.12 Crores in the previous year, registering a growth of 21%.

#### c. Overview of Company Performance

Your Company witnessed moderate growth in the first half of the year. The last part of 4<sup>th</sup> quarter was impacted by the unforeseen development of the COVID-19 pandemic. Despite the challenging business environment during the year 2019-20, your Company was able to increase its market share and improve profitability through innovations, cost efficiency programs and expansion in distribution.

COVID-19 has had a catastrophic impact on people and economy globally. We, in Britannia focussed on the following during this crisis:

(a) Safety of employees and other stakeholders &

(b) Ensuring availability of our products, which are daily essentials, across the country.

During this crisis, the Wadia Group of Companies contributed to the nation's cause by providing 1.35 crore meal & meal equivalents and 90 lacs of bakery packs to the less fortunate, especially migrants, across 19 states and 110 cities.

Your Directors wish to place on record their appreciation to the Company's employees, suppliers, customers & Government authorities for their selfless efforts which helped your Company reach normalcy in operations within few weeks of lock-down. The ownership and responsiveness shown by all the stakeholders is unparalleled and is a testimony of the spirit of this great organisation.

Your Company shall review the long term impact of the pandemic and take all steps necessary to adapt itself to emerging changes and the new normal.

#### d. Subsidiaries, Associates and Joint Ventures

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

During the year under review, your Company incorporated a wholly owned subsidiary in Dhaka, Bangladesh under the name of Britannia Bangladesh Private Limited. Your Company sold its equity stake in Klassik Foods Private Limited, an Associate Company, during the year.

#### e. Dividend

The Board of Directors at their Meeting held on 23 April 2020 declared Interim Dividend @ 3500% i.e., ₹ 35 per Equity Share of ₹ 1/- each for FY 2019-20. The Interim Dividend was paid to the shareholders holding shares as on Record Date i.e., Saturday, 2 May 2020. The total dividend payout for FY 2019-20 stands at ₹ 841.64 Crores.

#### f. Bonus Debentures

Your Company, on completion of 100 years, rewarded its shareholders with allotment of 24,03,18,294 3-year secured, non-convertible, redeemable, fully paid-up Bonus Debentures of face value of



₹ 30/- each, bearing interest at 8% p.a., to the Members of the Company, as on the Record Date, 23 August 2019, as per the ratio stipulated in the Scheme of Arrangement i.e., 1 fully paid-up Debenture of face value of ₹ 30/- each for every 1 fully paid-up equity share of face value of Re 1/- each.

**g. Reserves**

Your Company transferred an amount of ₹ 148.43 Crores to the General Reserve and ₹ 180.24 Crores to the Debenture Redemption Reserve during the financial year ended 31 March 2020.

**h. Share Capital**

During the year under review, your Company allotted 1,50,002 equity shares of ₹ 1/- each upon exercise of options under Britannia Industries Limited Employee Stock Option Scheme. Consequently, the paid up equity share capital of your Company increased by ₹ 1,50,002 during the year.

**II. OPERATIONAL PERFORMANCE**

**a. The Britannia Promise to Spread Delight**

The desire to delight consumers with products that deliver excitement and goodness in every bite is at the heart of Britannia's promise. Your Company's commitment to deliver unique and ecstatic experiences to consumers continued to be the guiding principle of operations.

**b. Supply Chain & Operations**

Your Company, in the quest of improving competitiveness in its operations, has been carrying out various Cost Efficiency and Operational Excellence Programs across the value chain. During the year, your Company implemented Small Group Activity Programs across all its factories to strengthen the culture of safety of workers in such programs. Further, your Company successfully commissioned 3 Biscuit Lines and 1 Snack line at the Integrated Food Park, Ranjangaon, Maharashtra and operationalized its greenfield unit in Nepal.

**c. Environment, Health and Safety**

EHS policy of your Company drives Zero Accident Culture and that stands out as a Key differentiator to drive workplace safety initiatives. Your Company, during the year, reduced recordable injuries by 27% over the previous year.

All our manufacturing units are certified for conformance to OHSAS 18001 standards, other than a few recently commercialized units. Your Company manages occupational health and safety by systematically assessing the hazards and mitigating risks through awareness programs and safety training for employees.

Your Company has constituted a Central Medical Council that addresses health and hygiene needs at workplace by engaging with occupational health experts and providing advice to site based medical and paramedical staff to proactively manage health and wellness of employees.

A process was put in place to manage risks related to COVID-19 by day-to-day health monitoring of all employees and sanitising the workplace with the highest standard. Social distancing measures go beyond plant boundaries and all transport vehicles adhere to stipulated needs outlined by the government.

Your Company has also constituted a Central Environment Council led by subject matter experts to enable compliance to air, water and solid waste management. Water stewardship plan is in place to move towards water conservation and recharge.

**d. Quality Programs**

Quality and Food Safety continue to be key priorities for your Company. Your Company's efforts to ensure delivery of superior, safe and compliant products to its consumers were further strengthened during the year.

You would be happy to know that all the existing manufacturing units of your Company including contract manufacturing units are certified by an accredited third party in accordance with 'Hazard Analysis Critical Control Points' (HACCP) / ISO 22000 standards and operate in compliance with stringent food safety and quality standards.

Your Company has received American Institute of Baking (AIB) Certification for 13 of its manufacturing units through compliance to Global Food Safety Standards.

Your Company's "Consumer Care Cell" continues to be compliant to the 'Global standards on customer satisfaction & Guidelines on complaint handling' and sustained the revised requirements and certification ISO 10002:2018 during the year.



You will be delighted to know that your Company was recognized as “Food Company of the Year 2019” for the second time in succession at the India Food Safety Excellence Awards 2019 organized by SYNEX.

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

In its quest to be a ‘Global Total Foods Company’, your Company is leveraging its R&D capabilities and expertise to innovate & renovate, provide world class products, improve packaging and reduce wastages.

Your R&D team has been working relentlessly towards building technology capabilities to provide more nutrients in Company’s product portfolio. It has successfully built capability to use alternate cereals, whole grains, super seeds and protein isolates in the product portfolio.

During the year, “Britannia Nutrition Policy” was also adopted with the objective to provide consumers with convenient, delightful food choices to meet their daily nutritional needs and thereby contribute to a better quality of life and address major country specific nutrition related public health concerns like undernutrition and iron deficiency anaemia.

As part of its continuing efforts to ‘Make a Difference’ to the community, your Company continues to invest in research and development to address key nutritional deficiencies. According to National Family Health Survey 4 (2015-16), anaemia continues to be a prime health concern across India with ~53% of the women being anaemic. In order to address Iron Deficiency Anaemia (IDA), your Company has developed a tasty and affordable Iron & Folic Acid fortified biscuit delivering 50-75% RDA of these nutrients to the women.

You will be happy to know that the ‘Suphoshan’ Nutrition Intervention Program undertaken by the Britannia Nutrition Foundation (BNF), Narayana Health Charitable Trust and National Health Mission, Government of Rajasthan in adolescent school going children with iron and folic acid fortified biscuits developed by your Company’s R&D team has led to significant increase in the haemoglobin levels in adolescents.

You will be delighted to know that your Company is the highest scoring among Indian headquartered companies in meeting the nutrition needs of consumers declared by “Access to Nutritional Index” (ATNI) in the 2<sup>nd</sup> iteration of the India spotlight 2020. Your Company was acknowledged for significant improvement since the last index in 2016.

Your Company aims to recycle, reduce and recover used plastic for sustainability. R&D team has been continuously working to reduce usage of plastic by removing plastic trays from the portfolio and is in the process of developing 100% reusable packaging. Your Company has successfully scaled up Extended Producers’ Responsibility (EPR) initiatives PAN India for multilayer and plastic packaging waste collection and energy recovery in association with IPCA (Indian Pollution Control Association).

**f. Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo**

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

**g. Brands**

2019-20 was a challenging year due to economic slowdown in the country impacting consumer spending. However, your Company’s focus on brand building, delivering superior products and creating point of view based communication ensured growth and market leadership.

This was made possible by a host of marketing strategies and interventions.

**Experiential activation of Brand Britannia - Britannia Khao World Cup Jao**

Your Company brought back one of its most memorable campaigns – *Britannia Khao World Cup Jao* in April 2019. The nostalgic campaign, which debuted in 1999, brought together your Company and ICC Men’s Cricket World Cup, with the mega prize of trip to watch live match in England and Wales.

The promotion also offered a bouquet of experiences and rewards to millions of consumers. The share of voice that the campaign garnered across media was unparalleled by any other brand which was active around the sporting event.

**Strengthening core brands with activation and advertising**

Your Company’s leading biscuit brand, Good Day strengthened its presence in the market with new campaign in November 2019 which starred Deepika



Padukone, leading Bollywood Actor. The campaign “*Khushiyan Ki Zidd Karo*” was to encourage people to reprioritize their goals and chase happiness instead.

Britannia Marie Gold launched the 2<sup>nd</sup> season of ‘*Britannia Marie Gold My Startup*’ initiative which provides financial assistance to homemakers with entrepreneurial ideas. This year, the brand partnered with National Skill Development Corporation (NSDC) to launch **India’s first-ever skill development program customized for women with entrepreneurial aspirations**. 10,000 women homemakers from across the country will undergo this online certification from the comfort of their homes. The *Britannia Marie Gold My Start Up* initiative is designed to help India’s homemakers become financially independent and transform them into job creators.

Your Company also expanded its brand Milk Bikis to North & West India with new campaigns, market visibility and intensive sales efforts.

#### Powerful Relaunches

Your Company has re-launched NutriChoice Cream Crackers and NutriChoice Thin Arrowroot with improved product mix, visual product differentiation and differentiated packaging which have helped these brands to grow much faster than the industry.

#### Innovation Leadership - Britannia has re-enforced its thought & market leadership through multiple pioneering innovations

Britannia nurtured innovations that were launched at the end of FY 2018-19 - Britannia Treat Burst, Britannia Treat Stars and Britannia 50-50 Jeera during FY 2019-20. In addition, two variants were launched under Treat - Tiramisu and Red Velvet as an “*in and out*” during the year and these were received very well by the consumers. Little Hearts Strawberry was also launched which is under test marketing in Maharashtra.

#### Wooing the millennial, digital consumers through disruptive digital content

Little Hearts, a digital only brand, had launched a differentiated campaign for Valentine’s Day, with a first-of-its-kind Qawwali- Rap battle, featuring Kaam Bhari and Ahsaas Channa. The brand-new song released on the eve of Valentine’s Day is set in a rap-meets qawwali genre and is a fresh, fun and edgy take on heartbreaks and received more than 10 million views.

#### Britannia Good Day, India’s Most Trusted Food Brand in reputed nation-wide consumer survey

In the reputed ‘Most Trusted Brands’ survey conducted every year by The Economic Times Brand Equity publication, Britannia Good Day won the coveted position of Most Trusted Food brand in the country. The brand also secured the position of the 3<sup>rd</sup> most trusted brand in the country, a testimony to the immense love and trust our consumers across diverse age groups and demographics bestow on us.

Marie Gold and Bourbon also featured in the most trusted food brands in the same survey, in 6<sup>th</sup> position and 11<sup>th</sup> position respectively.

#### Awards & Recognition received in FY 2019-20

Your Company was honoured with the following:

- Goodday was rated the Most Trusted Brand in the Food Category & 3<sup>rd</sup> Most Trusted Brand across categories by Brand Equity.
- Pitch Best CMO Award for Consumer Connect.
- ATNI (Access to Nutrition Index) - Britannia ranked No.1 amongst Indian headquartered companies in ATNI 2020, underlining Britannia’s efforts and commitments towards making nutrition accessible to billions in the country.
- CMO Global- Star of The Industry Awards For Excellence in Branding & Marketing-
  - Best Brand Re-vitalization Award- Britannia 50-50.
  - Best Use of Social Media in Marketing- Britannia Little Heart.
  - Best Marketing Campaign- Britannia 100 years campaign.
- Campaign awards for Britannia Marie Gold My Start Up campaign 2019-
  - Sabre Awards South Asia- Diamond Sabre Award for Superior Achievement in Research & Planning category.
  - Fulcrum Awards- Best use of Integrated Communication.
  - PR Asia Awards 2019- Cause related- Diversity & Inclusion.



### III. DIRECTORS

#### a. Appointment/Re-Appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Nusli N Wadia (DIN:00015731), Chairman and Non-Executive Director is retiring by rotation at the ensuing Annual General Meeting (AGM) and is eligible for re-appointment.

The Board of Directors at their Meeting held on 2 June 2020, on the basis of the recommendation of the Nomination and Remuneration Committee, has proposed the re-appointment of Mr. Nusli N Wadia for approval of the shareholders at the ensuing AGM of the Company.

During the year under review, Mr. Nimesh N Kampani and Mrs. Ranjana Kumar retired from the Board of Directors of the Company w.e.f. 12 August 2019.

Further, the shareholders at the 100<sup>th</sup> Annual General Meeting held on 9 August 2019 appointed Mrs. Tanya Dubash as an Independent Director for a term of 5 years w.e.f. 7 February 2019 and re-appointed Mr. Avijit Deb, Mr. Keki Dadiseth and Dr. Ajai Puri as Independent Directors for another term of 5 years w.e.f. 12 August 2019.

#### b. Directors' Responsibility

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

- (i) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2020 and of the profit of the Company for the year;
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Annual Accounts are prepared on a going concern basis;

- (v) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultant(s) and the reviews made by the Management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operationally effective during FY 2019-20.

### IV. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy. The details of the CSR activities are given as **Annexure-'B'** forming part of this Report.

### V. EMPLOYEES

#### a. Particulars of Remuneration of Directors, KMPs and Employees

A statement containing the details of the Remuneration of Directors, KMPs and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure-'C'** to this Report.

However, as per the provisions of Section 136 of the Companies Act, 2013, the report and financial statements are being sent to the Members and others entitled thereto after excluding the disclosure on particulars of employees. The disclosure is available for inspection by the Members at the Registered Office of your Company during business hours on all working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write an e-mail to [investorrelations@britindia.com](mailto:investorrelations@britindia.com).



**b. Employee Stock Option Scheme (ESOS)**

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 and Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is given as Annexure-‘D’ to this Report.

**c. Disclosure on Sexual Harassment of Women at Workplace**

The Company has an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. During the year, two complaints were received by the Company under Anti-Sexual Harassment Policy and the same were resolved.

**VI. GOVERNANCE / SECRETARIAL****a. Corporate Governance**

A Report on Corporate Governance for the financial year ended 31 March 2020 along with the Statutory Auditor’s Certificate on compliance with the provisions of corporate governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as ‘SEBI Listing Regulations, 2015’) is forming part of the Annual Report.

**b. Business Responsibility Report**

Pursuant to Regulation 34(2)(f) of SEBI Listing Regulations, 2015 read with SEBI Circular No. CIR/ CFD/CMD/10/2015 dated 4 November 2015, the ‘Business Responsibility Report’ (BRR) of the Company for FY 2019-20 is forming part of the Annual Report.

**c. Extract of Annual Return**

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013 read with the rules made thereunder, the Extract of Annual Return of the Company has been placed on the website of the Company.

Weblink: <http://britannia.co.in/investors/annual-report>.

**d. Whistle Blower Policy**

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

**e. Board Evaluation**

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

**f. Remuneration Policy**

The details of the Remuneration Policy are given in Clause No. 3(b) of the Corporate Governance Report. Britannia Industries Limited Remuneration Policy for Directors, Key Managerial Personnel and other Employees is disclosed on the website of the Company.

Web Link: [http://britannia.co.in/pdfs/Code\\_of\\_conduct/policies/Remuneration-Policy-for-Directors-KMPs.pdf](http://britannia.co.in/pdfs/Code_of_conduct/policies/Remuneration-Policy-for-Directors-KMPs.pdf)

**g. Risk Management**

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

**h. Independent Directors**

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

**i. Board and Committees**

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

**j. Related Party Transactions**

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

During the year, your Company did not enter into any contract / arrangement / transactions with Related Parties referred in Section 188(1) of the Companies Act, 2013 read with the rules made thereunder. In accordance with Ind AS-24, the Related Party Transactions are disclosed under Note No. 45 of the Standalone Financial Statements.

**k. Public Deposits**

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



**l. Particulars of Investments, Loans and Guarantees**

The particulars of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder are given in the Note No. 38, 39 and 40 of the Standalone Financial Statements.

**m. Significant and Material Orders passed by the Regulators**

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

**n. Compliance with Secretarial Standards**

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

**VII. AUDITORS****a. Statutory Auditors**

M/s B S R & Co. LLP, Chartered Accountants, ('BSR') (ICAI Firm Registration Number 101248W/W-100022) were appointed as Statutory Auditors at the 91<sup>st</sup> Annual General Meeting (AGM) held on 9 August 2010 and thereafter at every AGM till 12 August 2014 in accordance with Section 224 of the erstwhile Companies Act, 1956.

Consequent to enactment of Companies Act, 2013, M/s B S R & Co. LLP, were appointed as the Statutory Auditors of the Company at the 95<sup>th</sup> AGM held on 12 August 2014 for a period of 5 consecutive years, subject to ratification by Members at every AGM in accordance with Section 139 of the Companies Act, 2013 read with the rules made thereunder.

Further, M/s B S R & Co. LLP were re-appointed as Statutory Auditors at the 100<sup>th</sup> AGM held on 9 August 2019, to hold office upto the ensuing AGM.

Since M/s B S R & Co. LLP, would be completing their term of 10 years as the Statutory Auditors of the Company, they are required to mandatorily retire at the ensuing AGM as per Section 139 of the Companies Act, 2013.

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 7 February 2020 recommended the appointment of M/s Walker Chandiook & Co, Chartered Accountants (Firm Registration No. 001076N/N500013)

as Statutory Auditors of the Company, for a period of five (5) consecutive years from the conclusion of the 101<sup>st</sup> AGM till the conclusion of 106<sup>th</sup> AGM of the Company to be held in the year 2025 subject to the approval of shareholders of the Company at the ensuing AGM.

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

**b. Secretarial Audit**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for FY 2019-20. The Secretarial Audit Report submitted by them is given as Annexure-'E' to this Report.

**c. Reporting of Frauds by Auditors**

During the year under review, the Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Companies Act, 2013.

**VIII. INTERNAL FINANCIAL CONTROLS**

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

**IX. ACKNOWLEDGEMENTS**

Your Directors would like to thank all stakeholders viz., 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

**Nusli N Wadia**

Chairman

(DIN:00015731)

Place : Bengaluru

Date : 2 June 2020



## ANNEXURE - 'A' TO THE BOARD'S REPORT

[Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014]

### A. CONSERVATION OF ENERGY

- (a) **Energy conservation measures undertaken during FY 2019-20:**

Your Company adopted renewable energy in its Bidadi factory and 4 factories in Tamil Nadu. It is in the process of procuring power from renewable energy sources for its plant in Uttaranchal. The current usage of renewable energy is ~ 23%.

Your Company has successfully converted two of its lines at Perundurai plant to biomass as a fuel and two more lines are planned to be switched over to Biomass next year.

**Energy efficiency programs undertaken during FY 2019-20:**

Your Company has successfully piloted a program for optimizing energy consumption on conventional ovens at its Bidadi plant by redefining the design specifications of critical devices in combustion circuit, which will also be replicated in other factories next year.

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

Your Company invested around ₹ 1.15 Crores at Bidadi factory for incorporating necessary modifications to reduce power consumption by changing combustion fan design of conventional ovens.

Your Company is evaluating various renewable energy options after considering the policies & guidelines of each state viz., own investment & open access, signing off third party agreements and captive arrangements. In addition to the existing plants operating on renewable energy, Ranjangaon in Maharashtra will start using renewable energy in FY 2020-21 accelerating the current utilisation percentage to ~ 40%.

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

Your Company has saved ~ ₹ 5.4 Crores through use of renewable energy and Biomass in FY 2019-20.

### B. TECHNOLOGY ABSORPTION

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

During FY 2019-20, your Company invested in areas of automation & technology upgradation for the launch of new products in existing categories and to enter into adjacent categories. Your Company had undertaken the following projects during FY 2019-20:

- Auto-feeding of biscuits to packaging machine in multiple lines at its plants in Guwahati & Hajipur and two of its subsidiaries.
- Installation of the minor ingredient weighing & batching system on hard dough & short dough in Guwahati factory.
- Implementation of improved version of thermic fluid oven at Ranjangaon plant which enabled six oven operations with three thermic fluid heating systems.

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

The initiatives mentioned above resulted in improvement in labour productivity, accuracy of weighment, saving in fuel and wastage reduction.

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

Your Company imported technology for building capability to produce premium cream sandwiches enrobed with chocolate and cracker products filled with chocolate at Ranjangaon factory, Maharashtra.

### C. RESEARCH AND DEVELOPMENT

- (a) **Core areas of Research by the Company:**

Your Company is leveraging its R&D expertise and capabilities to innovate & renovate, provide world class products, improve packaging and reduce wastages.

The new innovative products developed by the R&D team has enabled your Company to remain competitive in the market.



(b) **Benefits delivered as a result of above R&D initiatives:**

Apart from new launches and building new capabilities, R&D has designed and developed “Britannia Nutrition Policy” with the objective to provide consumers with convenient, delightful food choices to meet their daily nutritional needs and thereby contribute to a better quality of life and address major country specific nutrition related public health concerns like undernutrition and iron deficiency anaemia.

‘Suphoshan’ nutrition intervention program to address Iron Deficiency Anaemia (IDA) taken up by Britannia Nutrition Foundation (BNF), Narayana Health Charitable Trust and National Health Mission, Government of Rajasthan in adolescent school going children with Britannia R&D developed iron and folic acid fortified biscuits (delivering 50-75% RDA of these nutrients) has led to significant increase in the haemoglobin levels in adolescents.

(c) **Expenditure on R&D:**

Particulars	₹ In Crores
	31 March 2020
Capital	1.99
Recurring	31.58
Total	33.57
Total R&D expenditure as a % of turnover	0.31%

(d) **Future plan of action:**

Your Company aims to recycle, reduce and recover used plastic for sustainability. R&D team has been continuously working to reduce usage of plastic by removing plastic trays from the portfolio and is in the process of developing 100% reusable packaging. Your Company has successfully scaled up Extended Producers’ Responsibility (EPR) initiatives PAN India for multilayer and plastic packaging waste collection and energy recovery in association with IPCA (Indian Pollution Control Association).

**D. FOREIGN EXCHANGE EARNINGS AND OUTGO FOR FY 2019-20:**

Particulars	₹ In Crores
	Amount
Foreign exchange used	293.26
Foreign exchange earned	281.02

Place : Bengaluru  
Date : 2 June 2020

On behalf of the Board  
  
Nusli N Wadia  
Chairman  
(DIN:00015731)



## ANNEXURE - 'B' TO THE BOARD'S REPORT CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

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

For your Company, CSR means Corporate Sustainable Responsibility and this has been embedded into its business model. The CSR policy of the Company represents the continuing commitment and actions of the Company to contribute towards economy and social development and growth.

As part of its continuous efforts to 'Make a Difference' to the community, your Company this year focused its efforts to serve needy who were most affected by the unforeseen development of the COVID-19 pandemic.

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

Weblink: [http://britannia.co.in/pdfs/Code\\_of\\_conduct/policies/Corporate-Social-Responsibility-Policy.pdf](http://britannia.co.in/pdfs/Code_of_conduct/policies/Corporate-Social-Responsibility-Policy.pdf)

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

- a. Mr. Ness N Wadia - Chairman
- b. Mr. Keki Dadiseth - Member
- c. Dr. Ajai Puri - Member
- d. Dr. Y.S.P Thorat - Member

3. Average net profit of the Company for last three financial years: ₹ 1,421.71 Crores
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 28.43 Crores
5. Details of CSR spent during the financial year:

- a. Total amount to be spent for the financial year: ₹ 28.43 Crores
- b. Amount unspent, if any : Nil
- c. Manner in which the amount spent during the financial year is detailed below:

₹ In Crores

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) State or district where Projects or Programs were undertaken	Amount outlay (budget) Projects or Program wise	Amount spent on the Projects or Programs (1) Direct expenses (2) Over-heads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Preventive health care measures including mitigating the impact of the COVID-19 pandemic; and Promoting health care, growth and development of children, either directly through Sir Ness Wadia Foundation (SNWF) or in association with Bai Jerbai Wadia Hospital for Children (BJWHC), Nowrosjee Wadia Maternity Hospital (NWMH), and Britannia Nutrition Foundation (BNF)	Refer the para given herein below	Assam, Bihar, Jharkhand, Orissa, West Bengal, Delhi, Punjab, Rajasthan, Uttar Pradesh, Uttarakhand Andhra Pradesh, Karnataka, Telengana, Kerala, Tamil Nadu, Gujarat, Maharashtra & Madhya Pradesh		₹ 28.43		Direct



This year, your Company contributed CSR amount to Sir Ness Wadia Foundation for carrying out various activities/projects towards (a) preventive health care measures including towards mitigating the impact of the COVID-19 pandemic in India; and (b) promoting health care, growth and development of children in India, either directly or in association with the Bai Jerbai Wadia Hospital for Children (BJWHC), Nowrosjee Wadia Maternity Hospital (NWMH) and Britannia Nutrition Foundation (BNF).

**Sir Ness Wadia Foundation**

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

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

The Foundation provides hope, empowerment and an improved quality of life to less fortunate individuals. Through a long journey from its inception, SNWF has evolved into an organization of exceptional repute, providing incomparable services in the fields of nutrition, education, health care, community development and relief & rehabilitation. To address malnutrition in the country, SNWF is supporting and monitoring several ongoing projects in India.

**Providing relief to the needy impacted by COVID-19**

Britannia has proudly served the nation for over a 100 years through good times and tough times. Be it any kind of crises, your Company has always stepped up to serve people in need. The COVID-19 pandemic, probably the most staggering health and humanitarian crises the country has seen, saw us get swiftly into action and mobilize our supply chain infrastructure to be able to serve the effected people.

Your Company focused its efforts on the core constituency of people who were in need of food, people whose lives were impacted by loss of livelihoods or by the disruption in supply of Essential Foods. They included the elderly, daily wage earners, migrant workers, domestic servants, laborers, contract workers, anganwadi children, BPL families and slum communities.

Your Company’s goal was to deliver food efficiently and at scale and so we partnered with various state governments and NGOs who were servicing people most in need of food. While we focused on the most impacted states to begin with, the operations soon expanded to many states and districts across the country. Your Company has distributed a diverse variety of food relief - bakery and dairy products, food rations and hot meals, depending on the need of the community.

Your Company struck large scale partnerships to serve communities that would otherwise have been beyond our reach and in parallel, also initiated significant food relief work using our own infrastructure in communities around our factories in Perundurai, Madurai, Hajipur, Kolkata, Guwahati, Gwalior, Mundra, Jhagadia, Bidadi and Ranjangaon. Thousands of ration kits containing rice, pulses, wheat flour, spices and oil were distributed in villages where our factory workforce reside.

In early May, as the various state governments began operating the ‘Shramik’ trains to take the migrant labour fraternity, including women and children to their hometowns, your Company ensured that biscuits and sweet buns offered them comfort on their long journey back home.

When large numbers of migrant workers began walking or using any available means of transport to go back to their home towns, our depots turned into relief centres, offering them much needed hot meals and a quick shot of energy through biscuits and water.

Your Company set up dedicated task forces of cross functional and cross geography teams to lead the food relief initiatives. On the logistics front, hygiene and social distancing protocols were followed every step of the way.

During this crisis, 1.35 crore meal & meal equivalents and 90 lacs of bakery packs were distributed by the Wadia Group to the less fortunate, especially migrants, across 19 states and 110 cities.

Your Company shall continue to extend wholehearted support to the Government machinery and civil society groups until such time as normalcy returns.

Your Company is proud to be Indian and even prouder to be with Indians through these difficult times.

Sd/-

**Ness N Wadia**

Chairman of the Committee  
(DIN: 00036049)

Sd/-

**Varun Berry**

Managing Director  
(DIN: 05208062)

Place : Bengaluru  
Date : 2 June 2020



**ANNEXURE - 'C' TO THE BOARD'S REPORT****DETAILS OF REMUNERATION OF DIRECTORS, KMPs AND EMPLOYEES**

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY 2019-20 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for FY 2019-20 are as under:

Sl. No.	Name of Director / KMP	Remuneration of Director / KMP for FY 2019-20 (₹ in Crores)	% Increase in Remuneration in FY 2019-20	Ratio of Remuneration of each Director to median remuneration of employees
<b>Promoter and Non-Executive Directors:</b>				
1.	Mr. Nusli N Wadia, Chairman	5.82	8.58%	171.68
2.	Mr. A.K. Hirjee	1.16	24.73%	34.22
3.	Mr. Jeh N Wadia	0.44	91.30%	12.98
4.	Mr. Ness N Wadia	0.91	26.39%	26.84
<b>Independent Directors:</b>				
5.	Mr. Avijit Deb	0.53	32.50%	15.63
6.	Mr. Nimesh N Kampani	0.31	*	*
7.	Mr. Keki Dadiseth	0.61	-12.86%	17.99
8.	Dr. Ajai Puri	0.62	8.77%	18.29
9.	Mrs. Ranjana Kumar	0.04	*	*
10.	Dr. Ajay Shah	0.21	-16%	6.19
11.	Dr. Y.S.P Thorat	0.78	11.43%	23.01
12.	Mr. Keki Elavia	0.67	-5.63%	19.76
13.	Mrs. Tanya Dubash	0.33	#	9.73
<b>Key Managerial Personnel:</b>				
15.	Mr. Varun Berry, Managing Director	9.79	7.58%	288.79
16.	Mr. N Venkataraman, Chief Financial Officer	2.55	10.03%	75.22
17.	Mr. T.V. Thulsidass, Company Secretary	0.58	##	17.11

Note: Employee benefits which are based on actuarial valuation done on an overall Company basis are excluded from the above mentioned Remuneration of KMP.

\* Mr. Nimesh N Kampani and Mrs. Ranjana Kumar retired as Independent Directors of the Company w.e.f. 12 August 2019.

# Details not given as Mrs. Tanya Dubash was as an Additional and Independent Director only for part of FY 2018-19 i.e., w.e.f. 7 February, 2019.

## Mr. T.V. Thulsidass, Company Secretary was appointed as Company Secretary and Key Managerial Person only for part of FY 2018-19 i.e., w.e.f. 15<sup>th</sup> October, 2018.

- (ii) The median remuneration of employees of the Company during FY 2019-20 was ₹ 3.39 lakhs. In FY 2019-20 the median remuneration of employees was 19.79% higher compared to previous year.
- (iii) There were 4,535 permanent employees on the rolls of Company as on 31 March 2020.
- (iv) Average percentage increase made in the salaries of Employees and the Managerial Personnel in FY 2019-20 on comparable basis was 8.2% over previous year.
- (v) The key parameters for any variable component of Remuneration availed by the Directors are considered by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee as per the Remuneration Policy of the Company.
- (vi) It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

On behalf of the Board

Place : Bengaluru  
Date : 2 June 2020

Nusli N Wadia  
Chairman  
(DIN:00015731)



## ANNEXURE - 'D' TO THE BOARD'S REPORT

Disclosure under Regulation 6 (2) of the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SEBI Regulations') read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015

- a. Brief description of the scheme**
- Britannia Industries Limited Employee Stock Option Scheme (Scheme/BIL ESOS) was adopted and approved at the 89<sup>th</sup> Annual General Meeting (AGM) held on 28 July 2008. The objective of the Scheme is:
- (a) to promote the best interests of the Company and its shareholders by encouraging Employees and Executive Directors of the Company to acquire an ownership interest in the Company by purchase of Shares of the Company, thus identifying their interests with those of shareholders; and
- (b) to enhance the ability of the Company to attract and retain qualified Employees.
- The Scheme was further amended at the Company's 91<sup>st</sup> AGM held on 9 August 2010, 92<sup>nd</sup> AGM held on 6 August 2011, 99<sup>th</sup> AGM held on 6 August 2018 and through postal ballot on 15 October 2018 in order to, inter-alia, enhance the total number of options to be granted to the classes of employees entitled to participate in the BIL ESOS.
- b. Total number of options to be granted**
- The total/maximum number of shares of the Company that would be issued under the Scheme will be 35,50,000 equity shares of ₹ 1 each of the Company.
- c. Identification of classes of employees entitled to participate in the ESOS**
- Employees as defined in the BIL ESOS/SEBI Regulations will be entitled to participate in the Scheme subject to fulfilment of eligibility criteria specified in the Scheme.
- d. Requirements of vesting and period of vesting**
- The Vesting Period determined by the Nomination and Remuneration Committee is a minimum period of one year from the date of Grant. The vesting may occur in one or more tranches, subject to the terms and conditions of vesting, as may be decided by the Nomination and Remuneration Committee.
- e. Maximum period within which the Options shall be vested**
- The maximum period within which the Options shall be vested shall be as determined by the Nomination and Remuneration Committee subject to compliance with requirement of a minimum vesting period of one year.
- f. Exercise Price or Pricing formula**
- The Exercise price per share for the purpose of the grant of Options shall be the 'Market Price' of the Company's equity shares as defined in the SEBI (Share Based Employee Benefits) Regulations, 2014 i.e., the latest available closing price, prior to the Relevant date in which Options are granted subject to the Company conforming to the accounting policies specified in the Regulations.
- g. Exercise Period and the process of exercise**
- The exercise period shall commence from the date of vesting and will expire not later than 3 years from the date of vesting as may be determined by the Nomination and Remuneration Committee from time to time.
- The Employee can exercise his right to convert the Options into Shares either in full or in tranches by addressing a written notice signed by him to the Nomination and Remuneration Committee in the prescribed form.
- h. Appraisal process for determining the eligibility of employees for the ESOS**
- The Nomination and Remuneration Committee, while arriving at the decision on the eligibility of an Employee to ESOS and the quantum of the Shares to which an Employee is entitled, will take into consideration attributes such as the grade of the Employee, length of service, role of the Employee, his contribution to the overall performance of the Company, the performance of profit center/division to which he belongs, importance of the Employee to the future performance and success of the Company, sense of loyalty towards the Company,



- significance of the Employee in enterprise valuation of the Company, etc.
- i. Maximum number of Options to be issued per employee and in aggregate**
- The total/maximum number of shares of the Company that would be issued under the Scheme will be 35,50,000 equity shares of ₹ 1/- each.
- The maximum number of options that can be granted per employee will be determined by the Nomination and Remuneration Committee in accordance with the Scheme, SEBI Regulations and other applicable laws.
- j. Maximum quantum of benefits to be provided per employee under a scheme**
- The total/maximum number of shares of the Company that would be issued under the Scheme will be 35,50,000 equity shares of ₹ 1/- each.
- k. Whether the scheme(s) is to be implemented and administered directly by the Company or through a trust.**
- The Scheme will be administered and supervised by the Nomination and Remuneration Committee of the Board of Directors of the Company.
- l. Whether the scheme(s) involves new issue of shares by the Company or secondary acquisition by the trust or both**
- The Scheme involves issue of new shares which shall rank pari-passu with the existing shares of the Company.
- m. Amount of loan to be provided for implementation of the scheme(s) by the Company to the trust, its tenure, utilization, repayment terms, etc.**
- The Scheme is implemented directly by the Company and not through a Trust. However, the Company may give financial assistance to an Employee for participating in the ESOS, as may be decided by the Board from time to time in consultation with Nomination and Remuneration Committee subject to prevailing laws.
- n. Maximum percentage of secondary acquisition (subject to limits specified under the regulations) that can be made by the trust for the purposes of the scheme(s)**
- Not applicable
- o. Statement to the effect that the Company shall conform to the accounting policies specified in regulation 15**
- The Company shall comply with the accounting policies specified in Regulation 15 of SEBI (Share Based Employee Benefits) Regulations, 2014 and/or such other regulations as may be applicable from time to time.
- p. Method which the Company shall use to value its options**
- The Company uses the fair value method to value its options.
- q. In case the Company opts for expensing of share based employee benefits using the intrinsic value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Board's Report and the impact of this difference on profits and on earnings per share ("EPS") of the Company shall also be disclosed in the Board's Report.**
- In case the Company opts for expensing of share based employee benefits using the intrinsic value, the Company shall disclose the difference between the employee cost computed using the intrinsic value method and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and also the impact of this difference on profits and on the earning per share of the Company in the Board's Report.



Disclosure under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations") read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015 and Section 62 (1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital & Debentures), Rules, 2014

Sl. No.	Particulars	Britannia Industries Limited Employee Stock Option Scheme
1.	A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including:	
a.	Date of shareholders' approval for the options granted under the scheme	28 July 2008 and subsequently amended by special resolution passed on 9 August 2010, 6 August 2011, 6 August 2018 and 15 October 2018.
b.	Total number of options approved under the scheme	35,50,000
c.	Vesting requirements	Vesting Period ranges between 1-3 years from the date of grant of options.
d.	Exercise price or pricing formula	The exercise price is determined in accordance with the pricing formula approved by the members i.e., at the latest available closing market price on the stock exchange having highest trading volume, prior to the date of the meeting of the Board of Directors or Nomination and Remuneration Committee in which options are granted.
e.	Maximum term of options granted	Options granted to be exercised not later than 3 years from the date of vesting.
f.	Source of shares	Direct Allotment
g.	Variation of terms of options	There was no variation in terms of options.
2.	Method used to account for ESOS-Intrinsic or fair value	Fair Value Method
a.	The difference between the employee compensation cost so computed using Intrinsic Value method and the employee compensation cost that shall have been recognized if it had used the fair value of the options.	Not Applicable
b.	The impact of this difference on profits and on EPS of the Company.	Not Applicable
3.	Option movement during the year:	
a.	Number of options outstanding at the beginning of the period	5,33,336
b.	Number of options granted during the year	3,50,000
c.	Number of options forfeited/ lapsed during the year	Nil
d.	Number of options vested during the year	2,50,002
e.	Number of options exercised during the year	1,50,002
f.	Number of shares arising as a result of exercise of options	1,50,002
g.	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	₹ 23,96,03,858.70
h.	Loan repaid by the Trust during the year from exercise price received	Not Applicable
i.	Number of options outstanding at the end of the year	7,33,334
j.	Number of options exercisable at the end of the year	1,00,000
4.	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price for the options granted during the year is ₹ 2,896.05. Weighted average Fair Value of Option granted during the year is ₹ 678.56 per option.



Sl. No.	Particulars	Britannia Industries Limited Employee Stock Option Scheme
5.	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:	
a.	Senior managerial personnel;	3,50,000 options granted to Mr. Varun Berry, Managing Director on 1 May 2019 at an exercise price of ₹ 2,896.05.
b.	Any other employee who receives a grant in anyone year of option amounting to 5% or more of option granted during that year; and	Not Applicable
c.	Identified employees who were granted option, during anyone year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	Not Applicable
6.	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	Black-Scholes Model
a.	the weighted-average values of option	Weighted average Fair Value of Option granted during the year is ₹ 678.56 per option.
b.	the weighted-average values of exercise price	Weighted average exercise price for the options granted during the year is ₹ 2,896.05.
c.	the weighted-average values of expected volatility	20.89%
d.	the weighted-average values of expected option life	3 years
e.	the weighted-average values of expected dividends	1500 % of face value of ₹ 1/- each.
f.	The weighted-average values of the risk-free interest rate	7.03 %
g.	The method used and the assumptions made to incorporate the effects of expected early exercise	As per the scheme, early exercise of option is not allowed.
h.	How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time (10 years historical price of the share has been considered).
i.	Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Black Scholes model considered
7.	Disclosures in respect of grants made in three years prior to IPO under each ESOS until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	Not Applicable
8.	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with Ind AS 33 - "Earnings Per Share".	₹ 61.73

On behalf of the Board

Nusli N Wadia  
Chairman  
(DIN:00015731)

Place : Bengaluru  
Date : 2 June 2020



## AUDITOR'S CERTIFICATE

To the Board of Directors of Britannia Industries Limited

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

This certificate is issued in accordance with the terms of our engagement letter dated 13 September 2019 and addendum letter dated 25 May 2020.

As requested, we have examined the Britannia Industries Limited Employee Stock Option Scheme ('the ESOS') of Britannia Industries Limited ('the Company') to determine whether the ESOS implemented thereof is in accordance with the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ('the SEBI Guidelines') for the period 1 April 2019 to 31 March 2020. We understand that this certificate is required to be submitted to the National Stock Exchange of India Limited and the BSE Ltd., Mumbai for the purposes of complying with their regulations. The ESOS was approved by the shareholders at its Annual General Meeting held on 28 July 2008 and duly amended by the special resolutions passed by the shareholders on 9 August 2010, 6 August 2011, 6 August 2018 and 15 October 2018.

### Management Responsibility

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

### Auditor's Responsibility

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

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

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

### Opinion

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

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

### Restrictions on use

This Certificate is issued solely for the purpose of complying with the SEBI Guidelines for the period 1 April 2019 to 31 March 2020 and may not be suitable for any other purpose.

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

Place : Bengaluru  
Date : 2 June 2020

**Supreet Sachdev**  
*Partner*  
Membership number: 205385  
ICAI UDIN: 20205385AAAAAR5741



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

**PART - A Subsidiaries**

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate (closing rate)	Exchange Rate (average rate)	Equity Share Capital *	Other equity *	Total Assets (including investments) *	Total Liabilities (excluding shareholders funds) *	Investments (except investment in subsidiaries) *	Turnover (revenue from operations + other income) #	Profit Before Tax #	Provision for tax #	Profit After Tax #	Proposed Dividend #	% Of Shareholding	Country
1	Borbunder Finance and Investments Private Limited	INR	1.00	1.00	26,710	(14,098)	13,378	766	-	1,053	854	607	247	-	100.00	India
2	Britannia Dairy Private Limited	INR	1.00	1.00	57,800	1,484,000	2,242,400	700,600	1,267,100	2,919,100	469,700	300,200	169,500	-	100.00	India
3	Britannia Employees' Educational Welfare Association Private Limited	INR	1.00	1.00	1,752	6,444	10,095	1,899	-	458	331	1,297	(966)	-	-	India
4	Britannia Employees' General Welfare Association Private Limited	INR	1.00	1.00	1,750	6,422	10,055	1,883	-	460	373	1,320	(947)	-	-	India
5	Britannia Employees' Medical Welfare Association Private Limited	INR	1.00	1.00	1,800	6,117	9,820	1,903	40	438	349	1,309	(960)	-	-	India
6	Flora Investments Company Private Limited	INR	1.00	1.00	2,843	21,431	25,012	738	-	1,678	1,447	450	997	-	100.00	India
7	Ganges Vally Foods Private Limited	INR	1.00	1.00	259,066	(178,484)	89,028	8,446	-	7,564	(196,608)	17,299	(213,907)	-	98.87	India
8	Gilt Edge Finance and Investments Private Limited	INR	1.00	1.00	2,498	22,496	25,568	574	-	1,808	1,692	402	1,290	-	100.00	India
9	International Bakery Products Limited	INR	1.00	1.00	14,500	151,682	636,533	470,351	742	1,575,541	14,067	7,576	6,491	-	100.00	India
10	JB Mangharan Foods Private Limited	INR	1.00	1.00	4,502	70,580	552,355	477,273	26	2,420,952	11,180	3,871	7,309	-	100.00	India
11	Manna Foods Private Limited	INR	1.00	1.00	48,750	114,100	777,042	614,192	939	2,065,797	63,722	18,516	45,206	-	100.00	India
12	Sunrise Biscuit Company Private Limited	INR	1.00	1.00	141,995	110,012	382,353	130,346	-	220,968	24,912	9	24,903	-	99.16	India
13	Britchip Foods Limited	INR	1.00	1.00	1,150,000	(427,000)	992,500	269,500	-	270,900	(305,100)	29,600	(334,700)	-	60.00	India
14	Britannia Nepal Private Limited	NPR	0.62	0.62	547,562	(7,444)	643,253	103,135	-	382,540	(4,638)	(860)	(3,778)	-	100.00	Nepal
15	Britannia Bangladesh Private Limited	Tk	0.89	0.84	3,633	(407)	3,702	476	-	-	(453)	-	(453)	-	100.00	Bangladesh
16	Al Sallan Food Industries Co. SAOC	OMR	195.52	184.04	391,036	(780,332)	748,849	1,138,145	-	1,659,025	33,074	-	33,074	-	65.46	Oman
17	Strategic Food International Co. LLC, Dubai	AED	20.51	19.30	399,926	239,413	1,923,454	1,284,115	-	3,602,537	102,398	-	102,398	-	100.00	Dubai
18	Britannia and Associates (Dubai) Private Company Limited, Dubai	USD	75.33	70.90	1,870,214	(202,961)	2,510,946	843,693	-	40,758	4,466	-	4,466	-	100.00	Dubai - JAFZA
19	Britannia and Associates (Mauritius) Private Limited, Mauritius	USD	75.33	70.90	1,836,022	54,076	2,729,023	838,925	-	32,264	8,266	248	8,018	-	100.00	Mauritius
20	Britannia Dairy Holdings Private Limited, Mauritius	USD	75.33	70.90	558,444	(561,031)	81	2,668	-	-	(162,712)	-	(162,712)	-	100.00	Mauritius
21	Strategic Brands Holding Company Limited, Dubai	USD	75.33	70.90	20	31	51	-	-	1,056	416	-	416	-	100.00	Dubai - JAFZA
22	Vesna Agrex and Herbs Private Limited	INR	1.00	1.00	100	(105,611)	67	105,578	-	17	(15)	-	(15)	-	100.00	India
23	Snacko Bisc Private Limited	INR	1.00	1.00	255,208	(420,545)	91	165,428	-	-	(39)	-	(39)	-	100.00	India

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



**PART - B ASSOCIATES**

₹ in '000

Sr. No.	Name of the Associate Company	Klassik Foods Private Limitd**	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited
1	Latest Unaudited Balance Sheet Date	31.03.2020	31.03.2020	31.03.2020
2	Share of Associate held by the Company on the year end			
	Number of Shares	-	87,500	459,800
	Amount of Investment in Associate/joint Venture	-	2,808	145,000
	Extent of Holding %	-	35.00	26.00
3	Description of how there is significant influence	-	Voting power	Voting power
4	Reason why the associate/joint venture is not consolidated	-	N.A.	N.A.
5	Net worth attributable to Shareholding as per latest unaudited Balance Sheet	-	30,955	15,605
6	Profit / Loss for the year	-	6,821	7,915
	(i) Considered in consolidation	-	2,387	2,058
	(ii) Not Considered in consolidation	-	4,434	5,857

\*\* During the year ended 31 March 2020, the Company sold equity shares held in Klassik Foods Private Limitd and does not hold any stake in the entity as at the balance sheet date.

*for and on behalf of the Board of Directors*

**Nusli N Wadia**  
*Chairman*  
 (DIN:00015731)

**Varun Berry**  
*Managing Director*  
 (DIN:05208062)

**N. Venkataraman**  
*Chief Financial Officer*

**T.V. Thulsidass**  
*Company Secretary*  
 (Membership number: A20927)

Place : Bengaluru  
 Date : 2 June 2020



**ANNEXURE - 'E' TO THE BOARD'S REPORT**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Britannia Industries Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31 March 2020, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31 March 2020 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;(Not applicable to the Company during the audit period)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company namely:-
  1. Food Safety and Standard Act, 2006 and regulations made thereunder.
  2. Legal Metrology Act, 2009 and Legal Metrology (General) Rules, 2011.
  3. Legal Metrology Act, 2009 read with Legal Metrology (Packaged Commodities) Rules, 2011.

We have also examined compliance with the applicable clauses of the following which have been generally complied:

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

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

1. During the year, the Company received the Show Cause Notice (SCN) dated 15 October 2019 for violation of Regulation 30 and other related provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of one of its Director. In response to the SCN, the Company without admitting the findings of facts and conclusions of law submitted a settlement application on 13 December, 2019 to



SEBI in accordance with the provisions of Section 15JB of the SEBI Act, 1992 read with Regulation 3 of the SEBI (Settlement Proceedings) Regulations, 2018.

SEBI passed a settlement order dated 29 April 2020, pursuant to which the Company has paid the settlement amount of ₹ 21,67,500/- and the Director also paid the settlement amount as communicated by SEBI. Pursuant to this Settlement Order, the adjudication proceedings under the aforementioned SCN against the Company and the Director stands settled.

2. During the year, SEBI has issued a show cause notice dated 8 November 2019 in the matter related to M/s Sharepro Services Pvt Ltd, the former Registrar and Share Transfer Agent of the Company. The Company has filed a Settlement Application on 21 January 2020, which was considered and cleared by the Internal Committee of SEBI on 11 March 2020 for further approvals and is presently awaiting final Settlement orders from SEBI.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines etc.

We further report that during the audit period, the Company had following event which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

The Company has allotted 24,03,18,294 8% secured, non-convertible, redeemable, fully paid-up Debentures of face value of ₹ 30/- each to the Members of the Company, as on the Record Date, 23 August 2019, as per the ratio stipulated in the Scheme of Arrangement i.e., 1 fully paid-up Debenture of face value of ₹ 30/- each for every 1 fully paid-up equity share of face value of ₹ 1/- each.

**For Parikh & Associates**  
Company Secretaries  
Firm Registration No. P1988MH009800

Shalini Bhat  
Partner

Place : Mumbai  
Date : 2 June 2020

FCS No.: 6484 CP No.: 6994  
UDIN: F006484B000311404

*This Report is to be read with our letter of even date which is annexed as Annexure - 'A' and Forms an integral part of this report.*

**Annexure - 'A'**

**To,  
The Members  
Britannia Industries Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Company Secretaries  
Firm Registration No. P1988MH009800

Shalini Bhat  
Partner

Place : Mumbai  
Date : 2 June 2020

FCS No.: 6484 CP No.: 6994  
UDIN: F006484B000311404



## MANAGEMENT DISCUSSION AND ANALYSIS

### (A) INDUSTRY STRUCTURE AND DEVELOPMENT

Your Company is among the most trusted food brands in India with a wide and growing portfolio of products in the food segment covering Biscuit, Bread, Cake, Rusk, Dairy and Adjacencies.

The unprecedented outbreak of COVID-19 impacted the global economy and human life, making it a very challenging environment for all the businesses. The changes forced on people and businesses by the pandemic are likely to last for some time and established ways of doing business may undergo changes leading to new ways of working.

Your Company was able to successfully manage immediate challenges of re-establishing normalcy in business operations and is in the process of assessing the long-term implications and opportunities that may emerge from this situation.

Your Company's assessments, strategies and prospects outlined in this report are to be read in the context of the evolving situation.

#### BAKERY BUSINESS

##### Biscuit

Biscuit, as India's largest food category, is considered as an essential, in practically every Indian family's consumption basket. It is one of the most deeply penetrated categories in the country, reaching over 90% of the households. The per capita consumption of biscuit in India is comparatively low at 2 kgs versus 10 kgs in certain developed countries. The low per capita consumption and high levels of penetration provide a good base to increase consumption through appropriate business strategies.

##### Cake

Cake is an evolving category which has witnessed some breakthrough developments in formats, pricing and variants in the last few years. The category growths have slowed down due to sluggish economic conditions and there has been significant increase in the competitive activity.

##### Rusk

Rusk is a traditional category with a reasonable level of unorganized play. The category has not witnessed any significant technology changes or product innovation in India. This category, however, has multiple value-added product offerings in other countries.

##### Bread

Bread is considered as a staple food in many parts of our country. Consumer preference for healthy & premium products is providing significant opportunity in this category.

#### DAIRY BUSINESS

India is the largest producer and consumer of dairy products and currently contributes ~20% of the global production. This category, is currently dominated largely by unorganized players. The organized segment of the Indian Dairy Industry is growing and has a great role to play in the future development and growth of the industry.

In the past few years, the processed milk products market has witnessed sustained growth due to increasing urbanization, rising disposable income and proliferation of retail outlets beyond Tier 1 cities. While packaged liquid milk will remain a key driver of the industry growth, value added dairy products are also expected to witness healthy growth.

#### ADJACENT BUSINESS

##### Cream Wafers

Wafers is a ~ ₹ 700 Crores category growing at a healthy pace and your Company is the first branded player with a large national presence to enter this fragmented category. The fragmented and unorganized nature of the segment offers tremendous opportunities for growth.

##### Center Filled Croissants

It is practically a new category in India. However, it is a very large category in many developing countries in the world. Your Company's entry into this nascent category is based on the tremendous potential it holds, given the shifts in the lifestyle and consumption habits of the youth.

##### Salted Snacks

Snacking is inherent to Indian food culture and is an important category of your Company's adjacent business. It has traditionally implied a variety of sensorial experiences in terms of flavour, taste, shape, texture, ingredients, appearance & accompaniments. The category is very large and highly competitive with more than 2000 players operating in it. Migration from unorganized or local to branded products will drive growth for national players like Britannia.



## INTERNATIONAL BUSINESS

International Business for your Company is largely around Middle East, America, Africa, ASIAPAC and SAARC. The environment in these geographies is competitive with many local and international players. International business is also fraught with other challenges such as geo-political conflicts, import duty barriers, exchange rate dynamics etc.

## (B) BUSINESS STRATEGY

### BAKERY BUSINESS

#### Biscuit

**Create a Strategy to Win in “Many Indias”:** Each part of India has a different consumer need and food choices vary by state. Large brands like Good Day, Milk Bikis and Mariegold have employed localized strategies to meet the unique needs of different markets and fight local players. A focused and localized strategy has been adopted for the Hindi Heartland states as well.

**Renovate to Strengthen the Core:** In a category where little differentiation exists, visual and taste superiority are critical. Your Company’s strategy is “continuous differentiation” to stay ahead. Towards that end, your Company re-launches its brands regularly, with focus on visual distinctiveness, product superiority and newness leading to an elevated brand proposition.

**Lead the market with an edge in Distribution:** Scaling up the width of distribution has been one of the key pillars of your Company’s growth over the last 7 years. Your Company’s endeavour, will be to continue this strong growth backed by a strategy to increase both depth and quality of distribution. In addition, focused strategies are being deployed to win in the fast growing organized retail channels.

**Engineer upgrades and tap into consumers moving up the economic ladder:** Biscuit category has reasonable skew towards the value segment. Your Company’s strategy has been to consistently drive upgrades through right products, packs and insightful communication and this strategy is being continuously improved upon to gain market share.

**Lead with new to market concepts and innovations:** Your Company’s brands continuously endeavour to disrupt the markets through launch of new-to-market formats, thereby addressing more and more consumption occasions and delivering specialized benefits. The pillars

of your Company’s innovation strategy include deriving inspiration from adjacent categories (like choco bakery, cheese bakery, cracker and snacking etc), reimagining health, exploring newer flavours and leveraging current and new technologies.

#### Cake

Your Company’s immediate strategic priorities are to revitalize the base cake segment through interventions in key geographies and provide organoleptically superior products in new-to-market formats, at affordable price points.

#### Rusk

Your Company’s strategy is to continue to invest in technology and recipes to offer different varieties with superior taste and quality to consumers at affordable price points. The key objective is to attain segment leadership by constantly understanding what the consumer seeks from the category and by being the first to offer products of superior quality to the satisfaction of consumer expectations.

#### Bread

Bread is positioned as one of the breakfast offerings of the Company & is integral to the Company’s aspiration to be a Total Foods Company. Your Company continues its focus on leading the health portfolio in the market, while, working on developing differentiated products like atta pizza, cheese garlic bread etc.

### DAIRY BUSINESS

Your Company’s strategy in the dairy business is to focus on strengthening its core categories such as Cheese and Yoghurt, while innovating in other categories such as Drinks. Your Company intends to make significant investments in the back-end capabilities of the dairy business. As part of this effort, your Company’s milk procurement in Maharashtra has been scaled up to 25,000 Liters/day from 1000 farmers in and around Ranjangaon.

### ADJACENT BUSINESS

#### Cream Wafers

Cream Wafers, as a category, is experiencing significant growth. The response from consumers to Britannia Treat Crème Wafers has been most encouraging and enabled your Company to become a significant player in this category within a year of its launch. Your Company’s strategy is to drive category penetration by building the base business and launching new-to-market formats.



**Center Filled Croissants**

Your Company launched center filled Croissants under the brand ‘Treat’ in select geographies & trade channels. Your Company aims to recruit consumers into this category through awareness and product trials. A state-of-the-art manufacturing facility for Croissants has been set up in Ranjangaon, Maharashtra, enabling your Company’s aspirations to lead this category.

**Salted Snacks**

Your Company’s strategy is to achieve strong position in this category by offering disruptive and differentiated products at competitive prices.

**INTERNATIONAL BUSINESS**

Your Company’s strategy to achieve growth and market share in International Business is to:

- (a) strengthen foothold among the Indian diaspora across markets;
- (b) develop new products to recruit local ethnic clusters;
- (c) leverage capabilities of India operations; &
- (d) establish local operations for scaling up. Eg. Nepal

**(C) SEGMENT INFORMATION**

The primary business segment of your Company is Foods.

**(D) OUTLOOK**

During the year, Indian economy witnessed significant slowdown impacting consumer demand. The global trade tensions and credit squeeze in domestic market played a major role in driving down demand and growth expectations. Just when the markets were recovering, an unprecedented calamity in the form of the COVID-19 pandemic affected the world, leading to forced lock downs and large-scale disruptions. This may lead to fundamental shifts in consumer behavior in future and present new opportunities and threats to businesses. Your Company expects to face this situation by harnessing the intrinsic strengths of its brands, innovation capabilities, strong distribution network and cost efficiency programs. Your Company is well positioned with its strong management team, technology interventions and robust processes to address any changes that may emerge post COVID-19.

**(E) OPPORTUNITIES AND THREATS**

While we need to evaluate the long-term impact of COVID-19 on consumer preferences in various categories, with food being an essential commodity, we expect your Company to perform better on a relative basis.

**BAKERY BUSINESS****Biscuit**

The per capita consumption of biscuit in India, relative to certain developed economies, continues to be quite low offering significant opportunities for category growth. In view of the wide-spread penetration of biscuit among households (above 90%), the opportunity for innovation and scale is large in this category.

The threat in this segment is expected to arise from competitors who are investing significantly to encash on these opportunities.

**Cake**

The primary threat in this segment comes from the emergence of disruptive formats at entry level price points. This trend provides opportunities to drive category penetration and growth through use of the latest technology and wide distribution.

**Rusk**

The fragmented and unorganized nature of the segment offers tremendous opportunities for growth. There is scope to expand the consumer base by offering superior quality products at the right price points. Necessary investment in technology and recipes is being made to enable your Company to capture market share in this segment.

**Bread**

Your Company plans to become a truly national brand in Bread by expanding its footprints to other profitable markets. Major investments by competitors in infrastructure to produce high quality products and higher media spends continue to pose challenges for the Company’s business.

**DAIRY BUSINESS**

Your Company foresees the following untapped opportunities in the market:

- New and healthier dairy formats.
- Availability of convenient on-the-go packages at affordable prices.
- Gaining share from the unorganized segment.
- Strengthening footprint in areas of low penetration.



Your Company sees quality milk procurement and continuous infrastructure improvement including cold chain as the primary growth challenges. To address these challenges, your Company has been continuously investing in farmer connect programs, scaling up milk procurement capabilities, ensuring consistency in quality of raw material and strengthening cold chain distribution.

## ADJACENT BUSINESS

### Cream Wafers

Low penetration and fragmented nature of the category offers immense potential for growth. However, the entry of new national players with differentiated products at competitive price points is expected to pose significant challenges to growth.

### Center Filled Croissants

Your Company has the opportunity to create a category which is new to the country. The segment is nascent and the challenge for your Company would be to persuade change in existing consumer habits in order to make Croissant an everyday choice for today's consumers.

### Salted Snacks

The Salted Snack category is witnessing intense competition, with leading national and regional competitors investing significantly in advertisement, celebrity endorsements and large discounts to gain market share. While this is a huge challenge, these interventions have also helped create an opportunity for rapid growth and it is expected that this category could soon overtake biscuit as the largest packaged foods category. Hence, it is essential for your Company to partake in this growth through focus on product innovation and market competitiveness.

## (F) RISKS AND CONCERNS

The growth of your Company's portfolio is linked to the overall economic growth. Primary risk to the business will be on account of adverse changes to the economy. Further, the changes in consumer behavior, buying patterns and working environment arising due to COVID-19 pandemic may pose some challenges for the businesses.

## (G) FINANCIAL AND OPERATIONAL PERFORMANCE

The key standalone financials are:

Particulars	₹ in Crores	
	2019-20	2018-19
Revenue from Operations	10,986.68	10,482.45
Profit before tax	1,908.26	1,716.11
Net profit	1,484.30	1,122.20

## (H) SIGNIFICANT FINANCIAL RATIOS

As per provisions of SEBI Listing Regulations, 2015, the significant financial ratios are given below:

Particulars		2019-20	2018-19
Net Profit margin	%	13.1	10.5
Operating Profit margin	%	14.7	14.6
Debtors turnover	times	36.0	35.0
Stock turnover	times	43.1	40.4
Debt equity ratio	%	28.2	0.0
Current ratio	times	1.4	1.9
Interest service coverage ratio	times	30.0	1,115.4
Return on Net worth	%	34.7	27.8

## (I) INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

The Directors have laid down internal financial controls to be followed by the Company and such policies and procedures have been adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

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

Your Company has a Code of Business Conduct for all employees and a clearly articulated and internalized delegation of financial authority. These authority levels are periodically reviewed by management and modifications, if any, are submitted to the Audit



Committee and Board for approval. Your Company also takes prompt action on any violations of the Code of Business Conduct by its employees.

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

## (J) HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company continued its journey to bring to life, the Employee Value Proposition - “MAKE Ti)NGS HAPPEN”, across various employee touch points and emphasizing its core values of **Inviting, Igniting, Creating and Respecting** during this year.

**Inviting:** To reinforce a culture of inclusion and openness to diverse opinions, your Company introduced various digital elements to employee connects. Action plans based on the findings of the annual engagement survey were formulated through these connects. The annual engagement survey called “Dil Se”, has seen a positive 4 year trajectory and your Company is in the Top Quartile of FMCG Companies in India. This engagement survey serves as a yardstick to understand the perception and satisfaction of employees towards various interventions and cultural nuances of your Company. Continuous listening and acting on feedback have helped build a culture of trust in your Company which has resulted in excellent performance and retention of talent.

To build pride and advocacy within the organization and external stakeholders, your Company participated in an engagement and culture audit through the AON Best Employer Study 2019. This involved analysing the engagement sentiments of employees as well as looking at the policies, leadership drive and culture of your Company. The result was that your Company was recognized as one of the Top 16 Best Employers (2019) in India.

**Igniting:** Focusing on learning across cadres through structured blended interventions, your Company established targeted development programs to fuel the growth ambitions of its people by honing and nurturing their potential. The strong management team in your Company fosters a culture of experimentation, agility and efficiency while empowering and enabling employees to try their hand at new things, stay relevant, set new benchmarks and chase excellence.

**Creating:** The leadership team in your Company endorses home grown talent and is equipped with the capability to focus on performance orientation while betting on and coaching employees to enhance their potential for bigger and more challenging roles. This is done by giving them a platform to perform and learn on the job early on in their careers, thereby building talent pipeline and making the organization future ready, while paving way for enriching careers. Your Company continued to champion this philosophy, popularly known as ‘Britannia for Britannians’ internally.

Performance and its evaluation is objective, transparent, meritocratic and development focused. Employees are given a chance to express their input on goals and performance through the year via metrics and achievement scores, reducing the scope for subjectivity and bias. The year-end and mid-year developmental conversations enable a dialogue on strengths as well as focus areas to build careers based on aspirations and opportunities.

**Respecting:** Encouraging employees to live holistically, your Company introduced opportunities where employees could partner with the organisation to give back to society through paid time-off for volunteering. Your Company institutionalized the employee wellness agenda through a gamut of on-site and digital interventions focusing on the four pillars of wellness which is body, mind, soul and financial wellbeing.

As on 31 March 2020, your Company had 4,535 permanent employees on its rolls.

## (K) 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, disruptions caused by pandemic and natural calamities, changes in Government regulations, tax regimes, economic developments in India and in countries in which the Company conducts business and other incidental factors.



## CORPORATE GOVERNANCE REPORT

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

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

### 2. BOARD OF DIRECTORS

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

**Composition of the Board as on 31 March 2020:**

Category	No. of Directors	% to total number of Directors
Executive Director	1	8%
Non-Executive - Non Independent Directors	4	34%
Independent Directors (including woman director)	7	58%

**Board Meetings:**

During the year under review, seven (7) Board Meetings were held. These were on 1 May 2019, 1 July 2019, 9 August 2019, 15 October 2019, 11 November 2019, 7 February 2020 and 24 March 2020. The maximum gap between any two Board Meetings held during the year was not more than 120 days.

**Details of Directors, their Attendance and other Directorships/Committee Memberships as on 31 March 2020:**

Name of the Director	Director Identification Number	Attendance		No. of other Companies Directorships#	No. of Chairmanship/ Membership of Committee of Other Companies ##	No. of shares held
		Board Meetings	AGM held on 9 August 2019			
<b>Promoter and Non-Executive Directors</b>						
Mr. Nusli N Wadia, Chairman	00015731	7	Yes	3	Nil	4,500
Mr. A.K Hirjee	00044765	6	Yes	Nil	Nil	Nil
Mr. Jeh N Wadia	00088831	5	Yes	3	Member- 1	Nil
Mr. Ness N Wadia	00036049	6	Yes	4	Member- 2	13,052
<b>Executive Director</b>						
Mr. Varun Berry, Managing Director	05208062	7	Yes	3	Nil	1,08,610
<b>Independent Directors</b>						
Mr. Avijit Deb	00047233	6	Yes	Nil		
Mr. Keki Dadiseth	00052165	6	No*	3	Chairman- 1 Member- 1	530



Name of the Director	Director Identification Number	Attendance		No. of other Companies Directorships#	No. of Chairmanship/ Membership of Committee of Other Companies ##	No. of shares held
		Board Meetings	AGM held on 9 August 2019			
Dr. Ajai Puri	02631587	6	Yes	Nil		
Dr. Ajay Shah	01141239	4	Yes	1	Member- 1	Nil
Dr. Y.S.P Thorat	00135258	7	Yes	2	Chairman- 1 Member- 1	113
Mr. Keki Elavia	00003940	6	Yes	9	Chairman- 4 Member- 5	Nil
Mrs. Tanya Dubash	00026028	7	Yes	7	Member- 1	Nil

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

## For the purpose of the Chairmanship of Committees, only the Audit Committee and Stakeholders Relationship Committee of Public Limited Companies are considered.

\* Mr. Keki Dadiseth, Chairman of the Nomination and Remuneration Committee, authorised Dr. Ajai Puri to attend the AGM held on 9 August 2019.

**Notes:**

- Mr. Nusli N Wadia, Mr. Jeh N Wadia and Mr. Ness N Wadia are relatives in terms of Section 2 (77) of the Companies Act, 2013 read with Companies (Specification of definitions details) Rules, 2014.
- During the financial year 2019-20, Mr. Nimesh N Kampani and Mrs. Ranjana Kumar retired from the Board of Directors of the Company w.e.f. 12 August 2019.

Mr. Nimesh N Kampani attended the board meetings held on 1 May 2019, 1 July 2019 and 9 August 2019 and also attended the Annual General Meeting held on 9 August 2019. Mrs. Ranjana Kumar attended the board meeting held on 1 May 2019.

**Directorships in Listed Entities as on 31 March 2020:**

Sl. No.	Name of the Director	Name of the Listed Entity	Category of Directorship
1.	Mr. Nusli N Wadia	Britannia Industries Limited	Non-Executive Promoter Director
		The Bombay Dyeing and Manufacturing Company Limited	
		Bombay Burmah Trading Corporation Limited	
2.	Mr. A.K Hirjee	Britannia Industries Limited	Non-Executive Promoter Director
3.	Mr. Jeh N Wadia	Britannia Industries Limited	Non-Executive Promoter Director
		The Bombay Dyeing and Manufacturing Company Limited	Executive Director
		Bombay Burmah Trading Corporation Limited	Non-Executive Promoter Director



Sl. No.	Name of the Director	Name of the Listed Entity	Category of Directorship
4.	Mr. Ness N Wadia	Britannia Industries Limited	Non-Executive Promoter Director
		The Bombay Dyeing and Manufacturing Company Limited	
		Bombay Burmah Trading Corporation Limited	Executive Director
		National Peroxide Limited	Non-Executive Promoter Director
5.	Mr. Varun Berry	Britannia Industries Limited	Executive Director
		Page Industries Limited	Non-Executive Independent Director
6.	Mr. Avijit Deb	Britannia Industries Limited	Non-Executive Independent Director
7.	Mr. Keki Dadiseth	Britannia Industries Limited	Non-Executive Independent Director
		Godrej Properties Limited	
		JM Financial Limited	
		Piramal Enterprises Limited(Previously Piramal Healthcare Limited)	
8.	Dr. Ajai Puri	Britannia Industries Limited	Non-Executive Independent Director
9.	Dr. Ajay Shah	Britannia Industries Limited	Non-Executive Independent Director
		Gujarat State Fertilizers & Chemicals Limited	
10.	Dr. Y.S.P Thorat	Britannia Industries Limited	Non-Executive Independent Director
		Bombay Burmah Trading Corporation Limited	
11.	Mr. Keki Elavia	Britannia Industries Limited	Non-Executive Independent Director
		The Bombay Dyeing and Manufacturing Company Limited	
		Goa Carbon Limited	
		Dai-Ichi Karkaria Limited	
		Godrej Industries Limited	
		Grindwell Norton Limited	
		Sterling & Wilson Solar Limited	
12.	Mrs. Tanya Dubash	Godrej Agrovet Limited	Non-Executive - Non Independent Director
		Britannia Industries Limited	Non-Executive Independent Director
		Godrej Industries Limited	Executive Director
		Godrej Consumer Products Limited	Non-Executive Promoter Director
		Escorts Limited	Non-Executive Independent Director

**Matrix highlighting core skills/expertise/competencies of the Board of Directors:**

The Board of Directors have identified the following skills required for the Company and the availability of such skills with the Board:

Skills and its description	Mr. Nusli N Wadia	Mr. Varun Berry	Mr. A.K Hirjee	Mr. Keki Dadiseth	Mr. Avijit Deb	Dr Ajai Puri	Mr. Jeh N Wadia	Mr. Ness N Wadia	Dr. Y.S.P Thorat	Dr. Ajay Shah	Mr. Keki Elavia	Mrs. Tanya Dubash
<b>Leadership of large organizations</b> Experience of leading operations of large organizations with deep understanding of complex business processes, regulatory and governance environment, risk management and ability to visualize and manage change.	√	√	√	√			√	√	√			√
<b>Visioning and Strategic Planning</b> Expertise in developing and implementing strategies for sustainable and profitable growth in consumer and FMCG industry in the changing business environment. Ability to assess the strength and weaknesses of the Company and devise strategies to gain competitive advantage.	√	√	√	√		√	√	√				√
<b>Consumer Insights and Innovation</b> Insights of consumer behaviour and experience in understanding trends of consumer preferences and Innovation management.	√	√		√		√				√		√
<b>Financial Management and Accounting</b> Expertise in understanding and management of complex financial functions and processes of large organisations, deep knowledge of accounting, finance and treasury for financial health of the Company.	√	√	√	√			√	√	√	√	√	√
<b>Supply Chain Management</b> Ability and expertise in the management of complex supply chain operations including analysis of Commodity trends and procurement at scale in large organizations. Understanding technological developments in supply chain management and experience in leveraging the use of technology in supply chains.	√	√		√			√	√	√			√
<b>Knowledge and expertise of Trade and Economic Policies</b> Possessing knowledge and expertise of various trade and economic policies, ability to analyse their impact on the business of the Company and devise revised strategies.	√	√	√	√	√				√	√		√
<b>Governance and Regulatory requirements of large Companies</b> Knowledge and experience in regulatory and governance requirements and ability to identify key risks affecting the governance of the Company.	√	√	√	√	√						√	√



### 3. BOARD OF DIRECTORS

The Board has constituted the following Committees:

(a) **Audit Committee:**

The Audit Committee comprises of Mr. Keki Elavia, as Chairman and Mr. Keki Dadiseth, Mr. Avijit Deb, Mr. A.K Hirjee, Mr. Ness N Wadia, Dr. Y.S.P Thorat as Members of the Committee.

During the year under review, Mr. Nimesh N Kampani ceased to be the Member of the Committee w.e.f. 12 August 2019 and Dr. Y.S.P Thorat was appointed as Member of the Committee w.e.f. 1 July 2019.

The Company Secretary is the Secretary to the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI Listing Regulations, 2015). Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

During the year under review, Seven (7) Committee Meetings were held. These were on 29 April 2019, 1 July 2019, 7 August 2019, 15 October 2019, 8 November 2019, 10 January 2020 and 7 February 2020. The maximum gap between any two Meetings of the Committee held during the year was not more than 120 days.

All the members of the Committee are financially literate and Mr. Keki Elavia, Mr. Keki Dadiseth, Mr. A.K Hirjee and Dr. Y.S.P Thorat possess financial management expertise.

The Managing Director, Chief Financial Officer, Statutory Auditors and Internal Auditors are invitees to the meetings of the Committee.

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

- Appointment & performance evaluation of statutory and internal auditors;
- Review of Company's financial statements, internal financial reporting process and the audit process;
- Review of adequacy, reliability and effectiveness of internal financial controls, risk management process and vigil mechanism;
- Approval of related party transactions;
- Monitoring of process for compliance with laws, regulations and the code of conduct;
- Review of compliance with provision of SEBI Insider Trading Regulations, 2015;
- Scrutiny of inter-corporate loans and investments;
- Review of utilization of loans and/or advances from/investment by the holding Company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments.

**Internal Audit:**

M/s. Ernst and Young LLP, Internal Auditors of the Company have carried out the Internal Audit for FY 2019- 20. The reports and findings of the Internal Auditor are periodically reviewed by the Audit Committee.

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

The Nomination and Remuneration Committee comprises of Mr. Keki Dadiseth, as Chairman and Mr. Nusli N Wadia, Mr. A.K Hirjee, Dr. Ajai Puri, as Members of the Committee.

During the year under review, Mr. Nimesh N Kampani ceased to be the Member of the Committee w.e.f. 12 August 2019.

The Company Secretary is the Secretary to the Committee.

The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, 2015. Apart from the above, the Committee also carries out such functions/responsibilities entrusted on it by the Board of Directors from time to time.

During the year under review, three (3) meetings of Nomination and Remuneration Committee were held. These were on 1 May 2019, 1 July 2019 and 7 February 2020.

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

- Recommendation of nominations for membership of the Board, its Committees and the leadership team of the Company including Key Managerial Personnel ('KMP') as defined by the Companies Act, 2013 and Senior Management.
- Formulation of criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees.
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
- Evaluation of performance of the Board, its Committees and individual Directors.
- Devising a policy on diversity of Board of Directors.
- Recommendation of remuneration payable to senior management.
- Review and Implementation of Britannia Industries Limited Employee Stock Option Scheme.

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

Pursuant to the provisions of the Companies Act, 2013 read with the rules made thereunder and SEBI Listing Regulations, 2015, performance evaluation of Directors, Committees and Board as a whole was carried out.

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

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

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

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

**Board Diversity**

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

**Remuneration Policy**

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

**Succession Planning**

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



### Remuneration to Managing Director

Mr. Varun Berry was appointed as Managing Director for a period of five years with effect from 1 April 2014 to 31 March 2020. The Board at its Meeting held on 15 May 2018 has approved the re-appointment of Mr. Varun Berry as Managing Director of the Company for a period of five years with effect from 1 April 2019 to 31 March 2024.

The re-appointment, and terms thereof, including remuneration was approved by the Members of the Company at the 99<sup>th</sup> Annual General Meeting held on 6 August 2018.

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

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

The details of remuneration paid/payable to Mr. Varun Berry for FY 2019-20 are as follows:

Salary/Benefits (₹)	Performance Linked Incentives / Other Bonus (₹)	Total (₹)	No. of stock options granted on 1 May 2019
5,75,90,850	4,02,62,750	9,78,53,600	3,50,000

#### Notes:

- Employee benefits which are based on actuarial valuation done on an overall Company basis are excluded from the above mentioned salary and benefits.
- The options vest over a period of 3 years i.e., 1/3 every year. Other relevant details of options granted are given in Annexure-'D' to the Board's Report.

### Remuneration to Non-Executive Directors

The Non-Executive Directors are entitled to Commission on the net profits of the Company in addition to sitting fees for attending the meetings. The Board collectively decides the aggregate amount of Commission for each year. The amount of Commission payable to individual Non-Executive Directors is determined based on their attendance and contribution at the meetings of the Board of Directors and its Committees as well as time spent on operational matters other than at the meetings. The Members of the Company have approved the payment of Commission to Non-Executive Directors at the 95 Annual General Meeting held on 12 August 2014. The details of Sitting fee and Commission to Non-Executive Directors for FY 2019-20 are given below:

Name of the Director	Sitting Fee (₹)	Commission (₹)	Total (₹)
Mr. Nusli N Wadia	6,60,000	5,75,00,000	5,81,60,000
Mr. A.K Hirjee	12,60,000	1,03,10,000	1,15,70,000
Mr. Avijit Deb	9,60,000	43,60,000	53,20,000
Mr. Nimesh N Kampani*	5,40,000	25,60,000	31,00,000
Mr. Jeh N Wadia	4,80,000	39,50,000	44,30,000
Mr. Keki Dadiseth	10,20,000	51,10,000	61,30,000
Dr. Ajai Puri	6,60,000	55,10,000	61,70,000
Mr. Ness N Wadia	9,00,000	82,20,000	91,20,000
Mrs. Ranjana Kumar*	60,000	3,00,000	3,60,000
Dr. Ajay Shah	3,40,000	18,00,000	21,40,000
Dr. Y.S.P Thorat	9,40,000	68,10,000	77,50,000
Mr. Keki Elavia	8,40,000	58,60,000	67,00,000
Mrs. Tanya Dubash	5,40,000	27,10,000	32,50,000
<b>Total</b>	<b>92,00,000</b>	<b>11,50,00,000</b>	<b>12,42,00,000</b>

\* Mr. Nimesh N Kampani and Mrs. Ranjana Kumar retired from the Board of Directors of the Company w.e.f. 12 August 2019.

The Commission amount as mentioned above will be paid after the adoption of financial statements for the financial year ended 31 March 2020 by the Members of the Company. During FY 2019-20, the Non-Executive Directors did not have any other pecuniary relationship or transactions with the Company other than those mentioned in the Note No. 45 of Standalone Financial Statements.

**(c) Stakeholders' Relationship Committee:**

The Stakeholders Relationship Committee comprises of Mr. A.K Hirjee, as Chairman and Mr. Jeh N Wadia, Mr. Varun Berry, Mr. Avijit Deb as Members of the Committee.

During the year under review, Mr. Nimesh N Kampani ceased to be the Member of the Committee w.e.f. 12 August 2019 and Mr. Avijit Deb was appointed as Member of the Committee w.e.f. 18 September 2019.

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

Mr. T.V. Thusidass is the Company Secretary and Compliance Officer of the Company.

During the year under review, Four (4) meetings of Stakeholders' Relationship Committee were held. These were on 7 August 2019, 8 November 2019, 10 January 2020 and 7 February 2020.

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

- Approval and monitoring of transfer, transmission, split, consolidation and dematerialization, re-materialisation of shares/securities and issuance of duplicate share/security certificates by the Company as per the approval matrix;
- Overseeing various issues relating to shareholders/security holders, including redressal of complaints relating to transfer of shares/security, non-receipt of annual reports, dividends declared etc.;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

**Shareholders' Complaints:**

No. of Shareholders' complaints received during the year	36
No. of complaints disposed off during the year	37
No. of complaints not resolved to the satisfaction of Shareholders	NIL
No. of pending complaints	3

Note: There were four (4) complaints pending as on 31 March 2019, out of which three (3) were resolved on 1 April 2019 and One (1) was resolved on 3 April 2019. All the three (3) Shareholders' Complaints pending as on 31 March 2020 were resolved on 10 April 2020.

**(d) Finance Committee:**

The Finance Committee comprises of Mr. A.K Hirjee, as Chairman and Mr. Ness N Wadia, Mr. Varun Berry as Members of the Committee.

The broad terms of reference of the Committee are to approve investments / divestments of funds of the Company within the limits prescribed by the Board from time to time.

During the year under review, the Committee met twice on 7 August 2019 and 8 November 2019.



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

The Strategy & Innovation Steering Committee comprises of Mr. Nusli N Wadia, as Chairman and Mr. Varun Berry, Mr. Ness N Wadia, Mr. Keki Dadiseth, Dr. Ajai Puri, Mrs. Tanya Dubash, Dr. Ajay Shah, Dr. Y.S.P Thorat as Members of the Committee.

During the year under review, Mrs. Ranjana Kumar ceased to be the Member of the Committee w.e.f. 12 August 2019 and Mrs. Tanya Dubash was appointed as Member of the Committee w.e.f. 1 July 2019.

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

During the year under review, the Committee met once on 1 July 2019.

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

The Corporate Social Responsibility (CSR) Committee comprises of Mr. Ness N Wadia, as Chairman and Mr. Keki Dadiseth, Dr. Ajai Puri, Dr. Y.S.P Thorat, as Members of the Committee.

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

During the year under review, the Committee met once on 24 March 2020.

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

- Formulation and recommendation to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommendation of the amount of expenditure to be incurred on CSR activities; and
- Monitoring compliance to the CSR Policy of the Company.

(g) **Risk Management Committee**

The Risk Management Committee comprises of Dr. Ajay Shah, as Chairman and Mr. Keki Dadiseth, Dr. Y.S.P Thorat, Mr. Keki Elavia, Mr. Varun Berry, Mr. N. Venkataraman as Members of the Committee.

During the year under review, the Committee met once on 24 March 2020.

(h) **IT Committee**

The IT Committee comprises of Dr. Ajay Shah, as Chairman and Mr. Varun Berry, Mr. Jeh N Wadia as Members of the Committee.

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

(i) **Bonus Debentures Committee**

The Bonus Debentures Committee comprises of Mr. A.K Hirjee, as Chairman and Mr. Keki Elavia, Mr. Ness N Wadia, Mr. Varun Berry as Members of the Committee.

During the year under review, the Committee met twice on 7 August 2019 and 28 August 2019.

## (j) Attendance of Directors/Members at Meetings of Committees:

The Attendance of Directors/Members at Meetings of various aforementioned Committees is given below:

Name of the Directors/Members	ACM	NRC	SRC	FC	SISC	CSR	RMC	BDC
Mr. Nusli N Wadia	-	3/3	-	-	1/1	-	-	-
Mr. Varun Berry	-	-	3/4	2/2	1/1	-	1/1	1/2
Mr. A.K Hirjee	6/7	3/3	4/4	2/2	-	-	-	2/2
Mr. Avijit Deb	6/7	-	3/4	-	-	-	-	-
Mr. Nimesh N Kampani#	3/7	2/3	1/4	-	-	-	-	-
Mr. Jeh N Wadia	-	-	3/4	-	-	-	-	-
Mr. Keki Dadiseth	6/7	3/3	-	-	1/1	0/1	0/1	-
Dr. Ajai Puri	-	3/3	-	-	1/1	0/1	-	-
Mr. Ness N Wadia	5/7	-	-	2/2	1/1	1/1	-	1/2
Mrs. Ranjana Kumar#	-	-	-	-	0/1	-	-	-
Dr. Ajay Shah	-	-	-	-	1/1	-	1/1	-
Dr. Y.S.P Thorat	5/7	-	-	-	1/1	1/1	1/1	-
Mr. Keki Elavia	7/7	-	-	-	-	-	0/1	2/2
Mrs. Tanya Dubash	-	-	-	-	1/1	-	-	-
Mr. N. Venkataraman	-	-	-	-	-	-	1/1	-

ACM- Audit Committee, NRC- Nomination and Remuneration Committee, SRC- Stakeholders' Relationship Committee, FC- Finance Committee, SISC- Strategy and Innovation Steering Committee, CSR- Corporate Social Responsibility Committee, RMC- Risk Management Committee, BDC- Bonus Debentures Committee.

# Mr. Nimesh N Kampani and Mrs. Ranjana Kumar retired from the Board of Directors of the Company w.e.f. 12 August 2019.

#### 4. INDEPENDENT DIRECTORS:

In the opinion of the Board, the Independent Director's fulfil the conditions specified in SEBI Listing Regulations, 2015 and all are independent of the Management.

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

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

During the year under review, Meeting of the Independent Directors was held on 7 February 2020, without the attendance of Non-Independent Directors and Members of the Management, inter alia, to evaluate:

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

All the Independent Directors except Dr. Ajay Shah attended the Meeting.

#### Familiarization Programme:

At the time of induction, the Company familiarizes the Independent Directors with industry outlook, business strategy, Company's operations, their roles & responsibilities, etc. Thereafter, the Independent Directors are provided with necessary presentations, documents, reports, internal policies and updates to familiarise them with the Company's business, policies, procedures and practices at various Meetings held during the year.

The details of such Familiarization Programs for Independent Directors are disclosed on the website of the Company.

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



**5. GENERAL BODY MEETINGS**

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

Date	Location	Time	Special Resolution Passed
9 August 2019	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098	11:00 A.M.	<ul style="list-style-type: none"> <li>Reappointment of Mr. Avijit Deb as an Independent Director of the Company.</li> <li>Reappointment of Mr. Keki Dadiseth as an Independent Director of the Company.</li> <li>Reappointment of Dr. Ajai Puri as an Independent Director of the Company.</li> </ul>
6 August 2018	JW MARRIOTT, 4A, J.B.S Haldane Avenue, Tangra, Kolkata - 700 105	11:00 A.M.	<ul style="list-style-type: none"> <li>Appointment of Mr. Keki Elavia as an Independent Director of the Company.</li> <li>Approval for continuation of Directorship of Mr. Nusli N Wadia as Non-Executive Director of the Company.</li> <li>Approval for continuation of Directorship of Mr. A.K Hirjee as Non-Executive Director of the Company.</li> <li>Amendment of Britannia Industries Limited Employee Stock Option Scheme.</li> </ul>
7 August 2017	Hyatt Regency, JA-1, Sector 3, Salt Lake City, Kolkata - 700 098	11:00 A.M.	None

b. NCLT Convened Meeting:

Pursuant to an Order dated 10 day of April 2019 read with order dated 22 day of April 2019 passed by the National Company Law Tribunal, Bench at Kolkata, the Company convened meeting of the equity shareholders of Britannia Industries Limited on Monday, 27 May 2019 at Bhasha Bhawan Auditorium, National Library, Belvedere Road, Alipore, Kolkata – 700 027 at 1:00 P.M. for approval of the Scheme of Arrangement Amongst Britannia Industries Limited and its Members for Issue of Secured, Non-Convertible, Redeemable, Fully Paid-Up Debentures by way of Bonus to the Members.

Further as per the NCLT order dated 10 day of April 2019, the Company also provided the Postal ballot and E-voting facility to the Members. The resolution was passed through requisite majority.

c. Resolution passed through Postal ballot during Financial Year 2019-20:

During the year under review, the Company has conducted postal ballot and E-voting for Approval of the Scheme of Arrangement Amongst Britannia Industries Limited (the “Company”) and its Members for Issue of Secured, Non-Convertible, Redeemable, Fully Paid-Up Debentures by way of Bonus to the Members as on Record Date out of the Accumulated Profits Lying to the Credit of Profit & Loss Account under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

The brief details of Postal Ballot Process are given below:

Particulars	Date
Date of Notice of Postal Ballot	23 April 2019
Start of Voting Period	27 April 2019 (9:00 A.M.)
End of Voting Period	26 May 2019 (5:00 P.M.)
Scrutinizer for Postal Ballot and E-voting	Mr. Arun Kumar Gupta (Membership No. 060892), Partner of M/s. Arun Tarun & Co., Chartered Accountants.
Date of declaration of results	28 May 2019

The details of the voting pattern are given below:

Sl. No.	Resolutions passed through Postal Ballot and E-voting	Votes in favour of the resolution (%)	Votes against the resolution (%)
1.	Approval of the Scheme of Arrangement Amongst Britannia Industries Limited (the “Company”) and its Members for Issue of Secured, Non-Convertible, Redeemable, Fully Paid-Up Debentures by way of Bonus to the Members as on Record Date out of the Accumulated Profits Lying to the Credit of Profit & Loss Account under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.	97.8277	2.1723

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

## 6. MEANS OF COMMUNICATION

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

However, this year in view of the outbreak of COVID-19 pandemic and owing to the difficulties involved in dispatching of physical copies of Annual Report, the Ministry of Corporate Affairs (“MCA”) has vide its circular no 20/2020 dated 5 May 2020 directed the Companies to send the Annual Report only by e-mail to all the Members of the Company. Therefore, the Annual Report for FY 2019-20 and Notice of 101<sup>st</sup> AGM of the Company is being sent to the Members at their registered e-mail addresses in accordance with MCA and SEBI Circulars.

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

The presentations made to analysts/institutional investors are uploaded on the Company’s website.

Weblink: <http://britannia.co.in/investors/presentations>.

## 7. GENERAL SHAREHOLDER INFORMATION

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

Tuesday, 7 July 2020 at 11:00 A.M. IST through Video Conference (“VC”)/Other Audio Visual Means (“OAVM”)

- (ii) **Financial Year: 1 April 2020 to 31 March 2021**

Tentative Calendar for Approval of Financial Results is given below:

Period	Timeline
For the first quarter ending 30 June 2020	2 <sup>nd</sup> week of August 2020
For the second quarter and half year ending 30 September 2020	2 <sup>nd</sup> week of November 2020
For the third quarter ending 31 December 2020	2 <sup>nd</sup> week of February 2021
For the fourth quarter and year ending 31 March 2021	4 <sup>th</sup> week of May 2021

- (iii) **Book closure period:** Wednesday, 1 July 2020 to Tuesday, 7 July 2020 (both days inclusive)



**(iv) Interim Dividend:**

The Board of Directors at their Meeting held on 23 April 2020 declared Interim Dividend @ 3500% i.e., ₹ 35 per Equity Share of ₹ 1/- each for FY 2019-20. The Interim Dividend was paid to the shareholders holding shares as on Record Date i.e., Saturday, 2 May 2020. The total dividend payout for FY 2019-20 stands at ₹ 841.64 Crores.

**(v) Listing on Stock Exchanges:**

The Company's equity shares and debentures are listed on:

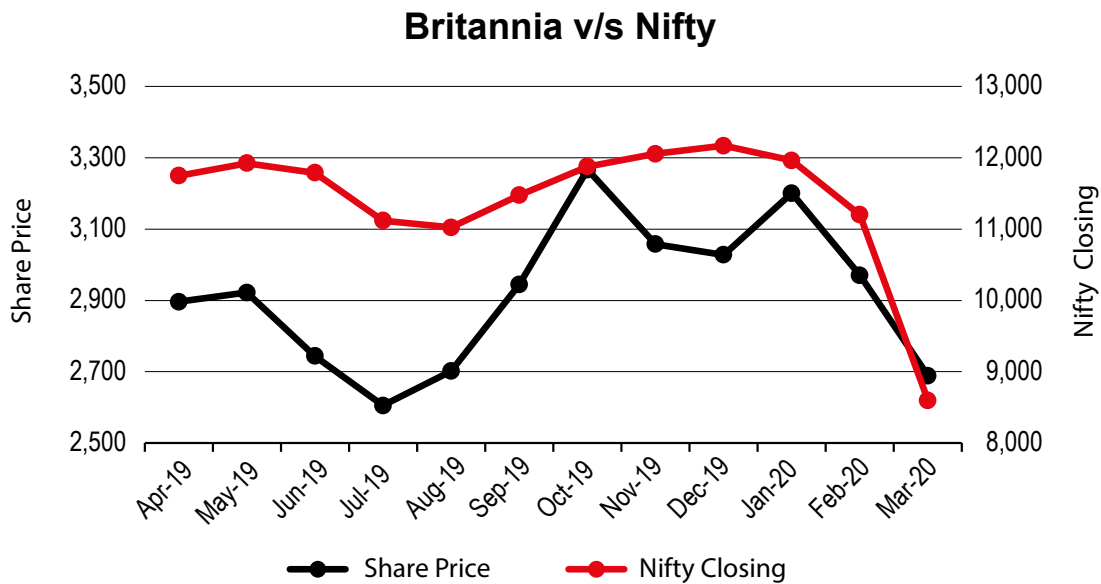
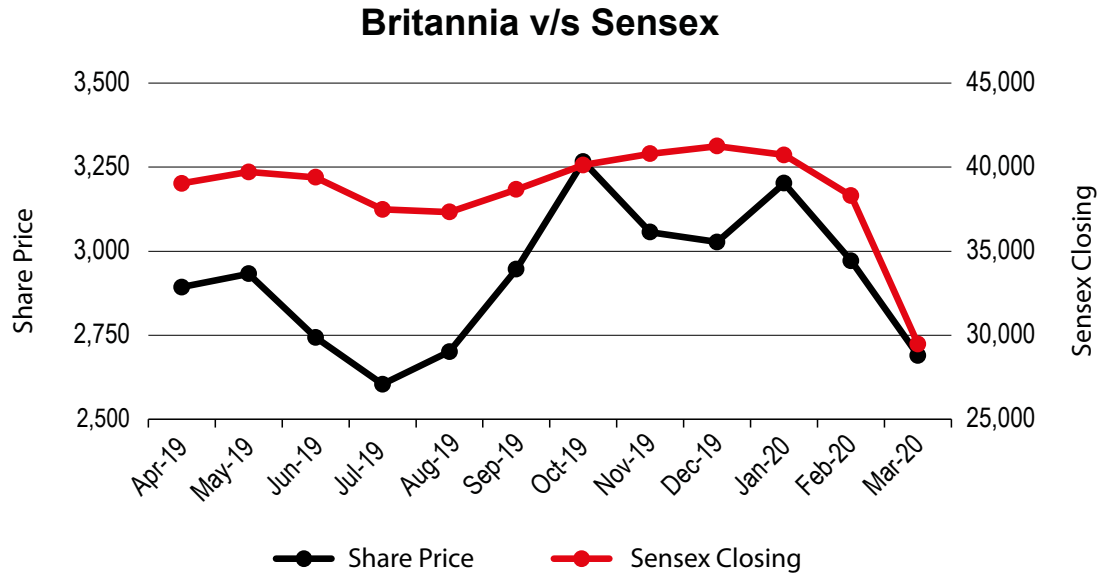
Name of the stock exchange	Address	Stock Code	
		Equity	Debentures
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	500825 ISIN- INE216A01030	936908 ISIN - INE216A07052
National Stock Exchange of India Limited (NSE)	Exchange Plaza, 5 Floor, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	BRITANNIA ISIN - INE216A01030	BRITANNIA ISIN - INE216A07052

The Annual Listing fees for equity shares and debentures have been paid to the aforesaid Stock Exchanges for FY 2020-21.

**(vi) Stock Price Data:**

Month	BSE			BSE (Sensex Closing)	NSE			NSE (Nifty Closing)
	(In ₹)				(In ₹)			
	High	Low	Closing		High	Low	Closing	
<b>2019</b>								
April	3,107.45	2,879.15	2,893.10	39,031.55	3,109.00	2,876.05	2,896.05	11,748.15
May	2,965.35	2,616.45	2,932.90	39,714.20	2,970.00	2,615.85	2,921.95	11,922.80
June	3,009.90	2,701.00	2,743.55	39,394.64	3,010.00	2,700.00	2,743.70	11,788.85
July	2,864.00	2,541.25	2,604.00	37,481.12	2,862.90	2,540.30	2,605.00	11,118.00
August	2,743.00	2,302.00	2,701.30	37,332.79	2,743.25	2,300.00	2,701.65	11,023.25
September	3,443.90	2,590.00	2,946.20	38,667.33	3,583.75	2,588.20	2,944.15	11,474.45
October	3,398.20	2,836.60	3,266.40	40,129.05	3,399.00	2,835.10	3,266.60	11,877.45
November	3,299.05	3,007.00	3,056.55	40,793.81	3,299.00	3,004.30	3,057.70	12,056.05
December	3,154.95	3,021.00	3,027.25	41,253.74	3,155.95	3,020.00	3,027.80	12,168.45
<b>2020</b>								
January	3,273.55	2,979.00	3,202.35	40,723.49	3,274.60	2,978.05	3,200.70	11,962.10
February	3,317.25	2,917.70	2,971.50	38,297.29	3,318.00	2,917.00	2,970.20	11,201.75
March	3,165.00	2,100.55	2,689.65	29,468.49	3,165.00	2,100.00	2,688.95	8,597.75

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





**(vii) Investor Education and Protection Fund (IEPF):**

During FY 2019-20, the Company has transferred unpaid and unclaimed dividend of ₹ 70,30,155 to IEPF in accordance with the provisions of Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments thereof).

As on 31 March 2020, the Company's unpaid / unclaimed dividend / interest / debenture redemption proceeds account had a balance of ₹ 14,65,11,537.65.

Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013, Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including amendments thereof) read with circulars and notifications issued thereunder, all the shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund (IEPF).

In accordance with the aforesaid provisions, the Company has transferred 1,89,626 equity shares held by 89 shareholders as on 31 March 2012 whose dividends were remaining unpaid/unclaimed for 7 consecutive years i.e., from FY 2011-12 to IEPF.

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

Reminders are sent to the Shareholders who have not claimed their dividends and whose shares are due to be transferred to IEPF in accordance with provisions of Companies Act, 2013 and IEPF Rules made thereunder.

**(viii) Registrar and Transfer Agent:**

M/s. KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) is the Registrar and Transfer Agent of the Company which manages the entire share registry work, both Physical and Electronic. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto should be sent to the address mentioned below:

**KFin Technologies Private Limited**

**Unit: Britannia Industries Limited**

Karvy Selenium Tower B, Plot 31-32, Gachibowli

Financial District, Nanakramguda, Hyderabad – 500 032

Tel. No.: +91 40 6716 2222; Fax No.: +91 40 2342 0814

E-mail Id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**(ix) Share Transfer System**

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

Pursuant to the provisions of Regulation 40 of the SEBI Listing Regulations, 2015, securities can be transferred only in dematerialised form w.e.f. 1 April 2019. Members are requested to convert their physical holdings into demat form and may write to Mr. T.V. Thulsidass, Company Secretary at [thulsidasstv@britindia.com](mailto:thulsidasstv@britindia.com) or [investorrelations@britindia.com](mailto:investorrelations@britindia.com) or to Registrar and Share Transfer Agent in case they wish to get their securities dematerialized.

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

## (x) Distribution of shareholding as on 31 March 2020:

Group of Shares	No. of Shareholders	% to total no. of shareholders	No. of shares held	% to total shares
1-500	1,81,491	94.15	80,75,358	3.36
501-1000	3,953	2.05	29,60,546	1.23
1001-2000	3,595	1.86	48,40,511	2.01
2001-10000	2,891	1.50	1,08,11,871	4.50
10001 and above	849	0.44	21,37,80,010	88.90
<b>Total</b>	<b>1,92,779</b>	<b>100.00</b>	<b>24,04,68,296</b>	<b>100.00</b>

## (xi) Dematerialization of Shares:

The Company's shares are available for dematerialization/re-materialization with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Requests for the same are processed within 15 days of receipt, if all the documents are valid and in order. As on 31 March 2020, out of the total 24,04,68,296 equity shares, 23,73,92,525 equity shares representing 98.72% of the total paid up share capital were held in dematerialised form with NSDL and CDSL.

## (xii) Outstanding GDRs / ADRs / warrants or any convertible instruments, conversion dates and likely impact on equity:

Not Applicable.

## (xiii) Bonus Debentures

During the year under review, your Company allotted 24,03,18,294 3-year secured, non-convertible, redeemable, fully paid-up Bonus Debentures of face value of ₹ 30/- each, bearing interest at 8% p.a., to the Members of the Company, as on the Record Date, Friday, 23 August 2019, as per the ratio stipulated in the Scheme of Arrangement i.e., 1 fully paid-up Debenture of face value of ₹ 30/- each for every 1 fully paid-up equity share of face value of Re 1/- each.

The final listing and trading approval for the bonus debentures was received from the BSE Limited and National Stock Exchange of India Limited on 7 October 2019 and the bonus debentures were listed on both the exchanges w.e.f. 9 October 2019.

M/s IDBI Trusteeship Services Limited has been appointed as Debenture Trustee and M/s. KFin Technologies Private Limited acted as Registrar to the issue of debentures.

The contact details of debenture trustee is given below:

**M/s. IDBI Trusteeship Services Limited**

CIN: U65991MH2001GOI131154

Asian Building, Ground Floor,

17, R. Kamani Marg, Ballard Estate,

Mumbai – 400 001.

T: (91) (22) 40807066 Fax: 022 66311776

Website: <http://www.idbitrustee.com>

Contact Person: Ms. Manali Sahasrabudhe/ Mr. Aditya Kapil

E-mail Id: [itsl@idbitrustee.com](mailto:itsl@idbitrustee.com)

Pursuant to the directions issued by SEBI, the bonus debentures were allotted in dematerialised form to all the shareholders holding shares in demat form. The Company has opened a separate Suspense Demat Account in the name and style of "Britannia Industries Limited Bonus Debentures Suspense Account 2019" with M/s Karvy Stock Broking Limited, Depository Participant and transferred the bonus debentures in respect of the shareholders holding shares in physical form.



**Statement of BIL Bonus Debentures Suspense Account 2019:**

The details of bonus debentures lying in the Suspense Account as on 31 March 2020 are given below:

Sl. No.	Particulars	Number of debenture holders	Number of debentures
1.	Aggregate number of debenture holders and the outstanding debentures in the suspense account lying as on 20 September 2019.	2,390	34,90,744
2.	Number of debentures holders who approached Company for transfer of debentures from suspense account during the year	30	34,968
3.	Number of debenture holders to whom debentures were transferred from suspense account during the year.	30	34,968
4.	Aggregate number of debenture holders and the outstanding debentures in the suspense account lying as on 31 March 2020.	2,360	34,55,776

Members are requested to convert their physical shares into dematerialised form after complying with necessary formalities and claim the bonus debentures from the Company which are lying in Suspense Demat Account.

**(xiv) Plant Locations:**

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

**(xv) Address for Correspondence:**

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

Phone : +91 33 2287 2439/2057;

Fax : +91 33 2287 2501;

E-mail Id: [investorrelations@britindia.com](mailto:investorrelations@britindia.com)

**(xvi) Credit Ratings:**

CRISIL has reaffirmed the credit rating of CRISIL AAA and CRISIL A1+ for long term and short term debt instrument/ facilities respectively of the Company.

ICRA has assigned the credit rating of ICRA A1+ for the Commercial Paper issued by the Company on 17 January 2020.

**8. DISCLOSURES****a. Related Party Transactions:**

The Company has adopted a policy on materiality of related party transactions and dealing with Related Party Transactions and the same is disclosed on the website of the Company.

Weblink: [http://britannia.co.in/pdfs/Code\\_of\\_conduct/policies/Policy-materiality-of-Related-Party-Transactions.pdf](http://britannia.co.in/pdfs/Code_of_conduct/policies/Policy-materiality-of-Related-Party-Transactions.pdf)

During FY 2019-20, all related party transactions were in the ordinary course of business and on arm's length basis and there were no transactions requiring approval of the Board/Shareholders. However, prior approval of the Audit Committee was sought for entering into the Related Party Transactions as required under Companies Act, 2013 read with rules made thereunder and Regulation 23 (2) of SEBI Listing Regulations, 2015. Further, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approvals given are also placed before the Audit Committee for its review on a quarterly basis.

During FY 2019-20, there were no material related party transactions in terms of Regulation 23 of the SEBI Listing Regulations, 2015.

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

- c. **Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy to provide vigil mechanism for Directors/Employees to voice their concerns in a responsible and effective manner regarding unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct and Insider Trading Regulations. It also provides adequate safeguards against victimization of Directors/Employees who avail the mechanism. The Company affirms that during FY 2019-20, no personnel have been denied access to the Audit Committee.

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

Weblink: [http://britannia.co.in/pdfs/Code\\_of\\_conduct/policies/Whistle-Blower-Policy.pdf](http://britannia.co.in/pdfs/Code_of_conduct/policies/Whistle-Blower-Policy.pdf)

- d. **Dividend Distribution Policy:**

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

Weblink: [http://britannia.co.in/pdfs/Code\\_of\\_conduct/policies/Dividend-Distribution-Policy.pdf](http://britannia.co.in/pdfs/Code_of_conduct/policies/Dividend-Distribution-Policy.pdf)

- e. **Disclosure of commodity price risks or foreign exchange risk and hedging activities:**

Commodities are a large part of raw materials procured and consumed by the Company. Your Company has a robust framework and governance mechanism to ensure that it is sufficiently protected from market volatilities.

Your Company manages foreign exchange risk with appropriate hedging activities consistent with the policies of the Company. Your Company uses forward exchange contracts to hedge against its foreign currency exposures. Foreign exchange transactions are fully covered with strict limits placed on the amount of uncovered exposure, if any, at any point in time. There are no materially uncovered exchange rate risks in the context of the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on 31 March 2020 are disclosed in the Notes to the Standalone financial statements.

- f. **Certificate from Practicing Company Secretary:**

A certificate from M/s. Parikh & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority is forming part of Annual Report.

- g. **Total fees paid to M/s. B S R & Co, LLP, Statutory Auditors:**

Total fees (excluding taxes and OPE) for all services paid by the Company and its subsidiaries in India, on a consolidated basis, to M/s. B S R & Co, LLP, Statutory Auditors within the network firm/network entity of which the statutory auditor is a part, is ₹ 1,67,95,000.

- h. **Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year	2
Number of complaints disposed off during the financial year	2
Number of complaints pending as on end of the financial year	0

- i. **Risk Management:**

The Risk Management Committee reviews key risks affecting the Company and mitigation measures thereof.



**j. Code of Conduct:**

The Company has laid down a Code of Conduct for the Members of the Board and employees of the Company which is disclosed on the Company's website. The Managing Director has confirmed and declared that all Members of the Board and Senior Management have affirmed compliance with the Code of Conduct.

**k. Accounting Treatment:**

The Financial Statements of the Company for FY 2019-20 have been prepared in accordance with the applicable accounting principles in India and the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder.

**l. CEO/ CFO Certification:**

Mr. Varun Berry, Managing Director and Mr. N. Venkataraman, Chief Financial Officer have provided Compliance Certificate to the Board in accordance with Regulation 17 (8) read with Part B of Schedule II of the SEBI Listing Regulations, 2015 for the financial year ended 31 March 2020.

**m. Compliance Reports:**

The Board has reviewed the compliance reports pertaining to the laws applicable to the Company at its meetings on quarterly basis.

**n. Subsidiary Companies Monitoring Framework:**

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

As on 31 March 2020, the Company does not have any Material Subsidiary as defined under Regulation 16(1) (c) of SEBI Listing Regulations, 2015.

**o. Audit of Reconciliation of Share Capital:**

As stipulated by SEBI, a Practicing Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its meetings.

**p. Corporate Identification Number (CIN): L15412WB1918PLC002964.**

**q. Information flow to the Board Members:**

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

**r. Code of Conduct for Prevention of Insider Trading**

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

The Company has also adopted the Policy for determination of Legitimate Purposes and Policy for Inquiry in case of leak or suspected leak of unpublished price sensitive information in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

**s. Compliance with mandatory requirements**

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

t. **Adoption and Compliance of Non-mandatory requirements:**

i. **The Board:**

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

ii. **Shareholder Rights - furnishing of half-yearly results:**

The Company provides the copy of the quarterly and half-yearly results on receipt of a specific request from the Shareholders.

iii. **Audit Qualifications:**

There is no qualification in the Independent Auditor's Report on the Standalone and Consolidated financial statements for FY 2019-20.

iv. **Reporting of Internal Auditors:**

The Internal Auditors report directly to the Audit Committee.

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## **DECLARATION ON CODE OF CONDUCT**

In compliance with the requirements of the Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31 March 2020.

For Britannia Industries Limited

Sd/-

**Varun Berry**

Managing Director

(DIN:05208062)

Place : Bengaluru

Date : 29 May 2020



## CERTIFICATE BY A COMPANY SECRETARY IN PRACTICE

[Pursuant to Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members  
Britannia Industries Limited  
5/1A, Hungerford Street, Kolkata,  
West Bengal - 700 017

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Britannia Industries Limited** having CIN **L15412WB1918PLC002964** and having registered office at 5/1A, Hungerford Street, Kolkata, West Bengal -700 017, (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	Director Identification Number	Date of Appointment in Company*
1.	Mr. Nusli N Wadia	00015731	05/09/1993
2.	Mr. Varun Berry	05208062	11/11/2013
3.	Mr. A.K Hirjee	00044765	05/09/1993
4.	Mr. Avijit Deb	00047233	04/06/1996
5.	Mr. Jeh N Wadia	00088831	14/09/2005
6.	Mr. Keki Dadiseth	00052165	31/05/2006
7.	Dr. Ajai Puri	02631587	30/04/2009
8.	Mr. Ness N Wadia	00036049	29/04/2010
9.	Dr. Y.S.P Thorat	00135258	13/02/2017
10.	Dr. Ajay Shah	01141239	13/02/2017
11.	Mr. Keki Elavia	00003940	07/08/2017
12.	Mrs. Tanya Dubash	00026028	07/02/2019

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
Practising Company Secretaries  
Firm Registration No. P1988MH009800  
Shalini Bhat  
Partner

Place : Mumbai  
Date : 2 June 2020

FCS: 6484 CP: 6994  
UDIN: F006484B000311492

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Britannia Industries Limited

### Independent Auditor's certificate on Compliance of Corporate Governance Report

This Certificate is issued in accordance with the terms of our engagement letter dated 13 September 2019 and addendum dated 25 May 2020.

Britannia Industries Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period 1 April 2019 to 31 March 2020.

### Management's Responsibility

The preparation of the Corporate Governance report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is responsible for ensuring that the Company complies with the requirements as stipulated in Regulations 17 to 27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2019 to 31 March 2020. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the report and applying an appropriate basis of preparation.

### Auditor's Responsibility

Pursuant to the requirements of the Listing Regulations, our responsibility is to state whether the Company has complied with the above said compliances of the conditions of Corporate Governance for the period 1 April 2019 to 31 March 2020.

We have examined the compliance of conditions of Corporate Governance by the Company for the period 1 April 2019 to 31 March 2020 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

### Opinion

In our opinion and to the best of information and according to the explanations given to us and representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

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

### Restriction on use

This certificate is issued solely for the purpose of complying with Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2019 to 31 March 2020 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

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

Firm registration number: 101248W/W-100022

**Supreet Sachdev**  
*Partner*

Place : Bengaluru

Membership number: 205385

Date : 2 June 2020

ICAI UDIN: 20205385AAAAAQ5711



## BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Directors present the “Business Responsibility Report” (BRR) of the Company for FY 2019-20.

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY		
1.	Corporate Identity Number (CIN) of the Company	L15412WB1918PLC002964
2.	Name of the Company	Britannia Industries Limited
3.	Registered Office Address	5/1A, Hungerford Street, Kolkata, West Bengal-700017
4.	Website	<a href="http://www.britannia.co.in">www.britannia.co.in</a>
5.	E-mail Id	<a href="mailto:investorrelations@britindia.com">investorrelations@britindia.com</a>
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged	Food Products
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Biscuits, Cake & Rusk
9.	Total number of locations where business activity is undertaken by the Company:	
	(a) Number of International Locations	The products of the Company are exported to over 79 Countries across the world.
	(b) Number of National Locations	The Company operates from its various factories across India. Details of plant locations of the Company are provided under the head ‘General Shareholders Information’ in the Corporate Governance Report.
10.	Markets served by the Company – Local / state / National / International	The Business of the Company is spread across the Country.

SECTION B: FINANCIAL DETAILS OF THE COMPANY (STANDALONE)		
1.	Paid-Up Capital (INR)	₹ 24.05 Crores
2.	Total Turnover (INR)	₹ 10,820.57 Crores
3.	Total Profit After Taxes (INR)	₹ 1,484.30 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	As per Section 135 of the Companies Act, 2013 read with the rules made thereunder, the Company is required to spend at least 2% of average net profit of last 3 financial years i.e., ₹ 28.43 Crores.  The Company has spent ₹ 28.43 Crores on CSR activities for FY 2019-20.
5.	List of activities in which expenditure in 4 above has been incurred:	The details of CSR activities are given in Annexure-‘B’ - CSR Report forming part of the Board’s Report.

SECTION C: OTHER DETAILS		
1.	Does the Company have any Subsidiary Company/ Companies?	Yes.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?  If yes, then indicate the number of such Subsidiary Company(s)	The subsidiary companies operate in different geographies and conduct their own BR initiatives as appropriate.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company?	No

**SECTION D: BR INFORMATION****1. Details of Director/Directors responsible for BR.****(a) Details of the Director responsible for implementation of the BR policy/policies:**

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

**(b) Details of the BR head:**

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	N. Venkataraman
3.	Designation	Chief Financial Officer
4.	Telephone number	080-3768 7100
5.	E-mail Id	investorrelations@britindia.com

**2. Principle-wise (as per NVGs) BR Policy/Policies – Details of compliance - Reply in Yes (Y)/ No (N)**

Sl. No.	Questions	Principles (as defined under Section E)								
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for the Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes								
3.	Does the policy conform to any National/ International standards?	The policies confirm to the National and International standards like ISO 14001, OHSAS 18001, ISO 22000, FSSAI standards etc.								
4.	Has the policy been approved by the Board? If yes has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are approved by the Board and other applicable policies are approved by the Managing Director or Functional Heads of the Company as appropriate.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has Ethics Committee, Audit Committee, Risk Management Committee, Internal Complaints Committee, Stakeholders Relationship Committee, Safety Committee, CSR Committee and also adequate internal control systems to oversee the implementation of policies.								
6.	Indicate the link for the policy to be viewed online?	The links to view the public policies online are given herein below*.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate.								
8.	Does the Company have in-house structure to implement the policy/policies?	Yes.								
9.	Does the Company have a grievance Redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes, wherever appropriate.								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate.								



\*Links to Company's Policies:

- a. Code of Business Conduct for employees:

Weblink: [http://britannia.co.in/pdfs/Code\\_of\\_conduct/COBCforEmployeesFINAL.pdf](http://britannia.co.in/pdfs/Code_of_conduct/COBCforEmployeesFINAL.pdf)

- b. CSR Policy:

Weblink: [http://britannia.co.in/pdfs/Code\\_of\\_conduct/policies/Corporate-Social-Responsibility-Policy.pdf](http://britannia.co.in/pdfs/Code_of_conduct/policies/Corporate-Social-Responsibility-Policy.pdf)

- c. Whistle Blower Policy:

Weblink: [http://britannia.co.in/pdfs/Code\\_of\\_conduct/policies/Whistle-Blower-Policy.pdf](http://britannia.co.in/pdfs/Code_of_conduct/policies/Whistle-Blower-Policy.pdf)

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:	The BR performance of the Company under various principles is assessed periodically at various Board and Committee Meetings.
(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Business Responsibility Report is published annually as part of Annual Report and the same is disclosed on the website of the Company.  Weblink: <a href="http://britannia.co.in/investors/annual-report">http://britannia.co.in/investors/annual-report</a>
<b>SECTION E: PRINCIPLE-WISE PERFORMANCE</b>	
<b>Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability</b>	
1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.  Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?	The Company has a Code of Conduct for its Directors and Employees that cover issues inter alia related to ethics, workplace responsibilities and conflict of interest. It also covers all dealings with suppliers, customers and other business associates.  Further, the Company has adopted a Whistle Blower Policy to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee of the Company for reporting unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct and SEBI Insider Trading Regulations.
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	During the year, 14 complaints and issues from employees/other stakeholders were reported under Code of Business Conduct (COBC) and the same have been satisfactorily resolved in accordance with the COBC procedures.  During the year, 3 complaints/issues were reported under vigil mechanism and the same have been satisfactorily resolved.
<b>Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</b>	
Environment, health and safety continue to be key focus areas and the Company strives to reduce its environmental impact through various initiatives in the field of Energy Efficiency and Conservation.	

<p>1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities:</p>	<p>As an environmentally conscious Company, Britannia continues to innovate and use efficient technologies to bring down its strain on ecology, for example, all the products have got “Keep your city clean” symbol on the pack.</p> <p>Britannia has taken initiative to fortify some of its products like Bread, Tiger Glucose, Mariegold, Milk Bikis etc. with minerals and vitamins to contribute to the individual daily requirements of the micro nutrients.</p> <p>The Company constantly re-engineers package laminate and paper based packaging in order to use less plastic and paper.</p>
<p>2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p>	<p>Details of conservation of energy are given in Annexure-‘A’ of the Board’s Report.</p>
<p>3. Does the Company have procedures in place for sustainable sourcing (including transportation)?</p>	<p>Across the entire supply chain, the Company endeavours to integrate social, ethical and environmental factors in its operating/ strategic decisions. The Company endeavours to reduce the distance travelled overall by its products, thereby reducing emissions on account of transportation.</p>
<p>4. Has the Company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work?</p>	<p>The Company believes its factories must benefit the communities in which they are located. It sources most of the raw materials from areas near the factories. It extensively works with its vendors to improve capacities and capabilities.</p> <p>The Company also obtains services from local &amp; small service providers for maintenance and repairs of building, plant and machineries.</p>
<p>5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as &lt;5%, 5-10%, &gt;10%)?</p>	<p>The Company while pursuing energy efficiency programs in the factories also takes initiatives for recycling of wastes generated during production. Most of the Company’s factories are committed to zero discharge. About 5% of the exhaust gases generated in the ovens are recycled to recover heat. Water from the effluent treatment plants is also recycled within the factories to maintain greenbelts / gardens/ landscapes.</p>

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

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

Apart from encouraging employees to learn and grow, the Company has also conducted various programs focused on wellness of body, mind, soul and financial health. These include on-site physical activities, self-defense master classes for women, workshops on financial health, physical health check up and mental health counseling sessions for overall well-being of employees.



1. Total number of employees on rolls	4,535
2. Total number of employees hired on temporary / contractual/casual basis	8,440
3. Number of permanent women employees	276
4. Number of permanent employees with disabilities	Nil
5. Do you have an employee association that is recognized by management?	Yes
6. What percentage of your permanent employees is members of this recognized employee association?	~20%
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	During the financial year 2019-20, the Company received Two (2) complaints under Anti-Sexual Harassment policy and the same has been resolved.
8. During FY 2019-20, the Company has provided safety & skill upgradation training to employees.	<ul style="list-style-type: none"> <li>a. Permanent Employees.</li> <li>b. Permanent Women Employees.</li> <li>c. Casual/ Temporary/ Contractual Employees.</li> </ul>

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

Britannia understands the needs of its stakeholders and aims to meet the expectations of its stakeholders. It discloses all the relevant information about its products, business, financial performance, press releases and other statutory information on the website of the Company to ensure effective stakeholders engagement.

1. Has the Company mapped its internal and external stakeholders?	Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?	Britannia identifies communities around its manufacturing facilities, with a focus on improving lives of women and children. The Company is committed towards proactively engaging with all the employees, business associates, customers and communities.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?	Britannia thinks beyond business and undertakes various initiatives to improve the lives of the lower socio-economic sections of the society. The details of the activities are given in Annexure-'B' - CSR Report forming part of the Board's Report.

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

Britannia firmly believes in upholding and promoting human rights. Human Rights are protected under Code of Business Conduct, Whistle Blower Policy, Anti - Sexual Harassment Policy, Labour and Employee Welfare Policies. Grievance Redressal Systems are put in place like Internal Complaints Committee, Ethics Committee etc. which resolves the issues reported in an expeditious manner.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?	Code of Business Conduct is not only applicable to employees of Britannia but also extends to others who work with or represent Britannia directly or indirectly. Britannia's Anti- Sexual Harassment Policy is applicable to all the employees including contractual and also covers trainees, consultants, contractors and vendors.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	During the financial year 2019-20, the Company received Two (2) complaints under Anti-Sexual Harassment policy and the same has been resolved.
<b>Principle 6: Business should respect, protect and make efforts to restore the environment</b>	
<p>Britannia understands its responsibility towards environment and has taken various initiatives to reduce its environmental impact. Energy conservation and use of clean fuels continue to be a priority area of the Company.</p> <p>During the financial year 2019-20, the Company has taken various initiatives for conservation of energy and reducing its environmental impact as given in Annexure-'A' of the Board's Report.</p>	
1. Does the policy related to Principle 6 cover only the Company or extends to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ others?	The Company has an Environment, Health and Safety Policy that covers areas of compliance with statutory standards. The Policy extends to all its subsidiary companies.
2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.	<p>Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for Britannia. The Company is continuously implementing process improvements to reduce emissions and wastes.</p> <p>The Company adopted renewable energy in its Bidadi factory and 4 factories in Tamil Nadu. It is in the process of procuring power from renewable energy sources for its plant in Uttaranchal. The current usage of renewable energy is ~ 23%.</p>
3. Does the Company identify and assess potential environmental risks?	Sustainable development is at the core of the Company's operations which is also outlined in the Environment, Health and Safety Policy. The Company follows sound environmental management practices across all its manufacturing units to assess and address environmental risks.
4. Does the Company have any project related to Clean Development Mechanism?	While the Company has so far not registered any project related to Clean Development Mechanism, it is continuously endeavouring to identify opportunities to contribute in this regard.
5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.	<p>The Company strives to adopt process improvement measures and invest in efficient technologies to reduce its impact on the environment.</p> <p>The details of initiatives taken for conservation of energy are given in Annexure-'A' to the Board's Report and the same is disclosed on the website of the Company.</p> <p>Weblink: <a href="http://britannia.co.in/investors/annual-report">http://britannia.co.in/investors/annual-report</a>.</p>



6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/ SPCB for the financial year being reported?	Yes. All the factories file periodic statutory declarations with the pollution control boards on the emissions and waste generated and they are within permissible limits granted by the pollution control board.
7. Number of show cause/legal notices received from CPCB/ SPCB which are pending (i.e., not resolved to satisfaction) as on end of Financial Year.	Nil
<b>Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</b>	
<p>Britannia believes that working together with the institutions or associations engaged in policy advocacy like Confederation of Indian Industry (CII), The Associated Chambers of Commerce and Industry of India (ASSOCHAM) etc., will help the Company create positive social and environment impact while achieving its business goals.</p> <p>The Company's approach to deal with these institutions is guided by the principles of Code of Business Conduct i.e., honesty, transparency, integrity and accountability.</p>	
1. Is your Company a member of any trade and chamber or association?	Yes, the Company is the Member of various trade and industrial associations like ASSOCHAM, CII etc.,
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No	Britannia has been actively participating in various seminars, conferences and other forums on issues and policy matters that impact the interest of its stakeholders.
<b>Principle 8: Businesses should support inclusive growth and equitable development</b>	
Britannia supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and also through its core business.	
1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes, details thereof.	Britannia executes its CSR initiatives through various programs/ initiatives, the details of which are given in Annexure-'B' - CSR Report forming part of the Board's Report.
2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/ any other organization?	The programmes/ projects are undertaken through own foundation and other NGOs as well.
3. Have you done any impact assessment of your initiative?	The Company assesses the impact of the CSR Projects and Programs undertaken at its Board and CSR Committee meetings. An update on the CSR project and programs is placed at the Board and CSR Committee meetings for their review and assessment.
4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?	The Company has spent ₹ 28.43 Crores as part of its CSR initiatives for FY 2019-20. Details of the projects are provided in Annexure-'B' - CSR Report forming part of Board's Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so?	At Britannia, the CSR projects and programs are undertaken after identifying the communities that require development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively.

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

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

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

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?	The Company has successfully resolved 92% of the complaints received during the financial year ended 31 March 2020.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)?	The Company displays additional information on the product label, over and above the mandated information e.g. product claims, storage directions etc. which varies from product to product. This additional information is provided to keep the consumers aware.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year?	As on 31 March 2020, there are no cases pending under Competition Act.
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?	As part of the consumer complaint handling process, the Company carries out consumer satisfaction survey on monthly basis against certain defined attributes. Results are shared with the stakeholders for necessary action to improve the process.



## INDEPENDENT AUDITORS' REPORT

To the Members of Britannia Industries Limited

**Report on the Audit of the Standalone Financial Statements**

### Opinion

We have audited the standalone financial statements of Britannia Industries Limited (“the Company”), which comprise the standalone balance sheet as at 31 March 2020, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Revenue recognition

See note 3(h), note 26 and note 55 to the standalone financial statements

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor’s Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
The principal products of the Company comprise food products that are mainly sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognised when the customer obtains control of the goods. We identified revenue recognition as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before control has been transferred.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ol style="list-style-type: none"> <li>1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>2. We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions.</li> <li>3. We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling.</li> <li>4. We carried out analytical procedures on revenue recognised during the year to identify unusual variances.</li> <li>5. We tested, on a sample basis, revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.</li> <li>6. We tested manual journal entries posted to revenue to identify unusual items.</li> </ol>

**Related party transactions**

See note 8, note 15, note 39 and note 45 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company has entered into several transactions with related parties during the year 2019-20. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the financial statements including recoverability thereof; compliance with statutory regulations governing related party relationships such as the Companies Act, 2013 and SEBI Regulations and the judgement involved in assessing whether transactions with related parties are undertaken at arms' length.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ol style="list-style-type: none"> <li>1. We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard.</li> <li>2. We carried out an assessment of compliance with the listing regulations and the regulations under the Companies Act, 2013, including checking of approvals/scrutiny as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. In cases where the matter was subject to interpretation, we exercised judgement to rely on opinions provided by legal practitioners.</li> <li>3. We considered the adequacy and appropriateness of the disclosures in the financial statements, including recoverability thereof, relating to the related party transactions.</li> <li>4. For transactions with related parties, we inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the Company statutorily.</li> <li>5. We have tested on a sample basis, Company's assessment of related party transactions for arm's length pricing.</li> </ol>

**Litigations, provisions and contingencies**

See note 3(n), note 25, note 36, note 41 and note 49 to the standalone financial statements

The key audit matter	How the matter was addressed in our audit
The Company recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. We have identified litigations, provisions and contingencies as a key audit matter because it requires the Company to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: <ol style="list-style-type: none"> <li>1. We tested the effectiveness of key controls around the recording and assessment of litigations, provisions and contingent liabilities.</li> <li>2. We used subject matter experts, wherever required to assess the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities.</li> <li>3. Obtained Company's assessment of the open cases and compared the same to the assessment of subject matter experts, wherever necessary, to assess the reasonableness of the provision or contingency.</li> <li>4. Considered the adequacy of the Company's disclosures made in relation to related provisions and contingencies in the financial statements.</li> </ol>

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
  - (A) As required by Section 143(3) of the Act, we report that:
    - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
    - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
    - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
    - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
    - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 36 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.
- (c) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Place: Bengaluru  
Date: 2 June 2020

**Supreet Sachdev**  
*Partner*  
Membership No: 205385  
ICAI UDIN: 20205385AAAAA09655



## ANNEXURE – A TO THE INDEPENDENT AUDITORS’ REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF BRITANNIA INDUSTRIES LIMITED FOR THE YEAR ENDED 31 MARCH 2020

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor’s Report to the Members of the Company on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year. No material discrepancies were observed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.  
  
In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) The inventory, except goods-in-transit and stocks lying with third parties, have been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stock and the book records were not material and have been appropriately dealt with in the books of accounts. For stocks lying with third parties at the year-end, written confirmations have been obtained by the Management.
- (iii) According to the information and explanations given to us, the Company has granted loans to three companies covered in the Register maintained under Section 189 of the Companies Act, 2013 (“the Act”).
  - (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the companies and the other party listed in the Register maintained under

Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

- (b) In the case of the loans granted to the companies and the other party listed in the Register maintained under Section 189 of the Act, the borrowers have been regular in the repayment of the principal and payment of interest, wherever stipulated.
- (c) There are no overdue amounts in respect of loans granted to companies and the other party listed in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and security given.
- (v) The Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Sections 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the products manufactured by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income-tax, Duty of customs, Goods and Services tax, cess and any other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Sales-tax, Service-tax, Duty of excise and Value added tax during the year. Also refer note 36 to the standalone financial statements.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees State Insurance, Income-tax, Duty of customs, Goods and Services tax, cess and any other material statutory dues were in arrears, as at 31 March 2020, for a period of more than six months from the date they became payable.

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

Statute/ Nature of dues	Amount* (₹)	Period to which the amount relates	Forum where dispute is pending
Excise duty (including service tax)	26,778,056	1980-1989	High Court
	453,606,874	2000-2014	CESTAT
	196,871,818	1992-2017	Appellate Authority up to Commissioner's level
Sales tax/ Value added tax	8,765,644	1998-2001	Supreme Court
	1,019,105,339	2000-2017	High Court
	27,988,549	1996-2009	Tribunal
	787,267,626	1999-2019	Appellate Authority up to Commissioner's level
Customs duty	4,850,806	2004-2005	Appellate Authority up to Commissioner's level – Customs
Income-tax	539,253,700	1992-2014	High court
	154,861,179	1991-2015	ITAT
	127,939,070	2007-2017	Appellate Authority upto Commissioner

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to the financial institution, banks and dues to debenture holders during the year. The Company does not have any outstanding loans or borrowings from the government during the year.
- (ix) According to the information and explanations given to us, the Company has applied the money raised by way of debt instruments in the nature of commercial papers for the purposes for which those are raised. The Company has not raised any money by way of initial public offer, further public offer or by way of term loans.
- (x) According to the information and explanations given to us, no material fraud on the Company by its officers and employees or fraud by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, in our opinion the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (xiii) According, to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and details of all transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanation given to us and in our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Place: Bengaluru  
Date: 2 June 2020

**Supreet Sachdev**  
*Partner*  
Membership No: 205385  
ICAI UDIN: 20205385AAAAO9655



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF BRITANNIA INDUSTRIES LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph 1(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Opinion**

We have audited the internal financial controls with reference to financial statements of Britannia Industries Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial

statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

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

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

Place: Bengaluru  
Date: 2 June 2020

**Supreet Sachdev**  
*Partner*  
Membership No: 205385  
ICAI UDIN: 20205385AAAAAO9655



**BALANCE SHEET**

		₹ in Crores	
As at	Note	31 March 2020	31 March 2019
<b>I ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	4	1,416.02	1,283.85
(b) Capital work-in-progress	4	38.92	64.91
(c) Investment property	5	36.14	36.13
(d) Intangible assets	6	8.37	7.62
(e) Financial assets			
(i) Investments	7	2,259.11	1,050.97
(ii) Loans receivable	8	192.03	15.55
(iii) Other financial assets	9	1.20	1.00
(f) Income-tax assets, (net)	35	59.31	29.52
(g) Other non-current assets	10	37.09	93.15
<b>Total non-current assets</b>		<b>4,048.19</b>	<b>2,582.70</b>
<b>(2) Current assets</b>			
(a) Inventories	11	633.53	718.89
(b) Financial assets			
(i) Investments	12	882.06	594.70
(ii) Trade receivables	13	242.23	350.96
(iii) Cash and cash equivalents	14	21.76	24.73
(iv) Bank balances other than (iii) above	14	17.40	15.75
(v) Loans receivable	15	1,075.73	1,121.41
(vi) Other financial assets	16	227.88	119.54
(c) Other current assets	17	104.56	124.29
<b>Total current assets</b>		<b>3,205.15</b>	<b>3,070.27</b>
<b>Total assets</b>		<b>7,253.34</b>	<b>5,652.97</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity share capital	18	24.05	24.03
(b) Other equity	19	4,250.60	4,015.42
<b>Total equity</b>		<b>4,274.65</b>	<b>4,039.45</b>
<b>(2) Liabilities</b>			
<b>(A) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	722.13	0.26
(ii) Other financial liabilities	21	30.53	27.03
(b) Deferred tax liabilities, (net)	35	10.97	3.87
<b>Total non-current liabilities</b>		<b>763.63</b>	<b>31.16</b>
<b>(B) Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	20	479.99	-
(ii) Trade payables	22		
(a) total outstanding dues of micro enterprises and small enterprises		8.53	1.78
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		947.45	1,030.76
(iii) Other financial liabilities	23	414.63	205.17
(b) Other current liabilities	24	138.13	84.83
(c) Government grant	47	-	0.71
(d) Provisions	25	182.70	188.52
(e) Current tax liabilities, (net)	35	43.63	70.59
<b>Total current liabilities</b>		<b>2,215.06</b>	<b>1,582.36</b>
<b>Total liabilities</b>		<b>2,978.69</b>	<b>1,613.52</b>
<b>Total equity and liabilities</b>		<b>7,253.34</b>	<b>5,652.97</b>
Significant accounting policies	3		

See accompanying notes to consolidated financial statements

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru

Date : 2 June 2020

for and on behalf of the Board of Directors

**Nusli N Wadia**

Chairman

(DIN:00015731)

**N. Venkataraman**

Chief Financial Officer

Place: Bengaluru

Date : 2 June 2020

**Varun Berry**

Managing Director

(DIN:05208062)

**T.V. Thulsidass**

Company Secretary

(Membership number: A20927)

## STATEMENT OF PROFIT AND LOSS

		₹ in Crores	
For the year ended	Note	31 March 2020	31 March 2019
<b>I Revenue from operations</b>			
Sale of goods / Income from operations	26	10,820.57	10,389.49
Other operating revenues	26	166.11	92.96
		<b>10,986.68</b>	<b>10,482.45</b>
<b>II Other income</b>	27	335.43	190.52
<b>III Total Income (I+II)</b>		<b>11,322.11</b>	<b>10,672.97</b>
<b>IV Expenses:</b>			
Cost of materials consumed	28	5,052.67	4,944.77
Purchases of stock-in-trade	29	1,543.55	1,381.88
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30	61.51	(49.02)
Employee benefits expense	31	368.87	321.64
Finance costs	32	65.17	1.54
Depreciation and amortisation expense	4, 5, 6	151.69	135.00
Other expenses	33	2,189.39	2,221.05
<b>Total expenses</b>		<b>9,432.85</b>	<b>8,956.86</b>
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>1,889.26</b>	<b>1,716.11</b>
<b>VI Exceptional items [(Income)/Expense]</b>	34	(19.00)	-
<b>VII Profit before tax (V-VI)</b>		<b>1,908.26</b>	<b>1,716.11</b>
<b>VIII Tax expense:</b>			
(i) Current tax	35	416.86	581.36
(ii) Deferred tax	35	7.10	12.55
		<b>423.96</b>	<b>593.91</b>
<b>IX Profit for the year (VII-VIII)</b>		<b>1,484.30</b>	<b>1,122.20</b>
<b>X Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to statement of profit or loss</i>			
Remeasurements of the net defined benefit (liability)/asset		(5.90)	(3.21)
Income-tax relating to items not to be reclassified subsequently to statement of profit or loss		1.31	1.12
<b>Other comprehensive income, net of tax</b>		<b>(4.59)</b>	<b>(2.09)</b>
<b>XI Total comprehensive income for the year (IX+X)</b>		<b>1,479.71</b>	<b>1,120.11</b>
<b>Earnings per share (face value of ₹ 1 each)</b>	42		
Basic [in ₹]		61.75	46.71
Diluted [in ₹]		61.73	46.68
Weighted average number of equity shares used in computing earnings per share:			
- Basic		240,379,360	240,246,514
- Diluted		240,438,381	240,427,551
Significant accounting policies	3		

See accompanying notes to standalone financial statements

As per our report of even date attached

for B S R &amp; Co. LLP

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

Supreet Sachdev

Partner

Membership number: 205385

Place: Bengaluru

Date : 2 June 2020

for and on behalf of the Board of Directors

Nusli N Wadia

Chairman

(DIN:00015731)

N. Venkataraman

Chief Financial Officer

Place: Bengaluru

Date : 2 June 2020

Varun Berry

Managing Director

(DIN:05208062)

T.V. Thulsidass

Company Secretary

(Membership number: A20927)



**STATEMENT OF CHANGES IN EQUITY**

Particulars	Equity share capital					Other equity			Total equity attributable to holders of the Company	
	Securities premium	Retained earnings	Capital reserve	Capital redemption reserve	Surplus	Debt redemption reserve	General reserve	Share options outstanding account	Other comprehensive income	
									Equity instruments through OCI	Other items of OCI
Balance as at 1 April 2018	48.17	2,515.05	0.43	3.96	11.44	633.09	11.44	(0.87)		3,235.28
Changes in equity for the year ended 31 March 2019										
Increase in share capital on exercise of employee stock options	0.02	-	-	-	-	-	-	-	-	0.02
Share based payment [Refer note 31]	-	-	-	-	-	-	16.12	-	-	16.12
Transfer to general reserve	-	(112.22)	-	-	-	-	-	-	-	(112.22)
Transfer from retained earnings	-	-	-	-	-	112.22	-	-	-	112.22
Transfer to securities premium on issue of equity shares	29.77	-	-	-	-	-	-	-	-	29.77
Transfer to securities premium from share options outstanding account	7.63	-	-	-	-	-	(7.63)	-	-	-
Dividends (including dividend distribution tax)	-	(361.85)	-	-	-	-	-	-	-	(361.85)
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	-	-	-	-	-	-	-	(2.09)	(2.09)
Profit for the year	-	1,122.20	-	-	-	-	-	-	-	1,122.20
Balance as at 31 March 2019	85.57	3,163.18	0.43	3.96	19.93	745.31	19.93	(2.96)		4,039.45

Particulars	Equity share capital					Other equity			Total equity attributable to holders of the Company	
	Securities premium	Retained earnings	Capital reserve	Capital redemption reserve	Surplus	Debt redemption reserve	General reserve	Share options outstanding account	Other comprehensive income	
									Equity instruments through OCI	Other items of OCI
Balance as at 1 April 2019	85.57	3,163.18	0.43	3.96	19.93	745.31	19.93	(2.96)		4,039.45
Changes in equity for the year ended 31 March 2020										
Increase in share capital on exercise of employee stock options	0.02	-	-	-	-	-	-	-	-	0.02
Share based payment [Refer note 31]	-	-	-	-	-	-	21.58	-	-	21.58
Transfer to general reserve	-	(148.43)	-	-	-	-	-	-	-	(148.43)
Transfer from retained earnings	-	-	-	-	-	148.43	-	-	-	148.43
Transfer to securities premium on issue of equity shares	23.95	-	-	-	-	-	-	-	-	23.95
Transfer to Debt redemption reserve on issue of bonus debentures [Refer note 53]	-	(180.24)	-	-	-	180.24	-	-	-	-
Transfer to securities premium from share options outstanding account	7.10	-	-	-	-	-	(7.10)	-	-	-
Dividends (including dividend distribution tax)	-	(422.27)	-	-	-	-	-	-	-	(422.27)
Issue of bonus debentures (including dividend distribution tax) [Refer note 53]	-	(867.79)	-	-	-	-	-	-	-	(867.79)
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	-	-	-	-	-	-	-	(4.59)	(4.59)
Profit for the year	-	1,484.30	-	-	-	-	-	-	-	1,484.30
Balance as at 31 March 2020	116.62	3,028.75	0.43	3.96	34.41	893.74	34.41	(7.55)		4,274.65

See accompanying notes to standalone financial statements  
As per our report of even date attached

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

ICAI Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

**Nusli N Wadia**  
Chairman  
(DIN:00015731)

**Varun Berry**  
Managing Director  
(DIN:05208062)

**Supreet Sachdev**  
Partner  
Membership number: 205385

**N. Venkataraman**  
Chief Financial Officer

**T.V. Thulsidass**  
Company Secretary  
(Membership number: A20927)

Place: Bengaluru  
Date : 2 June 2020

Place: Bengaluru  
Date : 2 June 2020

## STATEMENT OF CASH FLOW

For the year ended	₹ in Crores	
	31 March 2020	31 March 2019
<b>Cash flow from operating activities</b>		
Profit before tax	1,908.26	1,716.11
<b>Adjustments for :</b>		
Depreciation and amortisation expense	151.69	135.00
Share based payment expense	21.58	16.12
Net gain on financial asset measured at fair value through statement of profit and loss	(81.42)	(53.09)
Profit on sale of property, plant and equipment	(0.17)	(1.16)
Reversal of provision for diminution in value of investment, net (Refer note 34)	(19.00)	-
Dividend income	(66.47)	-
Interest income	(168.67)	(128.50)
Finance costs	65.17	1.54
	<b>1,810.97</b>	<b>1,686.02</b>
<b>Changes in</b>		
Inventories	85.36	(124.31)
Trade receivables	108.73	(120.64)
Loans receivable, other financial assets, other bank balances and other assets	(30.26)	46.40
Accounts payables, other financial liabilities, other liabilities and provisions	157.18	205.51
<b>Cash generated from operating activities</b>	<b>2,131.98</b>	<b>1,692.98</b>
Income-tax paid, net of refund	(472.30)	(579.33)
<b>Net cash generated from operating activities</b>	<b>1,659.68</b>	<b>1,113.65</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and intangible assets	(225.05)	(314.39)
Proceeds from sale of property, plant and equipment	0.68	1.82
Purchase of investments, net	(1,363.65)	(316.76)
Investment in subsidiaries, net	(31.43)	(89.69)
Inter- corporate deposits placed	(1,252.00)	(837.00)
Inter-corporate deposits redeemed	1,122.00	611.79
Interest received	114.64	113.13
Dividend received	66.47	-
<b>Net cash used in investing activities</b>	<b>(1,568.34)</b>	<b>(831.10)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(24.93)	(1.82)
Proceeds from share allotment	23.97	29.79
Principal payment of lease liabilities	(0.44)	-
Interest paid on lease liabilities	(0.18)	-
Issue of bonus debentures	720.95	-
Proceeds from borrowings, net*	474.40	0.15
Dividends paid (including dividend distribution tax)	(420.23)	(354.38)
Payment of bonus debentures (including dividend distribution tax)	(867.79)	-
<b>Net cash used in financing activities</b>	<b>(94.25)</b>	<b>(326.26)</b>
<b>Net change in cash and cash equivalents</b>	<b>(2.91)</b>	<b>(43.71)</b>
Cash and cash equivalents at beginning of the year (net of book overdraft)	23.13	66.84
<b>Cash and cash equivalents at end of the year (net of bank overdraft)</b>	<b>20.22</b>	<b>23.13</b>



## STATEMENT OF CASH FLOW

	₹ in Crores	
For the year ended	31 March 2020	31 March 2019
<b>Note:</b>		
Cash and cash equivalents at the end of the year [Refer note 14]	21.76	24.73
Book overdraft [Refer note 23]	-	(1.60)
Bank overdraft [Refer note 20]	(1.54)	-
	<b>20.22</b>	<b>23.13</b>
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Current borrowings</b>		
Opening balance	-	-
Proceeds from borrowings, net	474.26	-
Non-cash change (fair value)	5.73	-
<b>Closing balance</b>	<b>479.99</b>	<b>-</b>
<b>Non - current borrowings and Certain components of other financial liabilities</b>		
Opening balance	1.74	1.59
Proceeds from borrowings, net	722.19	0.15
<b>Closing balance</b>	<b>723.93</b>	<b>1.74</b>

\* Bank Overdraft amounting to ₹ 1.54 is shown under cash and cash equivalent as per requirement of IND AS 7, hence proceeds from borrowings under financing activity is excluding the movement in bank overdraft.

### Significant accounting policies [Refer note 3]

See accompanying notes to standalone financial statements

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru

Date : 2 June 2020

for and on behalf of the Board of Directors

**Nusli N Wadia**

Chairman

(DIN:00015731)

**N. Venkataraman**

Chief Financial Officer

Place: Bengaluru

Date : 2 June 2020

**Varun Berry**

Managing Director

(DIN:05208062)

**T.V. Thulsidass**

Company Secretary

(Membership number: A20927)

## NOTES TO STANDALONE FINANCIAL STATEMENTS

### 1 Reporting entity

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

### 2 Basis of preparation

#### A. Statement of compliance

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

The standalone financial statements were authorised for issue by the Company's Board of Directors on 2 June 2020. Details of the Company's accounting policies are included in Note 3.

#### B. Functional and presentation currency

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

#### C. Basis of measurement

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

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

#### D. Use of estimates and judgements

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

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

#### *Judgements*

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

- Note 37 - leases: whether an arrangement contains a lease and lease classification

#### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

- Note 46 - measurement of defined benefit obligations: key actuarial assumptions;

- Note 41 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 4 - useful life of property, plant and equipment

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

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## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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### E. Measurement of fair values

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

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

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

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

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

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

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

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

### 3. Significant accounting policies

#### (a) Property, plant and equipment

##### i. Recognition and measurement

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

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

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit and Loss.

##### ii. Subsequent expenditure

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

### iii. Depreciation

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

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

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

Freehold land is not depreciated.

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

### iv. Reclassification to investment property

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

### v. Capital work-in-progress

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

## (b) Investment property

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

The Company depreciates investment properties on a straight-line basis over the useful life of the asset as specified in the table above.

Any gain or loss on disposal of an investment property is recognised in the Statement of Profit and Loss.

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

**(c) Intangible assets**

Internally generated: Research and development

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

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

**Others**

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

**Amortisation**

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

The estimated useful lives are as follows:

<b>Asset</b>	<b>Useful life</b>
Computer software	6 years

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

**(d) Impairment**

**(i) Financial assets**

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

**(ii) Non -financial assets**

**Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generated units to which the asset belongs. If such assets are considered to be impaired, the

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**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

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impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

**(e) Leases**

Effective from 1 April 2019, the Company has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17 Leases and other interpretations. The Company has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Company at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company has elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term. Lessor accounting remains similar to the accounting under the previous standard i.e. lessor continues to classify leases as finance or operating lease. This policy is applied to contracts entered into, or changed, on or after 1 April 2019. For contracts entered into before 1 April 2019, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

*As a lessee*

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in borrowings and other financial liabilities.



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

In the comparative period, leases of property, plant and equipment where the Company, as lessee, had substantially all the risks and rewards of ownership was classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership was not transferred to the Company as lessee was classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) was charged to profit or loss on a straight-line basis over the period of the lease unless the payments was structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

*As a lessor*

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

### (f) Inventories

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

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

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

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

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

### (g) Financial instruments

#### *i. Recognition and initial measurement*

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

#### *ii. Classification and subsequent measurement*

*Financial assets*

*Financial assets carried at amortised cost*

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the

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## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Financial assets at fair value through other comprehensive income*

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

*Financial assets at fair value through profit or loss*

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

*Financial liabilities*

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

*Investment in subsidiaries, joint venture and associates*

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

### iii. *Derecognition*

*Financial assets*

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

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

*Financial liabilities*

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

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

### iv. *Offsetting*

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

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## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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### (h) Revenue recognition

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

#### (i) Sale of goods:

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery is recognised for these contracts and presented separately in the balance sheet.

#### (ii) Deferred revenue:

The Company has a customer loyalty programme for selected customers. The Company grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. The consideration is allocated between the loyalty programme and the goods based on their relative stand-alone selling prices. The credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

#### (iii) Income from royalties are recognised based on contractual agreements.

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

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

### (i) Business combination

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



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**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

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**(j) Foreign currencies**

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

**(k) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which they relate. When the grant relates to an asset, it is treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

**(l) Income tax**

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

**i. Current tax**

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

**ii. Deferred tax**

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

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.

- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

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## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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

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

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

**(m) Borrowing costs**

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

**(n) Provisions and contingent liabilities**

*i. General*

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

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

*ii. Contingent liabilities*

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

*iii. Onerous contracts*

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

**(o) Employee benefits**

*i. Short-term employee benefits*

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

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**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

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**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, after considering the accumulated reserves with the Trust, shall be made good by the Company. To this extent, the Provident Fund scheme could be considered as a defined benefit plan. In respect of contributions made to government administered Provident Fund, the Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

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

**iii. Other long-term employee benefits**

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 1 January every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

**iv. Voluntary retirement scheme benefits**

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

**(p) Share-based payments**

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



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**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

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**(q) Cash and cash equivalents**

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

**(r) Earnings per share**

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

**(s) Cash flow statement**

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

**(t) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April, 2020.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

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

## Reconciliation of carrying amount

Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net) As at 31 March 2020	
	As at 1 April 2019	Transition impact of Ind AS 116 (c)	Additions	Disposals	Reclassification to investment property	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals	Reclassification to investment property		As at 31 March 2020
<b>Own assets</b>												
Freehold land	96.10	-	-	-	-	96.10	-	-	-	-	-	96.10
Buildings	536.08	-	38.82	-	-	574.90	43.46	19.13	-	-	62.59	512.31
Plant and equipment	891.29	-	184.26	4.20	-	1,071.35	337.78	118.62	3.89	-	452.51	618.84
Furniture and fixtures	25.58	-	0.59	0.02	-	26.15	7.97	2.56	0.01	-	10.52	15.63
Motor vehicles	1.22	-	0.04	-	-	1.26	0.60	0.16	-	-	0.76	0.50
Office equipment	29.27	-	2.98	0.01	-	32.24	18.53	5.42	0.01	-	23.94	8.30
<b>Right of use assets</b>												
Leasehold land	114.38	18.70	34.20	-	-	167.28	2.30	2.22	-	-	4.52	162.76
Motor vehicles	0.92	-	1.70	0.50	-	2.12	0.35	0.50	0.31	-	0.54	1.58
<b>Total</b>	<b>1,694.84</b>	<b>18.70</b>	<b>262.59</b>	<b>4.73</b>	<b>-</b>	<b>1,971.40</b>	<b>410.99</b>	<b>148.61 (c)</b>	<b>4.22</b>	<b>-</b>	<b>555.38</b>	<b>1,416.02</b>
Description	Gross carrying amount					Accumulated depreciation					Carrying amounts (net) As at 31 March 2019	
	As at 1 April 2018	Transition impact of Ind AS 116	Additions	Disposals	Reclassification to investment property	As at 31 March 2019	As at 1 April 2018	Depreciation for the year	Disposals	Reclassification to investment property		As at 31 March 2019
<b>Own assets</b>												
Freehold land	95.97	-	0.13	-	-	96.10	-	-	-	-	-	96.10
Buildings	414.64	-	136.34	-	14.90	536.08	26.27	17.31	-	0.12	43.46	492.62
Plant and equipment	616.30	-	285.01	10.02	-	891.29	242.18	105.00	9.40	-	337.78	553.51
Furniture and fixtures	23.86	-	1.78	0.06	-	25.58	5.47	2.52	0.02	-	7.97	17.61
Motor vehicles	1.18	-	0.04	-	-	1.22	0.44	0.16	-	-	0.60	0.62
Office equipment	23.50	-	5.78	0.01	-	29.27	13.25	5.29	0.01	-	18.53	10.74
<b>Leased assets</b>												
Leasehold land	121.05	-	0.03	-	6.70	114.38	0.94	1.44	-	0.08	2.30	112.08
Motor vehicles	0.57	-	0.42	0.07	-	0.92	0.21	0.21	0.07	-	0.35	0.37
<b>Total</b>	<b>1,297.07</b>	<b>-</b>	<b>429.53</b>	<b>10.16</b>	<b>21.60</b>	<b>1,694.84</b>	<b>288.76</b>	<b>131.93 (c)</b>	<b>9.50</b>	<b>0.20</b>	<b>410.99</b>	<b>1,283.85</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

Particulars	31 March 2020	31 March 2019
<b>Capital work-in-progress</b>		
<b>Carrying amount</b>		
Opening carrying amount	64.91	200.28
Additions	54.75	58.06
Assets capitalised	80.74	193.43
<b>Closing carrying amount</b>	<b>38.92</b>	<b>64.91</b>

**Notes:**

(a) Buildings include fully paid unquoted shares and bonds in respect of ownership of flats in 1 Co-operative Housing Society (31 March 2019: 1 Co-operative Housing Society); 10 shares (31 March 2019: 10 shares) of ₹ 50/- each.

(b) Agreement in respect of leasehold land as at 31 March 2020 : one location (31 March 2019 : one location) is in the process of renewal.

(c) Depreciation:

	31 March 2020	31 March 2019
Depreciation charge for the year	148.61	131.93
Reclassification to investment property	-	(0.20)
Depreciation charge on investment property for the year [Refer note 5]	0.86	0.46
Amortisation for the year [Refer note 6]	2.93	3.52
Transfer from capital subsidy [Refer note 3 (k) and 47]	(0.71)	(0.71)
<b>Depreciation and amortisation charge for the year</b>	<b>151.69</b>	<b>135.00</b>

(d) Also Refer to note 20, 23(a) and 37(b)

(e) On account of adoption of Ind AS 116 (Refer note 3 (e)), existing prepaid lease rentals have been re-classified as right of use assets. Since these are entirely prepaid, the Company does not have any future lease liability towards the same.



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

## Note 5 - Investment property

## Reconciliation of carrying amount

Particulars	31 March 2020	31 March 2019
<b>Gross carrying amount</b>		
Opening gross carrying amount	37.37	15.77
Additions during the year	0.87	21.60
<b>Closing gross carrying amount</b>	<b>38.24</b>	<b>37.37</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1.24	0.78
Depreciation charge during the year	0.86	0.46
Closing accumulated depreciation	2.10	1.24
<b>Net carrying amount</b>	<b>36.14</b>	<b>36.13</b>

The fair value of investment property is ₹ 43.92 (31 March 2019: ₹ 46.37) and the same has been determined by an external independent property valuer having appropriate recognised professional qualifications. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality. The above investment property includes a sub lease asset and rental income amounting to ₹ 2.97 (31 March 2019: ₹ 1.74) has been recognised in the Statement of Profit and Loss [Other receipts - Refer note 27].

## Note 6 - Intangible assets

## Reconciliation of carrying amount

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	As at 1 April 2019	Additions	Disposals	As at 31 March 2020	As at 1 April 2019	Amortisation for the year	Disposals	As at 31 March 2020	As at 31 March 2020
<b>Own assets</b>									
Trademarks	0.03	-	-	0.03	-	-	-	-	0.03
Designs	0.01	-	-	0.01	-	-	-	-	0.01
Computer software	23.75	3.68	-	27.43	16.17	2.93	-	19.10	8.33
<b>Total</b>	<b>23.79</b>	<b>3.68</b>	<b>-</b>	<b>27.47</b>	<b>16.17</b>	<b>2.93</b>	<b>-</b>	<b>19.10</b>	<b>8.37</b>

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	As at 1 April 2018	Additions	Disposals	As at 31 March 2019	As at 1 April 2018	Amortisation for the year	Disposals	As at 31 March 2019	As at 31 March 2019
<b>Own assets</b>									
Trademarks	0.03	-	-	0.03	-	-	-	-	0.03
Designs	0.01	-	-	0.01	-	-	-	-	0.01
Computer software	20.58	3.17	-	23.75	12.65	3.52	-	16.17	7.58
<b>Total</b>	<b>20.62</b>	<b>3.17</b>	<b>-</b>	<b>23.79</b>	<b>12.65</b>	<b>3.52</b>	<b>-</b>	<b>16.17</b>	<b>7.62</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 7 - Non-current investments**

	Face value per share / unit	Units / Nos.		Amount	
		As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>Unquoted</b>					
(i) <b>Investments in equity instruments (fully paid)</b>					
<i>At cost less provision for other than temporary impairment</i>					
<b>Subsidiaries</b>					
Sunrise Biscuit Company Private Limited	₹10	14,049,650	14,049,650	14.03	14.03
J B Mangharam Foods Private Limited	₹10	354,136	354,136	0.54	0.54
International Bakery Products Limited	₹10	1,320,009	1,320,009	1.75	1.75
Manna Foods Private Limited	₹10	4,875,001	4,875,001	4.67	4.67
Britannia Dairy Private Limited	₹10	5,779,999	5,779,999	70.02	70.02
Boribunder Finance and Investments Private Limited	₹10	2,670,999	2,670,999	2.58	2.58
Britchip Foods Limited *	₹10	69,000,000	51,000,000	69.00	51.00
Britannia Nepal Private Limited **	NPR 100	8,800,000	8,800,000	55.00	55.00
Britannia Bangladesh Private Limited ***	TK.10	409,999	-	0.34	-
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	2,000	2,000	0.01	0.01
				<b>217.94</b>	<b>199.60</b>
Ganges Vally Foods Private Limited ****	₹10	25,558,639	10,145,998	26.02	10.61
Less: Provision for impairment in value of investments [Refer note 34]				(16.00)	-
				<b>10.02</b>	<b>10.61</b>
Daily Bread Gourmet Foods (India) Private Limited [Refer note 52]	₹4	-	79,181,417	-	2.00
				-	<b>2.00</b>
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	24,372,087	24,372,087	121.69	121.69
Less: Provision for impairment in value of investments [Refer note 34]				-	(35.00)
				<b>121.69</b>	<b>86.69</b>
<b>Associates</b>					
Klassik Foods Private Limited *****	₹100	-	3,260	-	0.32
Nalanda Biscuits Company Limited	₹10	87,500	87,500	0.28	0.28
Sunandaram Foods Private Limited	₹10	459,800	459,800	14.50	14.50
				<b>14.78</b>	<b>15.10</b>
				<b>364.43</b>	<b>314.00</b>
(ii) <b>Investments in preference shares (fully paid)</b>					
<i>At amortised cost</i>					
<b>Subsidiaries</b>					
Britannia Dairy Private Limited - 10% Non-cumulative Redeemable preference shares	₹10	6,000,000	6,000,000	6.00	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - preference shares	USD 1	7,411,000	7,411,000	0.05	0.05
				<b>6.05</b>	<b>6.05</b>
(iii) <b>Investments in debentures / bonds</b>					
<i>At cost</i>					
<b>Subsidiaries</b>					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹100,000	582	582	5.82	5.82

\* During the year ended 31 March 2020, the Company invested ₹ 18.00 (31 March 2019: ₹ 34.80) in Britchip Foods Limited and holds 60% stake in the entity as at the balance sheet date.

\*\* During the year ended 31 March 2020, the Company invested ₹ Nil (31 March 2019: ₹ 45.00) in Britannia Nepal Private Limited and holds 100% stake in the entity as at the balance sheet date.

\*\*\* During the year ended 31 March 2020, the Company invested ₹ 0.34 (31 March 2019: ₹ Nil) in Britannia Bangladesh Private Limited and holds 100% stake in the entity as at the balance sheet date.

\*\*\*\* During the year ended 31 March 2020, the Company invested ₹ 15.41 (31 March 2019: ₹ 10.00) in Ganges Vally Foods Private Limited and acquired an additional stake of 1.98% (31 March 2019: 54.68%). The Company holds a total stake of 98.66% (31 March 2019: 96.68%) in the entity as at the balance sheet date. Also Refer note 34.

\*\*\*\*\* During the year ended 31 March 2020, the Company sold equity shares held in Klassik Foods Private Limited and does not hold any stake in the entity as at the balance sheet date.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2020	31 March 2019
<b>At fair value through profit and loss</b>		
(i) Investments in mutual funds	503.88	271.30
(ii) Investments with insurance companies	14.61	13.34
<b>At amortised cost</b>		
(i) Investments in debentures / bonds	1,338.89	414.06
(ii) Investments in tax free bonds	14.11	14.11
(iii) Investments in government securities	11.32	12.29
<b>Total long-term investments</b>	<b>2,259.11</b>	<b>1,050.97</b>
Total quoted non-current investments	-	-
Total unquoted non-current investments	2,259.11	1,050.97
	<b>2,259.11</b>	<b>1,050.97</b>
Aggregate provision for impairment in value of investments	16.00	35.00
Aggregate market value of quoted non-current investments	-	-
<b>Note 8 - Loans receivable</b>		
<b>Unsecured</b>		
Loans to related parties *	1.04	1.04
Inter-corporate deposits [Refer note 39(b)]	176.00	-
Security deposits	15.83	15.35
Other loans	0.20	0.20
Less: Provision for impairment	1.04	1.04
	<b>192.03</b>	<b>15.55</b>
* Forms a part of outstanding balances as disclosed under note 45.		
<b>Note 9 - Other financial assets</b>		
Other deposits	1.20	1.00
	<b>1.20</b>	<b>1.00</b>
<b>Note 10 - Other non-current assets</b>		
<b>Unsecured</b>		
<i>Considered good:</i>		
Capital advances	18.73	48.99
<i>Advances other than capital advances</i>		
- Advances to statutory authorities	16.56	18.46
<i>Others</i>		
- Prepaid rent	0.13	19.00
- Receivable from others	1.67	6.70
<i>Considered doubtful:</i>		
Advances to others	8.93	8.93
Less: Provision for impairment	(8.93)	(8.93)
	<b>37.09</b>	<b>93.15</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 11 - Inventories*</b>		
Raw materials	319.92	310.88
Packing materials	61.92	92.83
Work- in- progress	0.95	1.53
Finished goods	168.60	231.58
Goods-in-transit (Finished goods)	7.69	8.64
Stock-in-trade	44.22	41.22
Stores and spare parts	30.23	32.21
	<b>633.53</b>	<b>718.89</b>

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

The write down of inventories to net realisable value amounted to ₹ 1.15 (31 March 2019: ₹ 2.33). The write down are included in cost of materials consumed or changes in inventories of finished goods,work-in-progress and stock- in-trade.

**Note 12 - Current investments**

**At fair value through profit and loss**

(i) Investments in mutual funds	780.16	492.91
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**At amortised cost**

(i) Investments in debentures / bonds	100.93	101.79
(ii) Investments in government securities	0.97	-

<b>Total current investments</b>	<b>882.06</b>	<b>594.70</b>
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Total quoted current investments	-	-
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Total unquoted current investments	882.06	594.70
------------------------------------	--------	--------

	<b>882.06</b>	<b>594.70</b>
--	---------------	---------------

Aggregate market value of quoted current investments	-	-
--	---	---

Aggregate value of current investments	<b>882.06</b>	<b>594.70</b>
--	---------------	---------------

**Note 13 - Trade receivables\***

<b>Unsecured</b>	244.03	357.60
	<b>244.03</b>	<b>357.60</b>
Less: Provision for impairment	1.80	6.64
	<b>242.23</b>	<b>350.96</b>

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

\* Includes receivable from related parties [Refer note 45].

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 14 - Cash and bank balances</b>		
<i>Cash and cash equivalents:</i>		
- Cash on hand	0.01	0.01
- Cheques on hand	8.92	24.07
- Current accounts	12.83	0.65
	<b>21.76</b>	<b>24.73</b>
<i>Other bank balances:</i>		
- Unpaid dividend accounts #	13.41	11.37
- Unclaimed debenture interest #	0.06	0.06
- Unclaimed debenture redemption proceeds #	1.19	1.21
- Deposit accounts	2.74	3.11
	<b>17.40</b>	<b>15.75</b>
	<b>39.16</b>	<b>40.48</b>
# Refer note 49		
<b>Note 15 - Loans receivable</b>		
<b>Unsecured</b>		
Inter-corporate deposits [Refer note 39(b)] *	1,071.00	1,117.00
Security deposits	4.64	3.82
Other loans		
Loans to others	0.09	0.59
	<b>1,075.73</b>	<b>1,121.41</b>
* Forms a part of outstanding balances as disclosed under note 45.		
<b>Note 16 - Other financial assets</b>		
Interest accrued but not due	95.94	41.91
Incentives recoverable*	131.94	77.63
	<b>227.88</b>	<b>119.54</b>
*Incentives recoverable in accordance with the State Industrial Policy of certain States.		
<b>Note 17 - Other current assets</b>		
Unsecured, considered good		
<i>Advances other than capital advances</i>		
- Advances to related parties *	12.03	6.49
- Advance for supply of goods	3.36	22.92
- Advances to contract packers	25.31	26.03
- Employee benefits - gratuity, net [Refer note 46(b)]	-	1.93
<i>Others</i>		
- Prepayments	14.52	11.33
- Balance with government authorities	13.92	27.71
- Other advances	35.42	27.88
	<b>104.56</b>	<b>124.29</b>
* Forms a part of outstanding balances as disclosed under note 45.		

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 18 - Share capital</b>		
<b>Equity shares</b>		
<b>Authorised</b>	50.00	50.00
[500,000,000 equity shares of ₹ 1/- each (31 March 2019: 500,000,000 equity shares of ₹ 1/- each)] [Refer note 43]		
<b>Issued, subscribed and paid-up</b>		
Equity shares fully paid-up	24.05	24.03
[240,468,296 equity shares of ₹ 1/- each (31 March 2019: 240,318,294 equity shares of ₹ 1/- each)]*		
* Of the total fully paid up equity shares: 121,732,190 equity shares of ₹ 1/- each (31 March 2019: 121,732,190 equity shares of ₹ 1/- each) are held by the subsidiaries of The Bombay Burmah Trading Corporation Limited, the ultimate holding company [Refer note (a) below]		
Rights, preferences and restrictions attached to the equity shares:		
<ul style="list-style-type: none"> <li>- The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share.</li> <li>- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.</li> <li>- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</li> </ul>		
Details of shareholders holding more than 5% of total number of equity shares, including amount [Refer note (b) below].		
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year [Refer note (c) below].		
The number of options that can be granted under the Britannia Employee Stock Option Scheme, was increased from 875,000 to 1,775,000 before sub-division and to 3,550,000 after sub-division in the previous year. Out of this, 2,300,000 options (of ₹ 1 each) have been granted and 1,566,666 options (of ₹ 1 each) were exercised till 31 March 2020. 66,668 and 83,334 shares of ₹ 1 each were allotted on 4 November 2019 at an exercise price of ₹1,385.70/- and ₹1,766.65/- respectively.		
Also Refer note 43 and 49.		
	24.05	24.03



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

## Notes:

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

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Holding Company</b>				
Associated Biscuits International Limited (ABIL), UK	107,809,000	10.78	107,809,000	10.78
<b>Subsidiaries of holding Company</b>				
Bannatyne Enterprises Pte Limited, Singapore	2,783,110	0.28	2,783,110	0.28
Dowbiggin Enterprises Pte Limited, Singapore	2,785,020	0.28	2,785,020	0.28
Nacupa Enterprises Pte Limited, Singapore	2,785,020	0.28	2,785,020	0.28
Spargo Enterprises Pte Limited, Singapore	2,785,020	0.28	2,785,020	0.28
Valletort Enterprises Pte Limited, Singapore	2,785,020	0.28	2,785,020	0.28
	<b>121,732,190</b>	<b>12.18</b>	<b>121,732,190</b>	<b>12.18</b>

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

	31 March 2020		31 March 2019	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	107,809,000	44.83%	107,809,000	44.86%

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

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	240,318,294	24.03	120,059,148	12.01
Shares issued under the Employee Stock Option Scheme	150,002	0.02	99,999	0.01
Increase in the number of shares on account of share split [Refer note 43]	-	-	120,159,147	12.01
Closing balance at the end of the reporting year	<b>240,468,296</b>	<b>24.05</b>	<b>240,318,294</b>	<b>24.03</b>

- (d) Share based payments

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

Under the Scheme, the Company granted 15,000 options on 29 October 2008 at an exercise price of ₹1,125.30/-; 15,000 options on 27 May 2009 at an exercise price of ₹1,698.15/-; 20,000 options on 27 May 2010 at an exercise price of ₹1,668.55/-; 125,000 options on 27 May 2011 at an exercise price of ₹391.75/-; 100,000 options on 28 May 2012 at an exercise price of ₹528.75/-; 50,000 options on 26 May 2014 at an exercise price of ₹870.35/-, 75,000 options on 21 May 2015 at an exercise price of ₹2,332.05/-, 100,000 options on 30 June 2016 at an exercise price of ₹2,771.40/-, 125,000 options on 25 May 2017 at an exercise price of ₹3,533.30/-; 150,000 options on 15 May 2018 at an exercise price of ₹5,464.10/- and 350,000 options on 1 May 2019 at an exercise price of ₹2,896.05/- to the Managing Director of the Company. Each option represents one equity share of ₹10/- each (for options granted between the years 2008 to 2010) and one equity share of ₹2/- each (for options granted between the years 2010 to 2018) and one equity share of ₹1/- each (for options granted after the year 2018). The said price was determined in accordance with the pricing formula approved by the shareholders i.e. the latest available closing price, prior to the date of the meeting of the Board of Directors or Remuneration / Compensation Committee in which options were granted, on the stock exchange having higher trading volume.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

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

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

Movement in the options under the scheme: *	31 March 2020	31 March 2019
Options outstanding at the beginning of the year (of ₹ 1 each)	533,336	433,334
Options granted during the year (of ₹ 1 each)	350,000	300,000
Options vested during the year (of ₹ 1 each)	250,002	199,998
Options exercised during the year (of ₹ 1 each)	150,002	199,998
Shares allotted against options exercised during the year (of ₹ 1 each)	150,002	199,998
Options lapsed during the year (of ₹ 1 each)	-	-
Options outstanding at the end of the year (of ₹ 1 each)	733,334	533,336
Options exercisable at the end of the year (of ₹ 1 each)	100,000	-
Weighted average price per option outstanding at the end of the year (of ₹ 1 each)	2,700.62	2,262.07

**Fair Value Measurement:**

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

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

Particulars *	31 March 2020	31 March 2019
No. of options granted (of ₹ 1 each)	350,000	300,000
Date of grant	1-May-19	15-May-18
Vesting period (years)	1 to 3	1 to 3
Expected life of option (years)	3	3
Expected volatility	20.89%	22.12%
Risk free rate	7.03%	7.66%
Expected dividends expressed as a dividend yield	0.52%	0.46%
Weighted-average fair values of options per share (of ₹ 1 each)	678.56	687.58

\* Disclosure for 31 March 2019 have been made after giving effect to the share split.

- (e) In the Annual General Meeting held on 9 August 2010, the shareholders of the Company approved the sub-division of equity shares, where in each equity share with a face value of ₹ 10 was subdivided into 5 equity shares with a face value of ₹ 2 each. The effective date for the sub-division was 10 September 2010. Further, the Board of Directors at their meeting held on 23 August 2018 approved the sub-division of each equity share of face value of ₹ 2 fully paid up into 2 equity shares of face value of ₹ 1 each fully paid. The same was approved by the members on 15 October 2018 through postal ballot and e-voting. The effective date for the sub-division was 30 November 2018.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

## Note 19 - Other equity

Particulars	Share options outstanding account	Capital redemption reserve	Debenture redemption reserve	Capital reserve	General reserve	Securities premium	Retained earnings	Other Items of OCI	Total
Balance as at 1 April 2018	11.44	3.96	-	0.43	633.09	48.17	2,515.05	(0.87)	3,211.27
Additions:									
Share based payment expense	16.12	-	-	-	-	-	-	-	16.12
Transfer from Share options outstanding account	-	-	-	-	-	7.63	-	-	7.63
On issue of equity shares	-	-	-	-	-	29.77	-	-	29.77
Transfer from retained earnings	-	-	-	-	112.22	-	-	-	112.22
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	-	-	-	-	-	-	(2.09)	(2.09)
Net profit after tax transferred from the Statement of Profit and Loss	-	-	-	-	-	-	1,122.20	-	1,122.20
	<b>27.56</b>	<b>3.96</b>	<b>-</b>	<b>0.43</b>	<b>745.31</b>	<b>85.57</b>	<b>3,637.25</b>	<b>(2.96)</b>	<b>4,497.12</b>
Deductions:									
Transfer to general reserve	-	-	-	-	-	-	112.22	-	112.22
Transfer to securities premium	7.63	-	-	-	-	-	-	-	7.63
Dividends	-	-	-	-	-	-	300.15	-	300.15
Tax on dividend	-	-	-	-	-	-	61.70	-	61.70
Balance as at 31 March 2019	<b>19.93</b>	<b>3.96</b>	<b>-</b>	<b>0.43</b>	<b>745.31</b>	<b>85.57</b>	<b>3,163.18</b>	<b>(2.96)</b>	<b>4,015.42</b>
Particulars	Share options outstanding account	Capital redemption reserve	Debenture redemption reserve	Capital reserve	General reserve	Securities premium	Retained earnings	Other Items of OCI	Total
Balance as at 1 April 2019	19.93	3.96	-	0.43	745.31	85.57	3,163.18	(2.96)	4,015.42
Additions:									
Share based payment expense	21.58	-	-	-	-	-	-	-	21.58
Transfer from Share options outstanding account	-	-	-	-	-	7.10	-	-	7.10
On issue of equity shares	-	-	-	-	-	23.95	-	-	23.95
Transfer from retained earnings	-	-	180.24	-	148.43	-	-	-	328.67
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	-	-	-	-	-	-	(4.59)	(4.59)
Net profit after tax transferred from the Statement of Profit and Loss	-	-	-	-	-	-	1,484.30	-	1,484.30
	<b>41.51</b>	<b>3.96</b>	<b>180.24</b>	<b>0.43</b>	<b>893.74</b>	<b>116.62</b>	<b>4,647.48</b>	<b>(7.55)</b>	<b>5,876.43</b>
Deductions:									
Transfer to general reserve	-	-	-	-	-	-	148.43	-	148.43
Transfer to debenture redemption reserve*	-	-	-	-	-	-	180.24	-	180.24
Transfer to securities premium	7.10	-	-	-	-	-	-	-	7.10
Dividends	-	-	-	-	-	-	360.48	-	360.48
Tax on dividend	-	-	-	-	-	-	61.79	-	61.79
Issue of bonus debentures*	-	-	-	-	-	-	720.95	-	720.95
Tax on bonus debentures*	-	-	-	-	-	-	146.84	-	146.84
Balance as at 31 March 2020	<b>34.41</b>	<b>3.96</b>	<b>180.24</b>	<b>0.43</b>	<b>893.74</b>	<b>116.62</b>	<b>3,028.75</b>	<b>(7.55)</b>	<b>4,250.60</b>

\*Refer note 53



**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Nature and purpose of other reserves**

*Share options outstanding account*

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

*Securities premium reserve*

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

*Capital redemption reserve*

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

*Capital reserve*

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

*Debenture redemption reserve*

The Company has issued bonus debentures as per the provisions of the applicable laws, a sum equal to 25% of the issue size of bonus debentures is required to be transferred to debenture redemption reserve.

*General reserve*

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income.

*Retained earnings*

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

*Dividends*

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

As at	31 March 2020	31 March 2019
₹ 15 per equity share of face value of ₹ 1 each (31 March 2019: ₹ 25 per equity share of face value of ₹ 2 each) to equity shareholders	360.48	300.15
Dividend distribution tax (DDT) on dividend to equity shareholders	61.79	61.70
	<b>422.27</b>	<b>361.85</b>

After the reporting date, interim dividend of ₹35 per equity share of face value of ₹ 1 each (31 March 2019: final dividend ₹15 per equity share of face value of ₹1 each) was declared by the Board of directors in their meeting held on 23 April 2020. The interim dividend has not been recognised as liability.

**Note 20 - Borrowings**

**Non-current**

**Secured**

Long-term maturities of lease obligations

[Refer note 23 (a) for details of maturity period, repayment terms and rate of interest]

[Secured by hypothecation of assets (vehicles) taken on lease]

240,318,294 (31 March 2019: Nil) 8.00% Redeemable Non-convertible Bonus

Debentures of face value of ₹ 30 each, fully paid up [Refer Note 53]

[Secured by way of charge on current assets (Inventories and Trade receivables).

Redeemable in full at the end of 3 years from 28 August 2019 being the date of allotment]

	<b>722.13</b>	<b>0.26</b>
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**Current**

**Unsecured**

Commercial paper\*

Bank overdraft\*\*

	478.45	-
	1.54	-
	<b>479.99</b>	-

\*Carrying interest at 5.90% p.a. and repayable in January 2021.

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 21 - Other financial liabilities</b>		
Deposits from customers	29.31	25.81
Security deposits	1.22	1.22
	<b>30.53</b>	<b>27.03</b>
<b>Note 22 - Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises [Refer note below]	8.53	1.78
Total outstanding dues of creditors other than micro enterprises and small enterprises*	947.45	1,030.76
	<b>955.98</b>	<b>1,032.54</b>

**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 2020. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

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

- Principal	8.53	1.78
- Interest	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

\*Includes dues to related party (Refer note 45)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 54.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 23 - Other financial liabilities</b>		
Current maturities of lease obligations (Refer note (a) below)	0.61	0.27
Unpaid dividend *	13.41	11.37
Unclaimed debenture interest *	0.06	0.06
Unclaimed debenture redemption balance *	1.19	1.21
Interest accrued but not due	35.43	1.10
Liability under reverse factoring arrangement **	180.70	-
Creditors for capital goods	23.87	38.16
Book overdraft	-	1.60
Payroll related liabilities	74.72	51.27
Other payables	84.64	100.13
	<b>414.63</b>	<b>205.17</b>

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

\*\* Represents dues towards a financial institution relating to bill discounting transactions entered by subsidiary companies under reverse factoring arrangement.

[Refer note 49]

**Note:**

(a) Rate of interest for lease obligations range from 16.60% to 20.20% per annum. Number of repayment installments (quarterly) for lease obligations range from 1 to 11. Period of maturity for the lease obligations range from 3 months to 3 years [Refer note 37(b)].

<b>Note 24 - Other current liabilities</b>		
Advance from customers	71.74	33.23
Statutory liabilities (TDS, PF, GST etc.)	62.13	48.26
Deferred revenue*	4.26	3.34
	<b>138.13</b>	<b>84.83</b>

\* Relates to loyalty credit points granted to the customers as part of sales transactions and has been estimated with reference to the relative standalone selling price of the products for which they could be redeemed. Closing balance represents the estimated liability towards unredeemed points.

Opening balance	3.34	4.73
Deferred during the year	13.88	12.57
Released to the statement of profit and loss	12.96	13.96
Closing balance	<b>4.26</b>	<b>3.34</b>

<b>Note 25 -Provisions</b>		
Provision for compensated absences	18.81	15.48
Employee benefits - gratuity, net [Refer note 46(b)]	1.38	-
<i>Others:</i>		
Excise duty and service tax related issues (a)	7.55	23.39
Sales tax and other issues (a)	134.47	128.08
Trade and other issues (a)	20.49	21.57
	<b>182.70</b>	<b>188.52</b>

(a) Refer note 41



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2020	31 March 2019
<b>Note 26 - Revenue from operations</b>		
Sale of goods	10,821.49	10,388.10
Customer loyalty programme [Refer note 24]	(0.92)	1.39
<b>Total (a) [Refer note 55]</b>	<b>10,820.57</b>	<b>10,389.49</b>
<b>Other operating revenues</b>		
Royalty income	14.76	14.23
Scrap sales	27.28	22.37
Other receipts [Refer note below]	124.07	56.36
<b>Total (b)</b>	<b>166.11</b>	<b>92.96</b>
<b>Total revenue from operations (a+b)</b>	<b>10,986.68</b>	<b>10,482.45</b>
Note: Includes incentives recognised in accordance with the State Industrial Policy of certain States.		
<b>Note 27 - Other income</b>		
Interest income from financial assets carried at amortised cost	168.67	128.50
Dividend income ^	66.47	-
Net gain on financial asset measured at fair value through profit and loss*	81.42	53.09
Profit on sale of property, plant and equipment	0.17	1.16
Foreign exchange gain, net	5.94	1.38
Other receipts	12.76	6.39
	<b>335.43</b>	<b>190.52</b>
^ Received from one of the subsidiaries of the Company.		
*Includes net gains on fair value changes include ₹ 43.75 (31 March 2019: ₹ 21.70).		
<b>Note 28 - Cost of materials consumed</b>		
Inventory of materials at the beginning of the year	403.71	332.29
Add: Purchases	5,030.80	5,016.19
Less: Inventory of materials at the end of the year	381.84	403.71
	<b>5,052.67</b>	<b>4,944.77</b>
<b>Note 29 - Purchase of stock-in-trade</b>		
Biscuits and high protein food	1,046.70	997.25
Bread, bread toast and rusk	100.92	86.54
Cake	245.50	250.99
Others	150.43	47.10
	<b>1,543.55</b>	<b>1,381.88</b>
<b>Note 30 - Changes in inventories of finished goods, work-in-progress and stock- in-trade</b>		
Opening inventory:		
- Finished goods	240.22	195.28
- Stock-in-trade	41.22	38.00
- Work-in-progress	1.53	0.67
Closing inventory:		
- Finished goods	176.29	240.22
- Stock-in-trade	44.22	41.22
- Work-in-progress	0.95	1.53
<b>(Increase) / decrease in inventory</b>	<b>61.51</b>	<b>(49.02)</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

For the year ended	31 March 2020	31 March 2019
<b>Note 31 - Employee benefits expense</b>		
Salaries, wages and bonus	316.35	277.12
Contribution to provident and other funds [Refer note 46]	15.89	14.34
Share based payment expense	21.58	16.12
Staff welfare expenses	15.05	14.06
	<b>368.87</b>	<b>321.64</b>
<b>Note 32 - Finance costs</b>		
Finance cost on lease obligation	0.18	0.13
Interest on borrowings	63.66	0.06
Others	1.33	1.35
	<b>65.17</b>	<b>1.54</b>
<b>Note 33 - Other expenses</b>		
Consumption of stores and spares	32.82	30.28
Power and fuel	134.93	140.44
Rent [Refer note 37 (a)]	39.86	56.57
Repairs and maintenance:		
- Plant and equipment (a)	23.34	26.26
- Buildings (a)	2.22	3.25
- Others	25.38	26.18
Insurance	3.91	3.06
Rates and taxes, net	6.98	5.76
Carriage, freight and distribution	574.76	533.10
Auditors' remuneration (b):		
- Audit fees	1.12	1.12
- Other services	0.27	0.19
- Expenses reimbursed	0.12	0.11
Corporate social responsibility [Refer note 48]	28.43	24.73
Write off of bad debts	5.10	-
Reversal of provision for impairment in receivables	(5.10)	-
Allowance for doubtful receivables and loans, net	0.26	0.18
Advertising and sales promotion	412.11	437.92
Conversion charges	578.90	614.84
Reversal of provision for impairment in value of investments [Refer note 52]	-	(26.69)
Write off of investments [Refer note 52]	-	26.69
Miscellaneous	323.98	317.06
	<b>2,189.39</b>	<b>2,221.05</b>
(a) Includes stores and spares consumed	6.26	5.90
(b) Excluding applicable taxes		
<b>Note 34 - Exceptional items [(Income)/Expense]</b>		
Reversal of provision for diminution in value of investments in subsidiaries [Refer note below]	(35.00)	-
Provision for diminution in value of investments in subsidiaries [Refer note below]	16.00	-
	<b>(19.00)</b>	<b>-</b>

Note: During the year, in accordance with IND AS 36 - 'Impairment of Assets', the Company has, based on its assessment of the business performance of Britannia and Associates (Mauritius) Private Limited & its step down subsidiaries in the Middle East, reversed ₹35 provision for diminution in the value of investment in equity shares. Further, the Company has provided ₹16 for diminution in the value of investment in equity shares of Ganges Vally Foods Private Limited which has shut down its factory operations and announced Voluntary Retirement Scheme (VRS) for its employees.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 35- Income-tax****(a) Amounts recognised in Statement of Profit and Loss**

For the year ended	31 March 2020	31 March 2019
Current tax*	416.86	581.36
Deferred tax		
Attributable to origination and reversal of temporary differences	7.10	12.55
<b>Tax expense for the year</b>	<b>423.96</b>	<b>593.91</b>

\*Includes credit on account of restatement of provisions pursuant to application for settlement of old disputed direct tax cases under the Amnesty scheme (Vivaad Se Vishwas) announced by the Central Government.

**(b) Amounts recognised in other comprehensive income**

For the year ended	31 March 2020			31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified subsequently to statement of profit and loss						
Remeasurements of the defined benefit plans	(5.90)	1.31	(4.59)	(3.21)	1.12	(2.09)
	(5.90)	1.31	(4.59)	(3.21)	1.12	(2.09)

**(c) Reconciliation of effective tax rate**

For the year ended	31 March 2020	31 March 2019
Profit before tax	1,908.26	1,716.11
Tax using the Company's domestic tax rate (31 March 2020: 25.17% and 31 March 2019: 34.94%)*	25.17% 480.27	34.94% 599.68
<b>Tax effect of:</b>		
Income exempt from tax or taxed at concessional rates	(1.23%) (23.43)	(0.39%) (6.68)
Expenses not deductible for tax purposes	0.19% 3.58	0.25% 4.32
Additional income tax deductions	(0.02%) (0.37)	(0.37%) (6.38)
Adjustments recognised in relation to tax of prior years	(1.90%) (36.25)	0.02% 0.41
Others	0.01% 0.16	0.15% 2.56
	<b>22.22% 423.96</b>	<b>34.61% 593.91</b>

\* The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the year ended 31 March 2020 and has accordingly re-measured its deferred tax assets/(liabilities) basis the rate prescribed in the said Section.

**(d) Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities) / asset, net	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Property, plant and equipment	-	-	46.93	64.21	(46.93)	(64.21)
Investment at fair value through profit and loss	-	-	10.18	7.67	(10.18)	(7.67)
Statutory dues	43.70	56.72	-	-	43.70	56.72
Provisions	2.44	11.29	-	-	2.44	11.29
	<b>46.14</b>	<b>68.01</b>	<b>57.11</b>	<b>71.88</b>	<b>(10.97)</b>	<b>(3.87)</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**(e) Movement in temporary differences**

	As at 1 April 2018	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2019
Property, plant and equipment	(41.52)	(22.69)	-	-	-	(64.21)
Investment at fair value through profit and loss	(9.29)	1.62	-	-	-	(7.67)
Employee benefits, net	3.96	(3.96)	-	-	-	-
Statutory dues	46.74	9.98	-	-	-	56.72
Provisions	8.10	3.19	-	-	-	11.29
Other items	0.69	(0.69)	-	-	-	-
	<b>8.68</b>	<b>(12.55)</b>	-	-	-	<b>(3.87)</b>

	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2020
Property, plant and equipment	(64.21)	17.28	-	-	-	(46.93)
Investment at fair value through profit and loss	(7.67)	(2.51)	-	-	-	(10.18)
Statutory dues	56.72	(13.02)	-	-	-	43.70
Provisions	11.29	(8.85)	-	-	-	2.44
	<b>(3.87)</b>	<b>(7.10)</b>	-	-	-	<b>(10.97)</b>

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019

As at	31 March 2020	31 March 2019
Income tax assets (net)	59.31	29.52
Current tax liabilities (net)	43.63	70.59
Net current income tax asset / (liability) at the end	<b>15.68</b>	<b>(41.07)</b>

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2020 and 31 March 2019 is as follows.

For the year ended	31 March 2020	31 March 2019
Net current income tax asset / (liability) at the beginning	(41.07)	(40.16)
Income tax paid	472.30	579.33
Current income tax expense	(416.86)	(581.36)
Income tax on other comprehensive income and others	1.31	1.12
Net current income tax asset / (liability) at the end	<b>15.68</b>	<b>(41.07)</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 36 Contingent liabilities and commitments (to the extent not provided for) :****(i) Contingent liabilities:**

- (a) Claims / demands against the Company not acknowledged as debts including excise duty, income tax, sales tax and trade and other demands of ₹ 58.65 (31 March 2019: ₹ 41.26)
- (b) Bank guarantees and letters of credit for ₹ 48.08 (31 March 2019 : ₹ 70.04)

**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 41 and 49].
- (iii) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company has made a provision for provident fund contribution pursuant to the judgement in the previous year. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

**(ii) Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 134.64 (31 March 2019: ₹ 134.13).
- (b) The Company has furnished the following corporate guarantees:

Banking facilities given to	Name of the bank	31 March 2020	31 March 2019
(i) Britannia and Associates (Mauritius) Private Limited, Mauritius * [Refer note 40]	Cooperatieve Rabobank U.A	90.40	-
	MUFG bank ltd (previously known as Bank of Tokyo)	-	89.93

\* This is against working capital loan extended to step down subsidiaries in Middle East.

Regarding items (i) and (ii) (b) above, it is not practicable to disclose information in respect of the estimate of the financial effect, an indication of the uncertainties relating to outflow and the possibility of any reimbursement as it is determinable only on occurrence of uncertain future events / receipt of judgements pending at various forums.

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

Banking facilities given to	Name of the bank	31 March 2020	31 March 2019
(i) Strategic Food International Co. LLC, Dubai	Standard Chartered Bank	10.25	9.42
(ii) Al Sallan Food Industries Co. SAOC	Standard Chartered Bank	9.78	8.98
(iii) J B Mangharam Foods Private Limited	HSBC Bank	25.00	25.00
(iv) Manna Foods Private Limited	ICICI Bank	3.50	3.50
Manna Foods Private Limited	Standard Chartered Bank	60.00	60.00
(v) International Bakery Private Limited	Standard Chartered Bank	30.00	30.00

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 37 (a) Short term leases**

- (i) The Company has certain operating leases for office facilities and residential premises (short term leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of ₹ 8.19 (31 March 2019: ₹ 10.53) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.
- (ii) The Company has certain cancellable arrangements with contract packers (short term leases) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 31.67 (31 March 2019: ₹ 46.04) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

**(b) Leases liabilities**

- (i) The Company has taken motor vehicles on lease. The total minimum lease payments and present value of minimum lease payments are as follows:

	31 March 2020		31 March 2019	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	0.85	0.61	0.34	0.27
Later than 1 year and not later than 5 years	1.42	1.18	0.30	0.26
	<b>2.27</b>	<b>1.79</b>	<b>0.64</b>	<b>0.53</b>

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 0.48 (31 March 2019: ₹ 0.11) represents interest not due. The lease liability is secured by the relevant vehicles acquired under lease.

- (ii) The Company has taken certain land on lease for factory purposes. Since these are entirely prepaid, the Company does not have any future lease liability towards the same.

**Note 38 (i) Details of non-current investments (other than mutual funds) purchased and sold during the year:**

	Face value per unit	As at 1 April 2019	Purchase during the year	Provided / Reclassified / Sold / Redeemed / Written off / Written back during the year	As at 31 March 2020
<b>Trade investments - Unquoted</b>					
<b>(a) Investments in equity instruments (fully paid)</b>					
<b>Subsidiaries</b>					
Sunrise Biscuit Company Private Limited	₹ 10	14.03	-	-	14.03
Ganges Vally Foods Private Limited	₹ 10	10.61	15.41	-	26.02
J B Mangharam Foods Private Limited	₹ 10	0.54	-	-	0.54
International Bakery Products Limited	₹ 10	1.75	-	-	1.75



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per unit	As at 1 April 2019	Purchase during the year	Provided / Reclassified / Sold / Redeemed / Written off / Written back during the year	As at 31 March 2020
Manna Foods Private Limited	₹10	4.67	-	-	4.67
Britannia Dairy Private Limited	₹10	70.02	-	-	70.02
Boribunder Finance and Investments Private Limited	₹10	2.58	-	-	2.58
Britchip Foods Limited	₹10	51.00	18.00	-	69.00
Britannia Nepal Private Limited	NPR 100	55.00	-	-	55.00
Britannia Bangladesh Private Limited	Tk.10	-	0.34	-	0.34
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	0.01	-	-	0.01
Daily Bread Gourmet Foods (India) Private Limited	₹ 4	2.00	-	(2.00)	-
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	121.69	-	-	121.69
Less: Provision for diminution in value of investments [ Refer note 34]		(35.00)	-	19.00	(16.00)
		<b>298.90</b>	<b>33.75</b>	<b>17.00</b>	<b>349.65</b>
<b>Associates</b>					
Klassik Foods Private Limited	₹100	0.32	-	(0.32)	-
Nalanda Biscuits Company Limited	₹10	0.28	-	-	0.28
Sunandaram Foods Private Limited	₹10	14.50	-	-	14.50
		<b>15.10</b>	<b>-</b>	<b>(0.32)</b>	<b>14.78</b>
<b>(b) Investments in preference shares (fully paid)</b>					
<b>Subsidiaries</b>					
Britannia Dairy Private Limited - 10% Non Cumulative Redeemable Preference Shares	₹10	6.00	-	-	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - Preference Shares	USD 1	0.05	-	-	0.05
		<b>6.05</b>	<b>-</b>	<b>-</b>	<b>6.05</b>
<b>(c) Investments in debentures / bonds</b>					
<b>Subsidiaries</b>					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹100,000	5.82	-	-	5.82
		<b>5.82</b>	<b>-</b>	<b>-</b>	<b>5.82</b>
<b>Non-Trade investments</b>					
(a) Investments with insurance companies *		13.34	1.27	-	14.61
(b) Investments in debentures / bonds		414.06	978.90	(54.07)	1,338.89
(c) Investments in tax free bonds		14.11	-	-	14.11
(d) Investments in government securities		12.29	-	(0.97)	11.32
		<b>453.80</b>	<b>980.17</b>	<b>(55.04)</b>	<b>1,378.93</b>
		<b>779.67</b>	<b>1,013.92</b>	<b>(38.36)</b>	<b>1,755.23</b>

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

- (ii) Details of non-current investments (other than mutual funds) purchased and sold during the previous year:

	Face value per unit	As at 1 April 2018	Purchase during the year	Provided / Reclassified / Sold / Redeemed / Written off/ Written back during the year	As at 31 March 2019
<b>Trade investments - Unquoted</b>					
<b>(a) Investments in equity instruments (fully paid)</b>					
<b>Subsidiaries</b>					
Sunrise Biscuit Company Private Limited	₹10	14.03	-	-	14.03
Ganges Vally Foods Private Limited	₹10	0.72	9.89	-	10.61
J B Mangharam Foods Private Limited	₹10	0.54	-	-	0.54
International Bakery Products Limited	₹10	1.75	-	-	1.75
Manna Foods Private Limited	₹10	4.67	-	-	4.67
Britannia Dairy Private Limited	₹10	70.02	-	-	70.02
Boribunder Finance and Investments Private Limited	₹10	2.58	-	-	2.58
Britchip Foods Limited	₹10	16.20	34.80	-	51.00
Britannia Nepal Private Limited	NPR 100	10.00	45.00	-	55.00
Britannia Dairy Holdings Private Limited, Mauritius	USD 1	0.01	-	-	0.01
Daily Bread Gourmet Foods (India) Private Limited	₹ 4	28.69	-	(26.69)	2.00
Britannia and Associates (Mauritius) Private Limited, Mauritius	USD 1	121.69	-	-	121.69
Less: Provision for diminution in value of investments		(61.69)	-	26.69	(35.00)
		<b>209.21</b>	<b>89.69</b>	<b>-</b>	<b>298.90</b>
<b>Associates</b>					
Klassik Foods Private Limited	₹100	0.32	-	-	0.32
Nalanda Biscuits Company Limited	₹10	0.28	-	-	0.28
Sunandaram Foods Private Limited	₹10	14.50	-	-	14.50
		<b>15.10</b>	<b>-</b>	<b>-</b>	<b>15.10</b>
<b>(b) Investments in preference shares (fully paid)</b>					
<b>Subsidiaries</b>					
Britannia Dairy Private Limited - 10% Non Cumulative Redeemable Preference Shares	₹10	6.00	-	-	6.00
Britannia Dairy Holdings Private Limited, Mauritius - Class C - Preference Shares	USD 1	0.05	-	-	0.05
		<b>6.05</b>	<b>-</b>	<b>-</b>	<b>6.05</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Face value per unit	As at 1 April 2018	Purchase during the year	Provided / Reclassified / Sold / Redeemed / Written off/ Written back during the year	As at 31 March 2019
<b>(c) Investments in debentures / bonds</b>					
<b>Subsidiaries</b>					
International Bakery Products Limited - 0% Unsecured Convertible Debentures	₹100,000	5.82	-	-	5.82
		5.82	-	-	5.82
<b>Non-Trade investments</b>					
(a) Investments with insurance companies *		12.41	0.93	-	13.34
(b) Investments in debentures / bonds		67.29	375.76	(28.99)	414.06
(c) Investments in tax free bonds		14.11	-	-	14.11
(d) Investments in government securities		12.29	-	-	12.29
		106.10	376.69	(28.99)	453.80
		342.28	466.38	(28.99)	779.67

\* The movement is on account of fair valuation through the Statement of Profit and Loss.

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

	As at 1 April 2019	Purchase / Reclassified from non current during the year	Sold / Redeemed during the year	As at 31 March 2020
(a) Investments in debentures / bonds	101.79	100.93	(101.79)	100.93
(b) Investments in government securities	-	0.97	-	0.97
	101.79	101.90	(101.79)	101.90

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

	As at 1 April 2018	Purchase / Reclassified from non current during the year	Sold / Redeemed during the year	As at 31 March 2019
(a) Investments in debentures / bonds	4.20	101.79	(4.20)	101.79
(b) Investments in government securities	0.95	-	(0.95)	-
(c) Investments in commercial paper	74.24	-	(74.24)	-
	79.39	101.79	(79.39)	101.79



**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 39 (a) Details of loans during the year:**

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of interest	Term	As at 1 April 2019	Given Repayment during the year	As at 31 March 2020
Purbasha Properties Private Limited*	Others	Unsecured	10%	10 years	0.51	-	0.42
Varun Berry**	KMP	Unsecured	7.25%	4 months	-	23.96	23.96
					0.51	23.96	24.38
<b>Details of loans during the previous year:</b>							
Name of borrower	Nature of relationship	Secured/ unsecured	Rate of interest	Term	As at 1 April 2018	Given Repayment during the year	As at 31 March 2019
Purbasha Properties Private Limited*	Others	Unsecured	10%	10 years	1.30	-	0.79
Varun Berry**	KMP	Unsecured	7.25%	1 year	-	29.79	29.79
					1.30	29.79	30.58

\* The loan was given for project expansion.

\*\*The loan was given for subscription to equity shares under the Employee Stock Option Scheme.

**(b) Details of inter corporate deposits during the year:**

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of interest	Term	As at 1 April 2019	Placed during the year	Refunded during the year	As at 31 March 2020
Bajaj Finance Limited	Others	Unsecured	6.90 - 8.35%	1 to 2 years	225.00	353.00	225.00	353.00
Kotak Mahindra Investments Limited	Others	Unsecured	9.10 - 9.15%	1 year	32.00	-	32.00	-
Shriram Transport Finance Company Limited	Others	Unsecured	7.85%	1 year	25.00	-	25.00	-
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	10.00%	1 year	350.00	350.00	350.00	350.00
Go Airlines (India) Limited	Others	Unsecured	10.00%	1 year	335.00	160.00	245.00	250.00
HDFC Limited	Others	Unsecured	6.90-7.20%	1 year	150.00	125.00	150.00	125.00
LIC Housing Finance Limited	Others	Unsecured	7.50-7.85%	1 to 2 years	-	114.00	-	114.00
Sterling & Wilson Solar Limited	Others	Unsecured	12.50%	6 months	-	50.00	50.00	-
Macrofil Investments Limited	Others	Unsecured	10.00%	1 year	-	75.00	45.00	30.00
Standard Chartered Investments and Loans (India) Ltd	Others	Unsecured	7.50%	6 months	-	25.00	-	25.00
					1,117.00	1,252.00	1,122.00	1,247.00

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

## Details of inter corporate deposits during the previous year:

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of interest	Term	As at 1 April 2018	Placed during the year	Refunded during the year	As at 31 March 2019
Bajaj Finance Limited	Others	Unsecured	8.60-9.05%	1 year	170.79	225.00	170.79	225.00
Kotak Mahindra Prime Limited	Others	Unsecured	8.46%	1 year	-	25.00	25.00	-
Kotak Mahindra Investments Limited	Others	Unsecured	9.10-9.15%	1 year	-	57.00	25.00	32.00
Shriram Transport Finance Company Limited	Others	Unsecured	7.85%	1 year	75.00	-	50.00	25.00
Tata Housing Development Company Ltd	Others	Unsecured	8.00%	6 months	25.00	-	25.00	-
Bombay Dyeing & Manufacturing Co. Ltd.*	Others	Unsecured	10.00%	1 year	350.00	-	-	350.00
Go Airlines (India) Limited	Others	Unsecured	10.00%	1 year	-	360.00	25.00	335.00
PNB Housing Finance Limited	Others	Unsecured	7.45-7.95%	1 to 2 years	121.00	20.00	141.00	-
HDFC Limited	Others	Unsecured	8.55-8.90%	1 year	75.00	150.00	75.00	150.00
Mahindra & Mahindra Financial Services Ltd.	Others	Unsecured	7.50%	1 year	25.00	-	25.00	-
Tata Capital Financial Services Ltd.	Others	Unsecured	7.70 -7.85%	6 months	50.00	-	50.00	-
					891.79	837.00	611.79	1,117.00

\* The same was renewed during the year on maturity.

## Note 40 Details of corporate guarantee:

	As at 1 April 2019	Given during the year	Withdrawn during the year	Adjustments *	As at 31 March 2020
Britannia and Associates (Mauritius) Private Limited - Cooperative Rabobank U.A	-	85.10	-	5.30	90.40
Britannia and Associates (Mauritius) Private Limited - MUFG bank Ltd. (previously known as Bank of Tokyo)	89.93	-	(92.19)	2.26	-

Britannia and Associates (Mauritius) Private Limited - MUFG bank Ltd. (previously known as Bank of Tokyo)

As at 1 April 2018	Given during the year	Withdrawn during the year	Adjustments *	As at 31 March 2019
84.72	-	-	5.21	89.93

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

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 41** In accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Act, certain classes of liabilities have been identified as provisions which have been disclosed as under:

	1 April 2019	Additions*	Utilisation *	Reversals / adjustments *	31 March 2020
(a) Excise duty and service tax related issues	23.39	1.57	(2.52)	(14.89)	7.55
(b) Sales tax and other issues	128.08	9.64	(1.50)	(1.75)	134.47
(c) Trade and other issues	21.57	11.14	(3.41)	(8.81)	20.49
	1 April 2018	Additions*	Utilisation *	Reversals / adjustments *	31 March 2019
(a) Excise duty and service tax related issues	48.73	1.06	-	(26.40)	23.39
(b) Sales tax and other issues	88.12	63.12	(6.47)	(16.69)	128.08
(c) Trade and other issues	21.44	0.13	-	-	21.57

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

(c) represents provisions made for probable liabilities / claims arising out of commercial transactions with vendors / others. Further disclosures as required in Ind AS 37 are not made since it can be prejudicial to the interests of the Company.

\* Included under various heads in the Statement of Profit and Loss.

**Note 42 Earnings per equity share**

	31 March 2020	31 March 2019
(a) Net profit attributable to the equity shareholders	1,484.30	1,122.20
(b) Weighted average number of equity shares outstanding during the year	240,379,360	240,246,514
(c) Effect of potential equity shares on employee stock option outstanding	59,020	181,037
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	240,438,381	240,427,551
Nominal value of equity shares (₹) [Refer note 43]	1	1
Basic earnings per share (₹)	61.75	46.71
Diluted earnings per share (₹)	61.73	46.68

In compliance with Indian Accounting Standard 33 - 'Earnings per share', the disclosure of earnings per share for the year ended 31 March 2019 has been arrived at after giving effect to the above sub-division. Also refer note 43.

**Note 43** The Board of Directors at their Meeting held on 23 August 2018 approved the sub-division of each equity share of face value of ₹ 2 fully paid up into 2 equity shares of face value of ₹ 1 each fully paid up. The same has been approved by the Members on 15 October 2018 through postal ballot and e-voting. The effective date for the sub-division was 30 November 2018.

**Note 44 Segmental information**

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes.

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



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

## Note 45 Related parties

Relationships

- |  |  |
|--|--|
| 1. Ultimate holding company<br>Holding company | The Bombay Burmah Trading Corporation Limited<br>Associated Biscuits International Limited (ABIL), UK  |
| 2. Subsidiary companies                        | Al Sallan Food Industries Co. SAOC<br>Boribunder Finance and Investments Private Limited<br>Britannia and Associates (Dubai) Private Company Limited, Dubai<br>Britannia and Associates (Mauritius) Private Limited, Mauritius<br>Britannia Dairy Holdings Private Limited, Mauritius<br>Britannia Dairy Private Limited<br>Britchip Foods Limited<br>Britannia Bangladesh Private Limited ^<br>Britannia Nepal Private Limited<br>Daily Bread Gourmet Foods (India) Private Limited ^^<br>Flora Investments Company Private Limited<br>Ganges Vally Foods Private Limited<br>Gilt Edge Finance and Investments Private Limited<br>International Bakery Products Limited<br>J B Mangharam Foods Private Limited<br>Manna Foods Private Limited<br>Strategic Brands Holding Company Limited, Dubai<br>Strategic Food International Co. LLC, Dubai<br>Sunrise Biscuit Company Private Limited<br>Vasana Agrex and Herbs Private Limited<br>Snacko Bisc Private Limited |
| 3. Fellow subsidiary companies                 | Bannatyne Enterprises Pte Limited, Singapore<br>Dowbiggin Enterprises Pte Limited, Singapore<br>Nacupa Enterprises Pte Limited, Singapore<br>Spargo Enterprises Pte Limited, Singapore<br>Valletort Enterprises Pte Limited, Singapore   |
| 4. Associates                                  | Klassik Foods Private Limited ^^<br>Nalanda Biscuits Company Limited<br>Sunandaram Foods Private Limited   |
| 5. Other related party                         | Bombay Dyeing & Manufacturing Co. Ltd.<br>Go Airlines (India) Limited<br>Avijit Deb Partners, LLP  |
| 6. Post employment-benefit plan entities       | Britannia Industries Limited Management Staff Provident Fund<br>Britannia Industries Limited Covenanted Staff Gratuity Fund<br>Britannia Industries Limited Non Covenanted Staff Gratuity Fund<br>Britannia Industries Limited Covenanted Staff Pension Fund<br>Britannia Industries Limited Officers Pension Fund   |

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

7. Key Management Personnel (KMP)	
Managing Director	Mr. Varun Berry
Chief Financial Officer	Mr. N.Venkataraman
Company Secretary	Mr. T.V. Thulsidass*
	Mr. Jairaj Bham**
Non-Executive Directors	Mr. Nusli N Wadia
	Mr. A K Hirjee
	Mr. Keki Elavia
	Mr. Avijit Deb
	Mr. Jeh N Wadia
	Mr. Keki Dadiseth
	Dr. Ajai Puri
	Mr. Ness N Wadia
	Dr. Y.S.P.Thorat
	Dr. Ajay Shah
	Mrs. Tanya Dubash\$
	Mr. Nimesh N Kampani #
	Mrs. Ranjana Kumar #
	Mr. S S Kelkar@

^ On 25 July 2019, the Company formed the wholly owned subsidiary.

^^ Company is currently under liquidation.

^^^ During the year, the Company sold equity shares held in Klassik Foods Private limited and does not hold any stake in the entity as at the balance sheet date.

\* Mr. T.V. Thulsidass was appointed as Company Secretary and Compliance Officer of the Company w.e.f 15 October 2018.

\*\* Mr. Jairaj Bham was appointed as Company Secretary and Compliance Officer of the Company on 15 May 2018 and relinquished office on 12 October 2018.

\$ Mrs. Tanya Dubash was appointed as additional and independent director of the Company on 7 February 2019.

# Mr. Nimesh N Kampani and Mrs. Ranjana Kumar retired as director on 12 August 2019.

@ Mr. S S Kelkar resigned as director on 23 August 2018.

**Related party transactions during the year:**

	Relationship	31 March 2020	31 March 2019
<b>Investments made</b>			
<u>Equity shares:</u>			
Britchip Foods Limited	Subsidiary	18.00	34.80
Britannia Nepal Private Limited	Subsidiary	-	45.00
Ganges Vally Foods Private Limited	Subsidiary	15.41	9.89
Britannia Bangladesh Private Limited	Subsidiary	0.34	-
		<b>33.75</b>	<b>89.69</b>
<b>Investments received back</b>			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	3.66	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2020	31 March 2019
<b>Inter-corporate deposits placed</b>			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	350.00	-
Go Airlines (India) Limited	Other related party	160.00	360.00
<b>Total</b>		<b>510.00</b>	<b>360.00</b>
<b>Inter-corporate deposits redeemed</b>			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	350.00	-
Go Airlines (India) Limited	Other related party	245.00	25.00
<b>Total</b>		<b>595.00</b>	<b>25.00</b>
<b>Travelling expenses</b>			
Go Airlines (India) Limited	Other related party	-	0.77
<b>Contributions during the year (includes Employees' share and contribution)</b>			
Britannia Industries Limited Management Staff Provident Fund		17.38	12.82
Britannia Industries Limited Covenanted Staff Gratuity Fund		1.84	1.65
Britannia Industries Limited Non Covenanted Staff Gratuity Fund	Post employment-entities	3.40	2.87
Britannia Industries Limited Covenanted Staff Pension Fund		0.24	0.27
Britannia Industries Limited Officers Pension Fund		0.26	0.30
<b>Total</b>		<b>23.12</b>	<b>17.91</b>
<b>Shared service income &amp; Distributor margin</b>			
Britannia Dairy Private Limited	Subsidiary	1.60	1.60
Britchip Foods Limited	Subsidiary	2.80	0.09
<b>Total</b>		<b>4.40</b>	<b>1.69</b>
<b>Other business service income</b>			
Britannia Dairy Private Limited	Subsidiary	1.93	1.49
<b>Rental income</b>			
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	-	0.03
Britchip Foods Limited	Subsidiary	2.99	1.74
<b>Total</b>		<b>2.99</b>	<b>1.77</b>
<b>Remittance of dividend</b>			
Associated Biscuits International Limited (ABIL), UK	Holding company	161.71	134.76
Others	Fellow subsidiary companies	20.91	17.42
<b>Total</b>		<b>182.62</b>	<b>152.18</b>
<b>Issue of Bonus Debentures</b>			
Associated Biscuits International Limited (ABIL), UK	Holding company	323.43	-
Others	Fellow subsidiary companies	41.83	-
<b>Total</b>		<b>365.26</b>	<b>-</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

	Relationship	31 March 2020	31 March 2019
<b>SAP license fee recovered from</b>			
J B Mangharam Foods Private Limited	Subsidiary	0.03	0.03
International Bakery Products Limited	Subsidiary	0.06	0.04
Ganges Vally Foods Private Limited	Subsidiary	0.01	0.02
Manna Foods Private Limited	Subsidiary	0.04	0.04
Sunrise Biscuit Company Private Limited	Subsidiary	0.01	0.04
Strategic Food International Co. LLC, Dubai	Subsidiary	0.09	0.10
Al Sallan Food Industries Co. SAOC	Subsidiary	0.08	0.08
<b>Total</b>		<b>0.32</b>	<b>0.35</b>
<b>Purchase of finished goods / consumables and ingredients</b>			
Sunrise Biscuit Company Private Limited	Subsidiary	-	55.26
Nalanda Biscuits Company Limited	Associate	71.37	90.16
Sunandaram Foods Private Limited	Associate	66.51	83.39
J B Mangharam Foods Private Limited	Subsidiary	241.82	277.61
Britchip Foods Limited	Subsidiary	31.14	2.16
Strategic Food International Co. LLC, Dubai	Subsidiary	-	0.25
Manna Foods Private Limited	Subsidiary	191.43	0.04
International Bakery Products Limited	Subsidiary	121.86	-
<b>Total</b>		<b>724.13</b>	<b>508.87</b>
<b>Conversion and rental charges</b>			
International Bakery Products Limited	Subsidiary	33.66	48.74
Ganges Vally Foods Private Limited	Subsidiary	0.23	15.77
Manna Foods Private Limited	Subsidiary	14.00	56.89
Sunrise Biscuit Company Private Limited	Subsidiary	21.65	13.42
Klassik Foods Private Limited	Associate	-	0.67
<b>Total</b>		<b>69.54</b>	<b>135.49</b>
<b>Sale of goods / consumables and ingredients</b>			
Sunrise Biscuit Company Private Limited	Subsidiary	-	1.72
Strategic Food International Co. LLC, Dubai	Subsidiary	51.36	63.53
Nalanda Biscuits Company Limited	Associate	3.23	1.36
Sunandaram Foods Private Limited	Associate	1.08	2.53
J B Mangharam Foods Private Limited	Subsidiary	6.49	9.09
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	-	0.50
Britchip Foods Limited	Subsidiary	1.64	0.48
Go Airlines (India) Limited	Other related party	0.18	0.13
Manna Foods Private Limited	Subsidiary	21.47	-
International Bakery Products Limited	Subsidiary	23.87	-
<b>Total</b>		<b>109.32</b>	<b>79.34</b>
<b>Sale of assets</b>			
Manna Foods Private Limited	Subsidiary	0.01	-

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2020	31 March 2019
<b>Interest &amp; dividend income and corporate guarantee fees</b>			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.28	0.27
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	34.91	35.07
Go Airlines (India) Limited	Other related party	21.79	28.35
Varun Berry	KMP	0.16	0.40
Britannia Dairy Private Limited	Subsidiary	66.47	-
<b>Total</b>		<b>123.61</b>	<b>64.09</b>
<b>Reimbursement of travelling &amp; other expenses</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary	29.45	29.02
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	2.67	1.12
<b>Total</b>		<b>32.12</b>	<b>30.14</b>
<b>Professional charges</b>			
Avijit Deb Partners, LLP	Other related party	0.43	-
<b>Recovery of other expenses</b>			
Britchip Foods Limited	Subsidiary	16.58	2.08
<b>Recovery of guest house expenses</b>			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	0.13	0.28
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	-	0.02
Go Airlines (India) Limited	Other related party	0.04	0.03
<b>Total</b>		<b>0.17</b>	<b>0.33</b>
<b>Royalty income</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary	12.67	11.88
Britchip Foods Limited	Subsidiary	0.30	-
<b>Total</b>		<b>12.97</b>	<b>11.88</b>
<b>Key management personnel compensation</b>			
Short-term employee benefits		12.21	11.44
Post-employment defined benefits		0.44	0.41
Other long term employee benefits		0.51	0.12
Share-based payments		21.58	16.12
Sitting fees		0.92	0.95
Commission		11.50	10.60
Travelling expenses & others		0.25	0.27

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

	Relationship	31 March 2020	31 March 2019
<b>Shares allotted under employee stock option scheme for consideration received during the year</b>			
<u>Mr. Varun Berry</u>	KMP		
Equity shares		0.02	0.02
Securities premium		23.95	29.77
<b>Total</b>		<b>23.97</b>	<b>29.79</b>
<b>Loan given to</b>			
Varun Berry	KMP	23.96	29.79
<b>Loan repaid by</b>			
Varun Berry	KMP	23.96	29.79
<b><u>Related party closing balances as on balance sheet date:</u></b>			
<b>Outstanding - net receivables / (payables)</b>			
Ganges Vally Foods Private Limited	Subsidiary	(0.11)	0.08
J B Mangharam Foods Private Limited	Subsidiary	(4.64)	(6.88)
International Bakery Products Limited	Subsidiary	(5.78)	0.18
Sunrise Biscuit Company Private Limited	Subsidiary	(8.64)	3.91
Manna Foods Private Limited	Subsidiary	1.60	0.21
Al Sallan Food Industries Co. SAOC	Subsidiary	0.07	0.06
Strategic Food International Co. LLC, Dubai	Subsidiary	1.77	3.30
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	0.01	0.06
Daily Bread Gourmet Foods (India) Private Limited	Subsidiary	-	(3.65)
Britannia Dairy Private Limited	Subsidiary	(0.50)	(4.57)
Britchip Foods Limited	Subsidiary	0.05	(0.93)
Nalanda Biscuits Company Limited	Associate	1.25	(1.54)
Klassik Foods Private Limited	Associate	0.04	0.04
Sunandaram Foods Private Limited	Associate	5.60	4.17
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	0.07	0.06
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	359.15	353.08
Go Airlines (India) Limited	Other related party	256.43	335.12
<b>Total</b>		<b>606.37</b>	<b>682.70</b>
<b>Provision for doubtful loans / advances</b>			
Manna Foods Private Limited	Subsidiary	1.04	1.04
<b>Total</b>		<b>1.04</b>	<b>1.04</b>
<b>Investment in debentures held</b>			
International Bakery Products Limited	Subsidiary	5.82	5.82
<b>Investment in shares held</b>			
Britannia Dairy Private Limited	Subsidiary	76.02	76.02
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	121.69	121.69



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2020	31 March 2019
Sunrise Biscuit Company Private Limited	Subsidiary	14.03	14.03
Ganges Vally Foods Private Limited	Subsidiary	26.02	10.61
J B Mangharam Foods Private Limited	Subsidiary	0.54	0.54
International Bakery Products Limited	Subsidiary	1.75	1.75
Boribunder Finance and Investments Private Limited	Subsidiary	2.58	2.58
Daily Bread Gourmet Foods (India) Private Limited *	Subsidiary	-	2.00
Manna Foods Private Limited	Subsidiary	4.67	4.67
Britannia Dairy Holdings Private Limited, Mauritius	Subsidiary	0.06	0.06
Britchip Foods Limited	Subsidiary	69.00	51.00
Britannia Nepal Private Limited	Subsidiary	55.00	55.00
Klassik Foods Private Limited [Refer note 7]	Associate	-	0.32
Nalanda Biscuits Company Limited	Associate	0.28	0.28
Sunandaram Foods Private Limited	Associate	14.50	14.50
Britannia Bangladesh Private Limited	Subsidiary	0.34	-
<b>Total</b>		<b>386.48</b>	<b>355.05</b>

\* The movement is on account of write off of investments during the previous year [Refer note 52 for further details].

<b>Provision for diminution in value of investment</b>			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	-	35.00
Ganges Vally Foods Private Limited	Subsidiary	16.00	-
<b>Total</b>		<b>16.00</b>	<b>35.00</b>
<b>Corporate Guarantee</b>			
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary	90.40	89.93
<b>Stand by letter of credit</b>			
Britannia Nepal Private Limited	Subsidiary	30.00	30.00
<b>Letter of awareness / comfort</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary	10.25	9.42
Al Sallan Food Industries Co. SAOC	Subsidiary	9.78	8.98
J B Mangharam Foods Private Limited	Subsidiary	25.00	25.00
Manna Foods Private Limited	Subsidiary	63.50	63.50
International Bakery Products Limited	Subsidiary	30.00	30.00
<b>Total</b>		<b>138.53</b>	<b>136.90</b>
<b>Letter of financial and operational support / undertaking given to the following subsidiaries:</b>			
Strategic Food International Co. LLC, Dubai	Subsidiary		
Al Sallan Food Industries Co. SAOC	Subsidiary		
Britannia and Associates (Mauritius) Private Limited, Mauritius	Subsidiary		

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

	Relationship	31 March 2020	31 March 2019
Britannia and Associates (Dubai) Private Company Limited, Dubai	Subsidiary		
Strategic Brands Holding Company Limited, Dubai	Subsidiary		
Vasana Agrex and Herbs Private Limited	Subsidiary		
Snacko Bisc Private Limited	Subsidiary		
Sunrise Biscuit Company Private Limited	Subsidiary		
Ganges Vally Foods Private Limited	Subsidiary		
Britchip Foods Limited	Subsidiary		

**Note:**

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

**Note 46 Employee benefits****(a) Post retirement benefit - Defined contribution plans**

- (i) The Company has recognised an amount of ₹ 6.20 (31 March 2019: ₹ 5.92) as expenses under the defined contribution plans in the Statement of Profit and Loss for the year:

Benefit (Contribution to)	31 March 2020	31 March 2019
Provident Fund	2.39	2.70
Family Pension Scheme	3.31	2.64
Pension Fund	0.50	0.58
<b>Total</b>	<b>6.20</b>	<b>5.92</b>

**(b) Post retirement benefit - Defined benefit plans**

- I. Provident fund - Contribution made by the Company during the year to the self administered Trust fund is ₹ 7.04 (31 March 2019: ₹ 6.32). With regard to the assets of the fund and the return on the investments, the Company does not expect any significant deficiency in the foreseeable future.
- II. The Company has two funds: Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.
- (i) The Scheme in relation to Britannia Industries Limited Non Covenanted Staff Gratuity Fund provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972.
- (ii) The Scheme in relation to Britannia Industries Limited Covenanted Staff Gratuity Fund provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the higher of maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary.

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	31 March 2020	31 March 2019
1. Reconciliation of net defined benefit asset / (liability)		
(i) Reconciliation of present value of defined benefit obligation:		
Obligations as at 1 April	21.94	17.20
Service cost	3.02	2.35
Interest cost	1.57	1.23
Benefits settled	(2.69)	(2.20)
Actuarial (gain) / loss due to demographic assumptions	-	(0.38)
Actuarial (gain) / loss due to financial assumptions	4.21	1.34
Actuarial (gain) / loss due to experience adjustments	1.78	2.40
Obligations as at year end 31 March	29.83	21.94
(ii) Reconciliation of present value of plan asset:		
Plan assets as at 1 April at fair value	23.86	19.64
Expected return on plan assets	1.94	1.48
Return on assets excluding interest income	0.09	0.15
Contributions	5.24	4.79
Benefits settled	(2.69)	(2.20)
Plan assets as at 31 March at fair value	28.44	23.86
(iii) Reconciliation of net defined benefit asset:		
Present value of obligation as at 31 March	29.83	21.94
Plan assets as at 31 March at fair value	28.44	23.86
Amount recognised in balance sheet asset	(1.38)	1.93
2. Expenses recognised in the Statement of Profit and Loss under Employee benefit expense:		
Current service cost	3.02	2.35
Interest cost	1.57	1.23
Interest income	(1.94)	(1.48)
Net cost	2.65	2.10
3. Remeasurements recognised in statement of Other comprehensive income:		
Actuarial loss on defined benefit obligation	5.99	3.36
Return on plan assets excluding interest income	(0.09)	(0.15)
Loss recognised in statement of other comprehensive income	5.90	3.21
4. Amount recognised in the balance sheet:		
Opening asset	(1.93)	(2.44)
Expense as above	8.55	5.30
Employers' contribution paid	(5.24)	(4.79)
Closing liability / (asset)	1.38	(1.93)
5. Experience adjustment:		
On plan liabilities (gain) / loss	1.78	2.40
On plan assets gain	0.09	0.15



**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

		₹ in Crores	
		31 March 2020	31 March 2019
6.	Investment details:	<b>% Invested</b>	<b>% Invested</b>
	Government of India securities	2.60	3.09
	State Government securities	53.20	49.15
	Public sector securities	37.80	37.63
	Mutual funds	6.40	6.08
	Special deposit scheme	-	2.57
	Short term deposit	-	1.48
		<b>100.00</b>	<b>100.00</b>
7.	Principal actuarial assumptions:		
	Discount factor [Refer note (i) below]	6.00%	7.70%
	Estimated rate of return on plan assets[Refer note (ii) below]	6.00%	7.70%
	Attrition rate:		
	Service related:		
	5 years and above	4%	4%
	Below 5 years	25%	25%
	Salary escalation rate [Refer note (iii) below]	7%	7%
	Retirement age (in years)	58	58
8.	Maturity profile of defined benefit obligation:		
	Within 1 year	2.87	2.93
	1-2 year	2.04	2.01
	2-3 year	3.38	2.04
	3-4 year	3.19	3.30
	4-5 year	3.16	3.03
	5- 10 year	18.91	16.02

## Notes:

- (i) The discount rate is based on the prevailing market yield on Government Securities as at the balance sheet date for the estimated term of obligations.
- (ii) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risks of asset management, historical results of the return on plan assets and the Company's policy for plan asset management.
- (iii) The estimate of future salary increases considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.
- (iv) The disclosure above includes amounts for both Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund.

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Sensitivity analysis**

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

	31 March 2020	31 March 2019
A. Discount rate		
Discount rate -50 basis points	31.23	22.77
Assumptions	5.50%	7.20%
Discount rate +50 basis points	28.39	21.03
Assumptions	6.50%	8.20%
B. Salary escalation rate		
Salary rate -50 basis points	28.47	21.07
Assumptions	6.50%	6.50%
Salary rate +50 basis points	31.14	22.72
Assumptions	7.50%	7.50%
C. Withdrawal rate		
Withdrawal rate -50 basis points	30.14	21.87
Withdrawal rate +50 basis points	29.40	21.86

**Note 47 Government grant**

During the year ended 31 March 2013, an amount of ₹ 5 was received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 0.71 (31 March 2019: ₹ 0.71) has been credited to the Statement of Profit and Loss (by reducing the depreciation charge for the year) and the outstanding amount of ₹ Nil (31 March 2019: ₹ 0.71) has been classified as government grant in the balance sheet [Refer note 3 (k)].

**Note 48 Corporate Social Responsibility**

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 28.43 (31 March 2019: ₹ 24.73) in accordance with Section 135 of the Act. The following amounts were actually spent during the current & previous year:

For the year ended	31 March 2020	31 March 2019
(i) Amount spent other than for construction/ acquisition of any asset	28.43	24.73
(ii) Amount accrued and not spent	-	-
<b>Total</b>	<b>28.43</b>	<b>24.73</b>

**Note 49** During the year ended 31 March 2016, based on queries received from Securities Exchange Board of India ('SEBI'), the Company conducted a preliminary internal investigation and discovered certain irregularities by M/s Sharepro Services (India) Private Limited ('Sharepro'), the Company's erstwhile Registrar and Share Transfer Agent. Subsequently, the Company filed a criminal complaint against Sharepro and its employees. Pursuant to the directions issued by SEBI in its interim order dated 22 March 2016, the Company appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to past transactions. The report of the external agency was submitted with SEBI by the Company vide its letter dated 12 July 2016. In the current year, following the receipt of a Show Cause Notice dated 8 November 2019 from SEBI in a related matter, the Company has filed a Settlement Application, which was considered and cleared by the Internal Committee of SEBI on 11 March 2020 for further approvals and is presently awaiting final Settlement orders from SEBI. The Company continues to evaluate additional steps, if any, based on the directions of SEBI or any other regulatory authorities.

Based on consultations with its legal counsel, the Company has been advised that the liability will not devolve on the Company and thus no provision is considered necessary. Further, the Company has a right to claim losses, if any, from Sharepro and accordingly the Company does not plan to make good the losses on its own account.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 50 Research and Development expenses**

For the year ended	31 March 2020	31 March 2019
Capital expenditure	1.99	0.77
Revenue expenditure	31.58	33.83
<b>Total</b>	<b>33.57</b>	<b>34.60</b>

**Note 51 Capital management**

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

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

As at	31 March 2020	31 March 2019
Total debt	1,203.92	1.74
Total equity	4,274.65	4,039.45
Debt to equity %	28.16%	0.04%

**Note 52** During the previous year, consequent to the initiation of the liquidation process of Daily Bread Gourmet Foods (India) Private Limited (subsidiary of the Company), the provision for diminution in the value of investment of ₹ 26.69 was reversed and the investment in equity shares amounting to ₹ 26.69 was written off. Further, the reduction in the carrying value of investments due to business combination amounting to ₹ 2.98 was adjusted with the carrying value of the investment. During the current year, the Company has received ₹ 3.66 in lieu of equity investments of ₹ 2 (net of write off in the previous years).

**Note 53** The Board of Directors at their Meeting held on 6 August 2018 approved the issue of secured non-convertible redeemable fully paid-up debentures as Bonus Debentures of ₹ 60 each out of the Accumulated Profits of the Company, in the ratio of 1 Bonus Debenture for every 1 equity share of ₹ 2 each held by the shareholders on a Record date as may be decided by the Board. The Board of Directors at their Meeting held on 7 October 2018 approved the Scheme of Arrangement of Britannia Industries Limited and their Members for issue of bonus debentures in accordance with Sections 230 to 232 of the Companies Act, 2013 read with the rules made thereunder. Following the approval of sub-division of equity shares of face value of ₹ 2 each into 2 equity shares of face value of ₹ 1 each by the Members, the Bonus Debenture Committee constituted by the Board of Directors, approved the revision in the Scheme of Arrangement to give effect to the aforementioned sub-division changing the value of Bonus Debenture to ₹ 30 per Debenture. Thereafter, the Company obtained necessary approvals from the BSE Limited, the National Stock Exchange of India Limited, the SEBI and filed a Company Application with the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench for approval of the Scheme of Arrangement. The Hon'ble NCLT, Kolkata Bench, vide its order dated 2 August 2019 sanctioned the Scheme of Arrangement for the issue of one Bonus debenture of ₹ 30 each per equity share of face value ₹ 1 each of the Company to all shareholders whose names appear on the register of members on the Record date. The Board, at its meeting held on 9 August 2019, fixed the record date to determine the eligibility of the shareholders for the Bonus Debentures as 23 August 2019 and the rate of interest at 8% p.a. payable annually. Subsequently, the Bonus Debenture Committee at its Meeting held on 28 August 2019 allotted the Bonus Debentures. The final listing and trading approval for the bonus debentures was received from the BSE Limited and the National Stock Exchange of India Limited on 7 October 2019 and the bonus debentures were listed on both the exchanges w.e.f 9 October 2019. The term of bonus debentures is 3 years from the date of allotment.



## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 54 Financial instruments - fair values and risk management****Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount			Fair value		
		FVTPL	FVOCI	Other financial assets - amortised cost	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>							
Investment in mutual funds	7 & 12	1,284.04	-	-	-	1,284.04	-
Investments with insurance companies	7	14.61	-	-	-	14.61	-
		<b>1,298.65</b>	-	-	-	<b>1,298.65</b>	-
<b>Financial assets not measured at fair value</b>							
Investments in debentures/bonds	7 & 12	-	-	1,439.82	-	-	1,439.82
Investments in preference shares	7	-	-	6.05	-	-	6.05
Investments in in tax free bonds	7	-	-	14.11	-	-	14.11
Investments in government securities	7 & 12	-	-	12.29	-	-	12.29
Loans receivable	8 & 15	-	-	1,267.76	-	-	1,267.76
Other financial assets	9 & 16	-	-	229.08	-	-	229.08
Trade receivables	13	-	-	242.23	-	-	242.23
Cash and cash equivalents	14	-	-	21.76	-	-	21.76
Bank balances	14	-	-	17.40	-	-	17.40
		-	-	<b>3,250.50</b>	-	-	<b>3,250.50</b>
<b>Financial liabilities not measured at fair value</b>							
Borrowings	20	-	-	-	-	-	1,202.12
Trade payables	22	-	-	-	-	-	955.98
Other financial liabilities	21 & 23	-	-	-	-	-	445.16
		-	-	-	-	-	<b>2,603.26</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount			Fair value		
		FVTPL	FVOCI	Other financial assets - amortised cost	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>							
Investment in mutual funds	7 & 12	764.21	-	-	-	764.21	-
Investments with insurance companies	7	13.34	-	-	-	13.34	-
		<u>777.55</u>	-	-	-	<u>777.55</u>	-
<b>Financial assets not measured at fair value</b>							
Investments in debentures/bonds	7 & 12	-	-	515.85	-	-	515.85
Investments in preference shares	7	-	-	6.05	-	-	6.05
Investments in in tax free bonds	7	-	-	14.11	-	-	14.11
Investments in government securities	7	-	-	12.29	-	-	12.29
Loans receivable	8 & 15	-	-	1,136.96	-	-	1,136.96
Other financial assets	9 & 16	-	-	120.54	-	-	120.54
Trade receivables	13	-	-	350.96	-	-	350.96
Cash and cash equivalents	14	-	-	24.73	-	-	24.73
Bank balances	14	-	-	15.75	-	-	15.75
		-	-	<u>2,197.24</u>	-	-	<u>2,197.24</u>
<b>Financial liabilities not measured at fair value</b>							
Borrowings	20	-	-	-	-	-	0.26
Trade payables	22	-	-	-	-	1,032.54	1,032.54
Other financial liabilities	21 & 23	-	-	-	-	232.20	232.20
		-	-	-	-	<u>1,265.00</u>	<u>1,265.00</u>

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

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

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Financial risk management**

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

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to customers, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Based on our assessment and current estimates the carrying value and the provisions made as at 31 March 2020 is considered adequate.

*Trade and other receivables*

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

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

	Gross carrying amount	
	31 March 2020	31 March 2019
India	214.60	267.82
Others	29.43	89.78
	<b>244.03</b>	<b>357.60</b>

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

	Gross carrying amount	
	31 March 2020	31 March 2019
Institutional	133.24	154.28
Authorised wholesaler	44.79	88.81
Exports	29.43	89.78
Others	36.57	24.73
	<b>244.03</b>	<b>357.60</b>

**Movement in the allowance for impairment in trade receivables**

	31 March 2020	31 March 2019
Opening balance	6.64	6.46
Amount provided for	0.26	0.18
Reversal of provision for impairment in receivables [Refer note 33]	(5.10)	-
<b>Net remeasurement of loss allowance</b>	<b>1.80</b>	<b>6.64</b>

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

*Loans receivables***Movement in the allowance for impairment in loans receivable**

	31 March 2020	31 March 2019
Opening balance	1.04	1.04
Amount provided for	-	-
Net remeasurement of loss allowance	1.04	1.04

**Liquidity risk**

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

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. At 31 March 2020, the expected cash flows from trade receivables is ₹ 242.23 (31 March 2019: ₹ 350.96). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company maintains a line of credit of ₹ 675.60 (31 March 2019: ₹ 274) overdraft facility with various banks that is unsecured. Interest would be payable basis prevailing MCLR plus applicable margin (31 March 2019 : prevailing MCLR plus applicable margin).

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019:

Particulars	As at 31 March 2020		
	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>			
Trade payables (Refer note 22)	955.98	-	-
Other financial liabilities (Refer note 21 and 23)	414.63	-	30.53
Borrowings (Refer note 20)	479.99	0.71	721.42
	<b>1,850.60</b>	<b>0.71</b>	<b>751.95</b>

Particulars	As at 31 March 2019		
	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>			
Trade payables (Refer note 22)	1,032.54	-	-
Other financial liabilities (Refer note 21 and 23)	205.17	-	27.03
Borrowings (Refer note 20)	-	0.26	-
	<b>1,237.71</b>	<b>0.26</b>	<b>27.03</b>



**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Market risk**

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

*Currency risk*

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The Company has export sales (3% of total sales) primarily denominated in US dollars and Euro. At any point in time, the Company hedges 95% to 100% of its estimated foreign currency exposure in respect of sales and purchases over the following 12 months. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

**Exposure to currency risk**

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

	31 March 2020		31 March 2019	
	Euro	USD	Euro	USD
Export receivables	-	0.38	-	1.25
Overseas payables	-	-	(0.20)	(0.10)

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

**Sensitivity analysis**

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

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. The Company's exposure to risk of changes in market interest rate is minimal.

**Sensitivity analysis**

The sensitivity analysis have been determined based on the exposure to interest rates for debt obligations with floating rates. The impact of movement in interest rate by 100 basis points higher or lower and considering all other variables constant, on the Company is not material.

**Impact of COVID-19**

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions. The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

**NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 55 A. Revenue streams**

The Company is primarily involved in manufacturing and sale of various food products. Other sources of revenue include scrap sales and royalty income.

	Note	31 March 2020	31 March 2019
Sale of goods / Income from operations	26	10,820.57	10,389.49
Other operating revenues	26	166.11	92.96
<b>Revenue from operations</b>		<b>10,986.68</b>	<b>10,482.45</b>

**B. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market.

	31 March 2020	31 March 2019
India	10,524.72	10,042.38
Others	295.85	347.11
<b>Sale of goods / Income from operations</b>	<b>10,820.57</b>	<b>10,389.49</b>

The Company does not incur any cost to obtain or fulfil a contract with the customer.

**C. Reconciliation of net sale of goods**

	31 March 2020	31 March 2019
Gross Sales Value	11,403.16	10,914.28
Add: Customer loyalty programme	(0.92)	1.39
Less: Stock returns	124.33	99.83
Less: Trade discounts, promotions & channel margins	457.34	426.35
<b>Sale of goods / Income from operations</b>	<b>10,820.57</b>	<b>10,389.49</b>

**Note 56** The financial statements are presented in ₹ Crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ Crore are given below:

Note No.	Description	31 March 2020	31 March 2019
7	<b>Non-current investments:</b>		
(a)	Unquoted - Investments in debentures / bonds The Bengal Chamber of Commerce and Industry 6 1/2 % Non-redeemable registered debentures 1962	4	4
45.	<b>Related party disclosures under Ind AS 24:</b>		
(a)	Outstanding as at year end - net receivables / (payables)		
-	Britannia Dairy Holdings Private Limited, Mauritius	46	46
	<b>Relationship</b>		
	Subsidiary		

## NOTES TO STANDALONE FINANCIAL STATEMENTS (CONTINUED)

Note No.	Description	₹ in '000	
		31 March 2020	31 March 2019
(b)	Purchase of finished goods / consumables and ingredients		
-	Sunrise Biscuit Company Private Limited      Subsidiary	18	-

**Note 57** During the year ended 31 March 2020, no material foreseeable loss (31 March 2019: Nil) was incurred for any long-term contract including derivative contracts.

As per our report of even date attached  
for **B S R & Co. LLP**  
Chartered Accountants  
ICAI Firm registration number: 101248W/W-100022

**Supreet Sachdev**  
Partner  
Membership number: 205385

Place: Bengaluru  
Date : 2 June 2020

for and on behalf of the Board of Directors

**Nusli N Wadia**  
Chairman  
(DIN:00015731)

**N. Venkataraman**  
Chief Financial Officer

Place: Bengaluru  
Date : 2 June 2020

**Varun Berry**  
Managing Director  
(DIN:05208062)

**T.V. Thulsidass**  
Company Secretary  
(Membership number: A20927)

## INDEPENDENT AUDITORS' REPORT

**To the Members of Britannia Industries Limited**  
**Report on the Audit of Consolidated Financial Statements**  
**Opinion**

We have audited the consolidated financial statements of Britannia Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries and associates as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

**Revenue recognition**

See note 3(i), note 31 and note 58 to the consolidated financial statements

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
The principal products of the Group comprise food products that are mainly sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognised when the customer obtains control of the goods. We identified revenue recognition as a key audit matter because the Group and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before control has been transferred.	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>2. We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions.</li> <li>3. We performed substantive testing by selecting samples of revenue transactions, recorded during the year by testing the underlying documents using statistical sampling.</li> <li>4. We carried out analytical procedures on revenue recognised during the year to identify unusual variances.</li> <li>5. We performed confirmation procedures on selected customer balances at the balance sheet date.</li> <li>6. We tested, on a sample basis, revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period.</li> <li>7. We tested manual journal entries posted to revenue to identify unusual items.</li> </ol>



**Related party transactions**

See note 9, note 16, note 41 and note 47 to the consolidated financial statements

<p>The Group has entered into several transactions with related parties during the year 2019-20. We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the financial statements including recoverability thereof; compliance with statutory regulations governing related party relationships such as the Companies Act, 2013 and SEBI Regulations and the judgement involved in assessing whether transactions with related parties are undertaken at arms' length.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. We carried out an assessment of the key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard.</li> <li>2. We carried out an assessment of compliance with the listing regulations and the regulations under the Companies Act, 2013, including checking of approvals/ scrutiny as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. In cases where the matter was subject to interpretation, we exercised judgement to rely on opinions provided by legal practitioners.</li> <li>3. We considered the adequacy and appropriateness of the disclosures in the financial statements, including recoverability thereof relating to the related party transactions.</li> <li>4. For transactions with related parties, we inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the Group statutorily.</li> <li>5. We have tested on a sample basis, Group's assessment of related party transactions for arm's length pricing.</li> </ol>
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**Litigations, provisions and contingencies**

See note 3(o), note 30, note 38, note 42 and note 55 to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group recognises a provision when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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. We have identified litigations, provisions and contingencies as a key audit matter because it requires the Group to make judgements and estimates in relation to the exposure arising out of litigations. The key judgement lies in the estimation of provisions where they may differ from the future obligations.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ol style="list-style-type: none"> <li>1. We tested the effectiveness of key controls around the recording and assessment of litigations, provisions and contingent liabilities.</li> <li>2. We used subject matter experts, wherever required to assess the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities.</li> <li>3. Obtained Group's assessment of the open cases and compared the same to the assessment of subject matter experts, wherever necessary, to assess the reasonableness of the provision or contingency.</li> <li>4. Considered the adequacy of the Group's disclosures made in relation to related provisions and contingencies in the financial statements.</li> </ol>

### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit / loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (a) We did not audit the financial statements / financial information of seven subsidiaries, whose financial statements/financial information reflect total assets of ₹ 867.21 crores as at 31 March 2020, total revenues of ₹ 563.49 crores and net cash inflows amounting to ₹ 10.39 crores for the year ended on that date, as considered in the consolidated financial statements. These subsidiaries are located outside India whose financial statements / financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements / financial information of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management.

Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

- (b) The financial statements/financial information of two subsidiaries, whose financial statements/financial information reflect total assets of ₹ 0.01 crores as at 31 March 2020, total revenues of ₹ Nil and net cash outflows amounting to ₹ 0.33 crores for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 0.44 crores for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of three associates, whose financial statements/financial information have not been audited by us or by other auditors. These unaudited financial statements/financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and associates as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on



the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:

- i) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group and its associates. Refer Note 38 to the consolidated financial statements.
- ii) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.
- iii) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2020. There are no amounts which are required to be transferred to the Investment Education and Protection Funds by its subsidiary companies and associate companies incorporated in India during the year ended 31 March 2020.
- iv) The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2020.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and associate companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, and associate companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Firm's Registration No.: 101248W/W-100022

**Supreet Sachdev**  
*Partner*

Membership No: 205385

ICAI UDIN: 20205385AAAAAM6470

Place : Bengaluru

Date : 2 June 2020

## **ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF BRITANNIA INDUSTRIES LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

**Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Britannia Industries Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its associate companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and its associate companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors,

the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial controls with Reference to the consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements

due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration No.: 101248W/W-100022

**Supreet Sachdev**

*Partner*

Membership No: 205385

ICAI UDIN: 20205385AAAAAM6470

Place : Bengaluru

Date : 2 June 2020

**CONSOLIDATED BALANCE SHEET**

		₹ in Crores	
As at	Note	31 March 2020	31 March 2019
<b>I ASSETS</b>			
(1) Non-current assets			
(a) Property, plant and equipment	4	1,716.37	1,535.58
(b) Capital work-in-progress	4	39.55	101.24
(c) Investment property	5	14.47	14.73
(d) Goodwill	6	138.97	130.37
(e) Other intangible assets	6	8.37	7.62
(f) Investment in associates	7	1.48	1.04
(g) Financial assets			
(i) Investments	8	1,882.98	725.36
(ii) Loans receivable	9	202.95	19.02
(iii) Other financial assets	10	31.33	28.67
(h) Deferred tax assets, (net)	19	19.56	13.75
(i) Income-tax assets, (net)	19	68.77	37.02
(j) Other non-current assets	11	42.46	101.08
<b>Total non-current assets</b>		<b>4,167.26</b>	<b>2,715.48</b>
(2) Current assets			
(a) Inventories	12	740.96	781.38
(b) Financial assets			
(i) Investments	13	1,008.77	749.88
(ii) Trade receivables	14	320.36	394.24
(iii) Cash and cash equivalents	15	81.23	60.32
(iv) Bank balances other than (iii) above	15	41.62	49.50
(v) Loans receivable	16	1,110.11	1,203.92
(vi) Other financial assets	17	229.75	126.29
(c) Other current assets	18	142.17	160.81
<b>Total current assets</b>		<b>3,674.97</b>	<b>3,526.34</b>
<b>Total assets</b>		<b>7,842.23</b>	<b>6,241.82</b>
<b>II EQUITY AND LIABILITIES</b>			
(1) Equity			
(a) Equity share capital	20	24.05	24.03
(b) Other equity	21	4,378.78	4,229.22
<b>Equity attributable to equity holders of the parent</b>		<b>4,402.83</b>	<b>4,253.25</b>
Non-controlling interests		35.65	32.68
<b>Total equity</b>		<b>4,438.48</b>	<b>4,285.93</b>
(2) Liabilities			
(A) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	766.06	61.92
(ii) Other financial liabilities	23	46.54	27.24
(b) Deferred tax liabilities, (net)	19	12.69	3.87
(c) Provisions	25	13.16	11.45
<b>Total non-current liabilities</b>		<b>838.45</b>	<b>104.48</b>
(B) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	26	747.99	76.10
(ii) Trade payables	27		
(a) total outstanding dues of micro enterprises and small enterprises		8.53	1.78
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		1,107.75	1,138.73
(iii) Other financial liabilities	28	311.91	269.20
(b) Other current liabilities	29	150.08	95.22
(c) Government grant	24	-	0.71
(d) Provisions	30	191.26	196.51
(e) Current tax liabilities, (net)	19	47.78	73.16
<b>Total current liabilities</b>		<b>2,565.30</b>	<b>1,851.41</b>
<b>Total liabilities</b>		<b>3,403.75</b>	<b>1,955.89</b>
<b>Total equity and liabilities</b>		<b>7,842.23</b>	<b>6,241.82</b>
Significant accounting policies	3		

See accompanying notes to consolidated financial statements

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru

Date : 2 June 2020

for and on behalf of the Board of Directors

**Nusli N Wadia**

Chairman

(DIN:00015731)

**N. Venkataraman**

Chief Financial Officer

Place: Bengaluru

Date : 2 June 2020

**Varun Berry**

Managing Director

(DIN:05208062)

**T.V. Thulsidass**

Company Secretary

(Membership number: A20927)



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended		Note	₹ in Crores	
			31 March 2020	31 March 2019
<b>I</b>	<b>Revenue from operations</b>			
	Sale of goods / Income from operations	31	11,443.99	10,973.46
	Other operating revenues	31	155.56	81.21
			11,599.55	11,054.67
<b>II</b>	<b>Other income</b>	32	279.40	206.45
<b>III</b>	<b>Total income (I+II)</b>		11,878.95	11,261.12
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed	33(a)	5,901.16	5,513.01
	Purchase of stock-in-trade	33(b)	973.74	1,103.63
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	52.57	(55.18)
	Employee benefits expense	35	486.69	441.82
	Finance costs	36	76.90	9.09
	Depreciation and amortisation expense	4, 5, 6	184.81	161.88
	Other expenses	37	2,342.21	2,317.97
	<b>Total expenses</b>		10,018.08	9,492.22
<b>V</b>	<b>Profit before share of profits / (loss) of associates (III-IV)</b>		1,860.87	1,768.90
<b>VI</b>	<b>Share of profit / (loss) of associates</b>		0.44	(0.97)
<b>VII</b>	<b>Profit before exceptional items and tax (V+VI)</b>		1,861.31	1,767.93
<b>VIII</b>	<b>Exceptional items (Refer Note 59)</b>		17.01	-
<b>IX</b>	<b>Profit before tax (VII-VIII)</b>		1,844.30	1,767.93
<b>X</b>	<b>Tax expense:</b>			
	(i) Current tax	19	447.69	599.78
	(ii) Deferred tax	19	3.01	12.69
			450.70	612.47
<b>XI</b>	<b>Profit for the year (IX-X)</b>		1,393.60	1,155.46
<b>XII</b>	<b>Other comprehensive income</b>			
	<i>Items that will not be reclassified subsequently to statement of profit or loss</i>			
	Remeasurements of the net defined benefit (liability) / asset		(6.50)	(4.09)
	Income-tax relating to items not to be reclassified subsequently to statement of profit or loss		1.57	1.43
	<i>Items that will be reclassified subsequently to statement of profit or loss</i>			
	Foreign currency translation reserve		10.05	6.50
	<b>Other comprehensive income/ (loss), net of tax</b>		5.12	3.84
<b>XIII</b>	<b>Total Comprehensive income for the year (XI+XII)</b>		1,398.72	1,159.30
	<b>Profit attributable to:</b>			
	Owners of the Company		1,402.63	1,159.12
	Non-controlling interests		(9.03)	(3.66)
	<b>Profit for the year</b>		1,393.60	1,155.46
	<b>Other comprehensive income attributable to:</b>			
	Owners of the Company		5.12	3.84
	Non-controlling interests		-	-
	<b>Other comprehensive income for the year</b>		5.12	3.84
	<b>Total comprehensive income attributable to:</b>			
	Owners of the Company		1,407.75	1,162.96
	Non-controlling interests		(9.03)	(3.66)
	<b>Total comprehensive income for the year</b>		1,398.72	1,159.30
	<b>Earnings per share (face value of ₹ 1 each)</b>	43		
	Basic [in ₹]		58.35	48.25
	Diluted [in ₹]		58.34	48.21
	Weighted average number of equity shares used in computing earnings per share:			
	- Basic		240,379,360	240,246,514
	- Diluted		240,438,381	240,427,551
	Significant accounting policies	3		

See accompanying notes to consolidated financial statements

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru

Date : 2 June 2020

for and on behalf of the Board of Directors

**Nusli N Wadia**

Chairman

(DIN:00015731)

**N. Venkataraman**

Chief Financial Officer

**Varun Berry**

Managing Director

(DIN:05208062)

**T.V. Thulsidass**

Company Secretary

(Membership number: A20927)

Place: Bengaluru

Date : 2 June 2020



## CONSOLIDATED STATEMENT OF CASH FLOW

₹ in Crores

For the year ended	31 March 2020	31 March 2019
<b>Cash flows from operating activities</b>		
Profit before tax and share of profits / (loss) of associates and after exceptional item	1,843.86	1,768.90
<b>Adjustments for :</b>		
Depreciation and amortisation expense	184.81	161.88
Share based payment expense	21.58	16.12
Net gain on financial asset measured at fair value through Statement of Profit and Loss	(89.88)	(63.85)
Profit on sale of property, plant and equipment	(0.11)	(0.97)
Interest income from financial assets carried at amortised cost	(176.77)	(136.77)
Finance costs	76.90	9.09
<b>Changes in</b>		
Inventories	42.99	(127.21)
Trade receivables	78.85	(86.67)
Loans receivable, other financial assets, other bank balances and other assets	(23.66)	10.90
Accounts payables, other financial liabilities, other liabilities and provisions	29.21	200.49
<b>Cash generated from operating activities</b>	<b>1,987.78</b>	<b>1,751.91</b>
Income-tax paid, net of refund	(503.25)	(596.13)
<b>Net cash generated from operating activities</b>	<b>1,484.53</b>	<b>1,155.78</b>
<b>Cash flow from investing activities</b>		
Acquisition of property, plant and equipment and other intangible assets	(244.17)	(401.21)
Proceeds from sale of property, plant and equipment	0.73	1.82
Purchase of investments, net	(1,326.63)	(334.12)
Inter-corporate deposits placed	(1,293.41)	(874.30)
Inter-corporate deposits redeemed	1,204.24	635.40
Interest received	127.62	116.88
<b>Net cash used in investing activities</b>	<b>(1,531.62)</b>	<b>(855.53)</b>
<b>Cash flow from financing activities</b>		
Proceeds from share allotment	23.97	29.79
Principal payment of lease liabilities**	(2.03)	-
Interest paid on lease liabilities	(0.45)	-
Interest paid	(35.54)	(9.38)
Issue of bonus debentures	720.95	-
Proceeds from / (Repayment of) borrowings, net*	640.72	(41.91)
Contribution from non-controlling interest	12.00	23.20
Dividends paid (including dividend distribution tax)	(432.53)	(354.38)
Payment of bonus debentures (including dividend distribution tax)	(869.15)	-
<b>Net cash generated from / (used in) financing activities</b>	<b>57.94</b>	<b>(352.68)</b>

**CONSOLIDATED STATEMENT OF CASH FLOW (CONTINUED)**

₹ in Crores

For the year ended	31 March 2020	31 March 2019
<b>Net change in cash and cash equivalents</b>	<b>10.85</b>	<b>(52.43)</b>
Effect of exchange rate changes on cash and cash equivalents	5.69	3.31
Cash and cash equivalents at beginning of the year (Net of book overdraft)	58.72	107.84
<b>Cash and cash equivalents at end of the year (Net of bank overdraft)</b>	<b>75.26</b>	<b>58.72</b>
Cash and cash equivalents	81.23	60.32
Book overdraft	-	(1.60)
Bank overdraft	(5.97)	-
<b>Cash and cash equivalents at end of the year</b>	<b>75.26</b>	<b>58.72</b>
<b>Debt reconciliation statement in accordance with Ind AS 7</b>		
<b>Current borrowings</b>		
Opening balance	76.10	84.64
Proceeds from / (Repayment of) borrowings, net	659.31	(13.03)
Exchange fluctuation	6.85	4.49
Non-cash change (fair value)	5.73	-
<b>Closing balance</b>	<b>747.99</b>	<b>76.10</b>
<b>Non-current borrowings and Certain components of other financial liabilities</b>		
Opening balance	81.13	110.01
Proceeds from / (Repayment of) borrowings, net	707.89	(28.88)
Exchange fluctuation	-	-
<b>Closing balance</b>	<b>789.02</b>	<b>81.13</b>

\* Bank overdraft amounting to ₹ 5.97 is shown under cash and cash equivalent as per requirement of IND AS 7. Hence, proceeds from borrowings under financing activity does not include the movement in bank overdraft.

\*\* Includes ₹ 1.59 towards repayment of lease liability recognised as per the requirements of IND AS 116 which does not form part of debt reconciliation.

**Significant accounting policies [Refer note 3]**

See accompanying notes to consolidated financial statements

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru

Date : 2 June 2020

for and on behalf of the Board of Directors

**Nusli N Wadia**

Chairman

(DIN:00015731)

**N. Venkataraman**

Chief Financial Officer

Place: Bengaluru

Date : 2 June 2020

**Varun Berry**

Managing Director

(DIN:05208062)

**T.V. Thulsidass**

Company Secretary

(Membership number: A20927)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

### 1 Reporting entity

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

### 2 Basis of preparation

#### A. Statement of compliance

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

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 2 June 2020.

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

#### B. Functional and presentation currency

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

#### C. Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following items:

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

#### D. Use of estimates and judgments

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

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

#### *Judgements*

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

- Note 39 - leases: whether an arrangement contains a lease and lease classification.

#### *Assumptions and estimation uncertainties*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2020 is included in the following notes:

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- Note 48 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 42 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment;
- Notes - 8-10 and Notes - 13,14,16 and 17 - impairment of financial assets.

### E. Measurement of fair values

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

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

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

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

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

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

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

- Note 5 - investment property;
- Note 20 (d) - share-based payment; and
- Note 54 - financial instruments.

### 3. Significant accounting policies

#### (a) Basis of consolidation

##### i. Subsidiaries

Subsidiaries are all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

ii. *Non - controlling interests (NCI)*

NCI are measured at their proportionate share of the acquiree's net identifiable assets on the date of acquisition.

iii. *Associates*

These are entities over which the group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence ceases.

iv. *Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

v. *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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

Name of the Company	Country of incorporation	Ownership interest (in %) (Direct)	
		31 March 2020	31 March 2019
<b>Subsidiary companies:</b>			
Boribunder Finance and Investments Private Limited	India	100.00	100.00
Flora Investments Company Private Limited	India	40.53	40.53
Gilt Edge Finance and Investments Private Limited	India	46.13	46.13
Ganges Vally Foods Private Limited	India	98.66	97.20
International Bakery Products Limited	India	100.00	100.00
J B Mangharam Foods Private Limited	India	100.00	100.00
Manna Foods Private Limited	India	100.00	100.00
Sunrise Biscuit Company Private Limited	India	99.16	99.16
Britannia and Associates (Mauritius) Private Limited	Mauritius	100.00	100.00
Britannia and Associates (Dubai) Private Co. Limited	Dubai, UAE	100.00	100.00
Al Sallan Food Industries Co. SAOC	Oman	65.46	65.46
Strategic Food International Co. LLC, Dubai	Dubai, UAE	100.00	100.00
Strategic Brands Holding Company Limited	Dubai, UAE	100.00	100.00

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Name of the Company	Country of incorporation	Ownership interest (in %) (Direct)	
		31 March 2020	31 March 2019
Daily Bread Gourmet Foods (India) Private Limited [Currently under liquidation]	India	-	100.00
Britannia Dairy Private Limited	India	100.00	100.00
Britannia Dairy Holdings Private Limited	Mauritius	100.00	100.00
Britannia Nepal Private Limited	Nepal	100.00	100.00
Britchip Foods Limited	India	60.00	60.00
Britannia Bangladesh Private Limited	Bangladesh	100.00	-
<b>Associates:</b>			
Klassik Foods Private Limited [Refer note 7]	India	-	26.02
Nalanda Biscuits Company Limited	India	35.00	35.00
Sunandaram Foods Private Limited	India	26.00	26.00

The following companies limited by guarantee, are also considered for consolidation:

Britannia Employees General Welfare Association Private Limited

Britannia Employees Medical Welfare Association Private Limited

Britannia Employees Educational Welfare Association Private Limited

**vii. Principles of consolidation**

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

The following subsidiary companies are excluded from consolidation as they are not significant:

Name of the entity	Relationship	Country of incorporation
Vasana Agrex and Herbs Private Limited	Subsidiary	India
Snacko Bisc Private Limited	Subsidiary	India

**viii.** The financial statements of Klassik Foods Private Limited, Nalanda Biscuits Company Limited and Sunandaram Foods Private Limited have been incorporated in the consolidated financial statements of Britannia Industries Limited based on unaudited financial statements.

**(b) Property, plant and equipment**

**i. Recognition and measurement**

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

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

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



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Statement of Profit or Loss.

**ii. Subsequent expenditure**

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

**iii. Depreciation**

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

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

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

Freehold land is not depreciated.

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

**iv. Reclassification to investment property**

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

**v. Capital work-in-progress**

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

**(c) Intangible assets**

Internally generated: Research and development

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

Others:

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

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

Amortisation

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

The estimated useful lives are as follows:

Asset	Useful life
Computer software	6 years

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

### (d) Investment property

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

The Group depreciates investment properties on a straight-line basis over the useful life of the asset as specified in point b (iii) above.

Any gain or loss on disposal of an investment property is recognised in the Statement of Profit or Loss.

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

### (e) Impairment

#### i) Financial assets

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### (ii) Non-financial assets

#### Intangible assets and property, plant and equipment

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

### (f) Leases

Effective from 1 April 2019, the Group has applied Ind AS 116, which replaces the existing lease standard, Ind AS 17-Leases and other interpretations. The Group has applied Ind AS 116 using the modified retrospective approach and has accordingly not restated the comparative information. The Group at the inception of a contract, assesses whether the a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Group has elected not to recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term. Lessor accounting remains similar to the accounting under the previous standard i.e. lessor continues to classify leases as finance or operating lease. This policy is applied to contracts entered into, or changed, on or after 1 April 2019. For contracts entered into before 1 April 2019, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### *As a lessee*

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments shall include fixed payments, variable

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or the Statement of the Profit and Loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in borrowings and other financial liabilities. In the comparative period, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership was classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, was included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost was charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership was not transferred to the Group as lessee was classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) was charged to profit or loss on a straight-line basis over the period of the lease unless the payments was structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

*As a lessor*

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

### (g) Inventories

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

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

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

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

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

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

	₹ in Crores	
	31 March 2020	31 March 2019
Britannia Dairy Private Limited	19.01	16.23



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**


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**(h) Financial instruments****i. Recognition and initial measurement**

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

**ii. Classification and subsequent measurement****Financial assets***Financial assets carried at amortised cost*

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

*Financial assets at fair value through other comprehensive income*

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

*Financial assets at fair value through profit or loss*

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

**Financial liabilities**

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

**Investment in associates and joint venture**

Investment in equity shares / preference shares in joint venture and associates is carried at cost in the financial statements.

**iii. Derecognition***Financial assets*

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

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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*Financial liabilities*

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

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

**iv. Offsetting**

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

**(i) Revenue recognition**

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

**(i) Sale of goods:**

Revenue is recognised when a customer obtains control of the goods which is ordinarily upon delivery at the customer premises. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permit the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Group is unable to make a reasonable estimate of return, revenue is recognised when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery is recognised for these contracts and presented separately in the balance sheet.

**(ii) Deferred revenue:**

The Group has a customer loyalty programme for selected customers. The Group grants credit points to those customers as part of a sales transaction which allows them to accumulate and redeem those credit points. The consideration is allocated between the loyalty programme and the goods based on their relative stand-alone selling prices. The credit points have been deferred and will be recognised as revenue when the reward points are redeemed or lapsed.

**(iii) Income from royalties are recognised based on contractual agreements.****(iv) Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.**

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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

**(j) Foreign currencies**

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

**(k) Foreign operations**

The assets and liabilities of foreign operations including goodwill and fair value adjustments arising on acquisition, are translated into ₹, the functional currency of the Company, at the exchange rates on the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or an average rate if the average approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially, such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to OCI. When the Group disposes off only a part of its interest in an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to Statement of Profit or Loss.

**(l) Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to revenue, it is recognised in the Statement of Profit and Loss on a systematic basis over the periods to which it relates. When the grant relates to an asset, it is treated as deferred income and recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

**(m) Income tax**

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

**i. Current tax**

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

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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**ii. Deferred tax**

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

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

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

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

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

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

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

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

**(n) Borrowing costs**

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

**(o) Provisions and contingent liabilities****i. General**

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

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



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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**


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**ii. Contingent liabilities**

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

**iii. Onerous contracts**

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

**(p) Employee benefits****i. Short-term employee benefits**

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

**ii. Post-employment benefits**

Contributions to defined contribution schemes such as Provident Fund, Pension Fund, etc., are recognised as expenses in the period in which the employee renders the related service. In respect of certain employees, Provident Fund contributions are made to a Trust administered by the Group. The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and shortfall, if any, after considering the accumulated reserves with the Trust, shall be made good by the Group. In respect of contributions made to government administered Provident Fund, the Group has no further obligations beyond its monthly contributions. The Group also provides for post-employment defined benefit in the form of gratuity and medical benefits. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in other comprehensive income. The effect of any plan amendments are recognized in the Statement of Profit and Loss.

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

**iii. Other long-term employee benefits**

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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

*iv. Voluntary retirement scheme benefits*

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

**(q) Share-based payments**

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

**(r) Cash and cash equivalents**

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

**(s) Earnings per share**

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

**(t) Cash flow statement**

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

**(u) Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

Capital work-in-progress	₹ in Crores	
Particulars	31 March 2020	31 March 2019
<b>Carrying amount</b>		
Opening carrying amount	101.24	202.82
Additions	60.84	96.54
Assets capitalised	122.53	198.12
<b>Closing carrying amount</b>	<b>39.55</b>	<b>101.24</b>

**Notes:**

(a) Buildings include :

- (i) Fully paid unquoted shares and bonds in respect of ownership of flats in 1 Co-operative Housing Society (31 March 2019: 1 Co-operative Housing Society); 10 shares (31 March 2019: 10 shares) of ₹ 50/- each.
  - (ii) Net carrying value ₹ 0.27 (31 March 2019: ₹ 0.42) constructed on a land leased from the government (UAE) which is renewable each year in relation to Strategic Food International Co. LLC., Dubai (SFIC).
  - (iii) Net carrying value ₹ 11.07 (31 March 2019: ₹ 11.33) in relation to Al Sallan Food Industries Co. SAOC (ASFI) constructed on a land leased from the Public Establishment for Industrial Estates (Sohar Industrial Estate) for an initial period of 25 years from 1 January 1994. This is further renewed for a period of 30 years wef from 1 January 2020.
- (b) Agreement in respect of leasehold land at 31 March 2020 : one location (31 March 2019 : one location) is in the process of renewal.

(c) Depreciation:

	31 March 2020	31 March 2019
Depreciation charge for the year	182.33	155.28
Depreciation charge on investment property for the year [Refer note 5]	0.26	0.26
Amortisation for the year [Refer note 6]	2.93	3.52
Amortisation of goodwill [Refer note 6]	-	3.53
Transfer from capital subsidy [Refer note 3 (1) and 50]	(0.71)	(0.71)
<b>Net depreciation charge for the year</b>	<b>184.81</b>	<b>161.88</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

## Note 5 - Investment property

Particulars	31 March 2020	31 March 2019
<b>Gross carrying amount</b>		
Opening gross carrying amount	15.77	15.77
Additions during the year	-	-
<b>Closing gross carrying amount</b>	<b>15.77</b>	<b>15.77</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	1.04	0.78
Depreciation charge during the year	0.26	0.26
Closing accumulated depreciation	1.30	1.04
<b>Net carrying amount</b>	<b>14.47</b>	<b>14.73</b>

The fair value of investment property is ₹19.02 (31 March 2019: ₹ 22.09) and the same has been determined by external independent property valuer having appropriate recognised professional qualifications. The fair value measurement for investment property has been categorised as Level 2 fair value based on the inputs to the valuation technique used. The valuation techniques used for determining the fair value of the property was based on the prevailing market price of similar property in the same locality.

## Note 6 - Other intangible assets

## Reconciliation of carrying amount

Description	Gross carrying amount					Accumulated amortisation					Carrying amounts (net)
	As at 1 April 2019	Exchange difference	Additions	Disposals	As at 31 March 2020	As at 1 April 2019	Exchange difference	Amortisation for the year	Disposals	As at 31 March 2020	As at 31 March 2020
<b>Own assets</b>											
Trademarks	0.03	-	-	-	0.03	-	-	-	-	-	0.03
Designs	0.01	-	-	-	0.01	-	-	-	-	-	0.01
Computer software	23.79	-	3.68	-	27.47	16.21	-	2.93	-	19.14	8.33
	<b>23.83</b>	<b>-</b>	<b>3.68</b>	<b>-</b>	<b>27.51</b>	<b>16.21</b>	<b>-</b>	<b>2.93</b>	<b>-</b>	<b>19.14</b>	<b>8.37</b>
Goodwill on consolidation, net (a)	133.90	8.60	-	-	142.50	3.53	-	-	-	3.53	138.97
<b>Total</b>	<b>157.73</b>	<b>8.60</b>	<b>3.68</b>	<b>-</b>	<b>170.01</b>	<b>19.74</b>	<b>-</b>	<b>2.93</b>	<b>-</b>	<b>22.67</b>	<b>147.34</b>

Description	Gross carrying amount					Accumulated amortisation					Carrying amounts (net)
	As at 1 April 2018	Exchange difference	Additions	Disposals	As at 31 March 2019	As at 1 April 2018	Exchange difference	Amortisation for the year	Disposals	As at 31 March 2019	As at 31 March 2019
<b>Own assets</b>											
Trademarks	0.03	-	-	-	0.03	-	-	-	-	-	0.03
Designs	0.01	-	-	-	0.01	-	-	-	-	-	0.01
Computer software	20.62	-	3.17	-	23.79	12.69	-	3.52	-	16.21	7.58
	<b>20.66</b>	<b>-</b>	<b>3.17</b>	<b>-</b>	<b>23.83</b>	<b>12.69</b>	<b>-</b>	<b>3.52</b>	<b>-</b>	<b>16.21</b>	<b>7.62</b>
Goodwill on consolidation, net (a), (b)	128.20	5.70	-	-	133.90	-	-	3.53	-	3.53	130.37
<b>Total</b>	<b>148.86</b>	<b>5.70</b>	<b>3.17</b>	<b>-</b>	<b>157.73</b>	<b>12.69</b>	<b>-</b>	<b>7.05</b>	<b>-</b>	<b>19.74</b>	<b>137.99</b>

## Notes:

- Goodwill on consolidation comprises goodwill of ₹ 140.02 (31 March 2019: ₹ 131.42) and capital reserve of ₹ 1.05 (31 March 2019: ₹ 1.05).
- During the previous year, consequent to the initiation of the liquidation process of Daily Bread Gourmet Foods (India) Private Limited, the goodwill on consolidation recorded in the books amounting to ₹ 3.53 was amortised.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

Following key assumptions were considered while performing impairment testing:

Weighted Average Cost of Capital % (WACC) before tax	8.80%
Average sale value growth	5%
Average gross margin growth	48% to 50%

The projections cover a period of five years as this is believed to be the most appropriate time scale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows.

The growth rates used to estimate future performance are based on conservative estimates from past performance.

As at	31 March 2020	31 March 2019
<b>Note 7 - Investment in associates</b>		
Investment in equity instruments - associates	1.49	1.05
Less: Provision for diminution in value of investments	(0.01)	(0.01)
	<b>1.48</b>	<b>1.04</b>

The following table illustrates the summarised financial information of the Group's investment in associates as at 31 March 2020.

Name of the entity	Klassik Foods Private Limited*	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited	Total
Opening net assets	-	2.41	0.77	3.18
Add: profit / (loss) for the year	-	0.68	0.79	1.47
Closing net assets	-	3.09	1.56	4.65
Group's share of net assets	-	35.00%	26.00%	
Carrying amount of interest in associates	-	1.08	0.40	1.48

\*During the year ended 31 March 2020, the Company sold equity shares held in Klassik Foods Private Limited and does not hold any stake in the entity as at the balance sheet date.

The following table illustrates the summarised financial information of the Group's investment in associates as at 31 March 2019.

Name of the entity	Klassik Foods Private Limited	Nalanda Biscuits Company Limited	Sunandaram Foods Private Limited	Total
Opening net assets	3.95	1.85	1.27	7.07
Add: profit / (loss) for the year	(3.95)	0.56	(0.50)	(3.89)
Closing net assets	-	2.41	0.77	3.18
Group's share of net assets	26.02%	35.00%	26.00%	
Carrying amount of interest in associates	-	0.84	0.20	1.04

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 8 - Non-current investments</b>		
<b>At fair value through profit and loss</b>		
(i) Investments in mutual funds	503.88	271.30
(ii) Investments with insurance companies	14.61	13.34
(iii) Investments in equity instruments	0.17	0.26
<b>At amortised cost</b>		
(i) Investments in debentures / bonds	1,338.89	414.06
(ii) Investments in tax free bonds	14.11	14.11
(iii) Investments in government securities	11.32	12.29
	<b>1,882.98</b>	<b>725.36</b>
Total quoted non current investments	-	-
Total unquoted non current investments	<b>1,882.98</b>	<b>725.36</b>
Aggregate market value of quoted non-current investments	-	-
Aggregate value of non-current investments	<b>1,882.98</b>	<b>725.36</b>
<b>Note 9 - Loans receivable</b>		
<i>Unsecured:</i>		
Inter-corporate deposits [Refer note 41(b)] *	183.00	-
Security deposits	19.75	18.82
Other loans	0.20	0.20
	<b>202.95</b>	<b>19.02</b>
* Forms a part of outstanding balances as disclosed under note 47.		
<b>Note 10 - Other financial assets</b>		
Deposit accounts	30.13	27.67
Other deposits	1.20	1.00
	<b>31.33</b>	<b>28.67</b>
<b>Note 11 - Other non-current assets</b>		
<b>Unsecured</b>		
<i>Considered good:</i>		
Capital advances	19.47	52.35
<i>Advances other than capital advances</i>		
- Advances to statutory authorities	16.56	18.46
<i>Others</i>		
- Prepaid rent	0.14	19.00
- Receivable from others	6.29	11.27
<i>Considered doubtful:</i>		
Advances other than capital advances	8.93	8.93
Less: Allowance for doubtful advances	(8.93)	(8.93)
	<b>42.46</b>	<b>101.08</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 12 - Inventories *</b>		
Raw materials	360.37	326.73
Packing materials	85.75	107.36
Work-in-progress	0.95	1.53
Finished goods	196.09	250.41
Goods-in-transit (Finished goods)	10.75	11.42
Stock-in-trade	44.22	41.22
Stores and spare parts	42.83	42.71
	<b>740.96</b>	<b>781.38</b>

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

The write down of inventories to net realisable value amounted to ₹ 1.29 (31 March 2019: ₹ 2.73). The write down are included in cost of materials consumed or changes in inventories of finished goods, work-in-progress and stock-in-trade.

**Note 13 - Current investments****At fair value through profit and loss**

(i) Investments in mutual funds	906.87	648.09
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**At amortised cost**

(i) Investments in debentures / bonds	100.93	101.79
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(ii) Investments in government securities	0.97	-
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	<b>1,008.77</b>	<b>749.88</b>
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Total quoted current investments	-	-
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Total unquoted current investments	<b>1,008.77</b>	<b>749.88</b>
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Aggregate market value of quoted current investments	-	-
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Aggregate value of current investments	<b>1,008.77</b>	<b>749.88</b>
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**Note 14 - Trade receivables**

Unsecured	322.54	401.26
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	<b>322.54</b>	<b>401.26</b>
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Less: Provision for impairment	2.18	7.02
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	<b>320.36</b>	<b>394.24</b>
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The Group's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 54.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 15 - Cash and bank balances</b>		
<i>Cash and cash equivalents:</i>		
- Cash on hand	0.05	0.11
- Cheques on hand	9.14	25.68
- Current accounts	72.04	34.53
	<b>81.23</b>	<b>60.32</b>
<i>Other bank balances:</i>		
Unpaid Dividend accounts #	13.41	11.37
Unclaimed debenture interest #	0.06	0.06
Unclaimed debenture redemption proceeds #	1.19	1.21
Deposit accounts	26.96	36.86
	<b>41.62</b>	<b>49.50</b>
# Refer note 55		
<b>Note 16 - Loans receivable</b>		
<i>Unsecured:</i>		
Inter-corporate deposits [Refer note 41(b)] *	1,105.41	1,199.24
Security deposits	4.70	4.09
Loans to others	-	0.59
	<b>1,110.11</b>	<b>1,203.92</b>
* Includes outstanding balances as disclosed under note 47.		
<b>Note 17 - Other financial assets</b>		
Interest accrued but not due	97.81	48.66
Incentives recoverable*	131.94	77.63
	<b>229.75</b>	<b>126.29</b>
*Incentives recoverable in accordance with the State Industrial Policy of certain States.		
<b>Note 18 - Other current assets</b>		
Unsecured, considered good		
<i>Advances other than capital advances</i>		
- Advance for supply of goods	6.26	23.50
- Advances to contract packers	25.31	26.03
<i>Others</i>		
- Prepayments	18.50	13.27
- Balance with Government authorities	33.78	51.78
- Other advances	58.32	46.23
<i>Considered doubtful</i>		
Advances other than capital advances	2.90	2.90
Less: Allowance for doubtful advances	(2.90)	(2.90)
	<b>142.17</b>	<b>160.81</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 19 - Income-tax**

**(a) Amounts recognised in Statement of Profit and Loss**

For the year ended	31 March 2020	31 March 2019
Current tax*	447.69	599.78
Deferred tax		
Attributable to origination and reversal of temporary differences	3.01	12.69
<b>Tax expense for the year</b>	<b>450.70</b>	<b>612.47</b>

\*Includes credit on account of restatement of provisions pursuant to application for settlement of old disputed direct tax cases under the Amnesty scheme (Vivaad Se Vishwas) announced by the Central Government.

**(b) Amounts recognised in other comprehensive income**

For the year ended	31 March 2020			31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
<b>Items that will not be reclassified subsequently to Statement of Profit and Loss</b>						
Remeasurements of the defined benefit plans	(6.50)	1.57	(4.93)	(4.09)	1.43	(2.66)
	<b>(6.50)</b>	<b>1.57</b>	<b>(4.93)</b>	<b>(4.09)</b>	<b>1.43</b>	<b>(2.66)</b>

**(c) Reconciliation of effective tax rate**

For the year ended	31 March 2020		31 March 2019	
<b>Profit before tax and before share of profits / (loss) of associates</b>		<b>1,843.86</b>		<b>1,768.90</b>
Tax using the Company's domestic tax rate (31 March 2020: 25.17% and 31 March 2019: 34.94%)*	25.17%	464.06	34.94%	618.12
Income exempt from tax or taxed at concessional rates	(0.11%)	(2.01)	(0.13%)	(2.39)
Expenses not deductible for tax purposes	0.20%	3.68	0.24%	4.32
Additional income tax deductions	(0.02%)	(0.37)	(0.24%)	(4.35)
Adjustments recognised in relation to tax of prior years	(1.15%)	(21.26)	(0.44%)	(7.71)
Difference in tax rates of subsidiaries	0.21%	3.92	0.12%	2.11
Others	0.15%	2.68	0.13%	2.37
	<b>24.45%</b>	<b>450.70</b>	<b>34.62%</b>	<b>612.47</b>

\* The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 for the year ended 31 March 2020 and has accordingly re-measured its Deferred tax assets/(liabilities) basis the rate prescribed in the said section.

**(d) Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities) / asset, net	
	As at		As at		As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Property, plant and equipment	-	-	48.25	63.98	(48.25)	(63.98)
Investment at fair value through profit and loss	-	-	12.85	13.29	(12.85)	(13.29)
Employee benefits, net	4.33	5.12	-	-	4.33	5.12
Statutory dues	44.19	57.63	-	-	44.19	57.63
Provisions	2.87	12.03	-	-	2.87	12.03
Other items	15.08	6.21	-	-	15.08	6.21
Minimum alternative tax credit	1.50	6.16	-	-	1.50	6.16
	<b>67.97</b>	<b>87.15</b>	<b>61.10</b>	<b>77.27</b>	<b>6.87</b>	<b>9.88</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

## (e) Movement in temporary differences

Particulars	As at 1 April 2019	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2020
Property, plant and equipment	(63.98)	15.73	-	-	-	(48.25)
Investment at fair value through profit and loss	(13.29)	0.44	-	-	-	(12.85)
Employee benefits, net	5.12	(0.79)	-	-	-	4.33
Statutory dues	57.63	(13.44)	-	-	-	44.19
Provisions	12.03	(9.16)	-	-	-	2.87
Other items	6.21	8.87	-	-	-	15.08
Minimum alternative tax credit	6.16	(4.66)	-	-	-	1.50
	<b>9.88</b>	<b>(3.01)</b>	-	-	-	<b>6.87</b>

Particulars	As at 1 April 2018	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2019
Property, plant and equipment	(40.32)	(23.66)	-	-	-	(63.98)
Investment at fair value through profit and loss	(14.43)	1.14	-	-	-	(13.29)
Employee benefits, net	8.35	(3.23)	-	-	-	5.12
Statutory dues	48.23	9.40	-	-	-	57.63
Provisions	8.10	3.93	-	-	-	12.03
Other items	3.90	2.31	-	-	-	6.21
Minimum alternative tax credit	8.74	(2.58)	-	-	-	6.16
	<b>22.57</b>	<b>(12.69)</b>	-	-	-	<b>9.88</b>

The following table provides the details of income tax assets and income tax liabilities as of 31 March 2020 and 31 March 2019

As at	31 March 2020	31 March 2019
Income-tax assets	68.77	37.02
Current tax liabilities	47.78	73.16
Net current income-tax asset / (liability) at the end	<b>20.99</b>	<b>(36.14)</b>

The gross movement in the current income tax asset / (liability) for the year ended 31 March 2020 and 31 March 2019 is as follows.

For the year ended	31 March 2020	31 March 2019
Net current income tax asset / (liability) at the beginning	(36.14)	(33.92)
Income-tax paid	503.25	596.13
Current income-tax expense	(447.69)	(599.78)
Income-tax on other comprehensive income and others	1.57	1.43
Net current income tax asset / (liability) at the end	<b>20.99</b>	<b>(36.14)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

### Note 20 - Share capital

As at	31 March 2020	31 March 2019
<b>Authorised</b>		
Equity shares	50.00	50.00
[500,000,000 equity shares of ₹ 1/- each (31 March 2019: 500,000,000 equity shares of ₹ 1/- each)] [Refer note 44]		
<b>Issued, subscribed and paid up</b>		
Equity shares fully paid	24.05	24.03
[240,468,296 equity shares of ₹ 1/- each (31 March 2019: 240,318,294 equity shares of ₹ 1/- each)]*		
* Of the total fully paid up equity shares: 121,732,190 equity shares of ₹ 1/- each (31 March 2019: 121,732,190 equity shares of ₹ 1/- each) are held by the subsidiaries of The Bombay Burmah Trading Corporation Limited, the ultimate holding company [Refer note (a) below]		
Rights, preferences and restrictions attached to the equity shares:		
- The Company has only one class of shares referred to as equity shares having a par value of ₹ 1/- per share. Each holder of equity shares is entitled to one vote per share.		
- The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.		
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.		
Details of shareholders holding more than 5% of total number of shares, including amount [Refer note (b) below]		
Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year [Refer note (c) below]		
The number of options that can be granted under the Britannia Employee Stock Option Scheme, was increased from 875,000 to 1,775,000 before sub-division and to 3,550,000 after sub-division in the previous year. Out of this, 2,300,000 options (of ₹ 1 each) was granted and 1,566,666 options (of ₹ 1 each) were exercised till 31 March 2020. 66,668 and 83,334 shares of ₹ 1 each were allotted on 4 November 2019 at an exercise price of ₹ 1,385.70/-; and ₹ 1,766.65/- respectively.		
Also Refer note 44 and 55.		
	24.05	24.03



## 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 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
<b>Holding company</b>				
Associated Biscuits International Limited (ABIL), UK	107,809,000	10.78	107,809,000	10.78
<b>Subsidiaries of Holding company</b>				
Bannatyne Enterprises Pte Limited, Singapore	2,783,110	0.28	2,783,110	0.28
Dowbiggin Enterprises Pte Limited, Singapore	2,785,020	0.28	2,785,020	0.28
Nacupa Enterprises Pte Limited, Singapore	2,785,020	0.28	2,785,020	0.28
Spargo Enterprises Pte Limited, Singapore	2,785,020	0.28	2,785,020	0.28
Valletort Enterprises Pte Limited, Singapore	2,785,020	0.28	2,785,020	0.28
	<b>121,732,190</b>	<b>12.18</b>	<b>121,732,190</b>	<b>12.18</b>

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

	31 March 2020		31 March 2019	
	Number of shares	% holding	Number of shares	% holding
Associated Biscuits International Limited (ABIL), UK	107,809,000	44.83%	107,809,000	44.86%

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

	31 March 2020		31 March 2019	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	240,318,294	24.03	120,059,148	12.01
Shares issued under the Employee Stock Option Scheme	150,002	0.02	99,999	0.01
Increase in the number of shares on account of share split [Refer note 44]	-	-	120,159,147	12.01
Closing balance at the end of the reporting year	<b>240,468,296</b>	<b>24.05</b>	<b>240,318,294</b>	<b>24.03</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

### (d) Share based payments

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

Under the Scheme, the Company granted 15,000 options on 29 October 2008 at an exercise price of ₹ 1,125.30/-; 15,000 options on 27 May 2009 at an exercise price of ₹ 1,698.15/-; 20,000 options on 27 May 2010 at an exercise price of ₹ 1,668.55/-; 125,000 options on 27 May 2011 at an exercise price of ₹ 391.75/-; 100,000 options on 28 May 2012 at an exercise price of ₹ 528.75/-; 50,000 options on 26 May 2014 at an exercise price of ₹ 870.35/-, 75,000 options on 21 May 2015 at an exercise price of ₹ 2,332.05/-, 100,000 options on 30 June 2016 at an exercise price of ₹ 2,771.40/-, 125,000 options on 25 May 2017 at an exercise price of ₹ 3,533.30/- and 150,000 options on 15 May 2018 at an exercise price of ₹ 5,464.10/ and 350,000 options on 1 May 2019 at an exercise price of ₹ 2,896.05/- to the Managing Director of the Company. Each option represents one equity share of ₹ 10/- each (for options granted between the years 2008 to 2010) and one equity share of ₹ 2/- each (for options granted between the years 2010 to 2018) and one equity share of ₹ 1/- each (for options granted after the year 2018). 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 were adjusted downwards by ₹ 170/- per share for options granted on 29 October 2008 and 27 May 2009, being the face value of bonus debentures issued pursuant to the Scheme of Arrangement approved by the Honourable Calcutta High Court on 11 February 2010.

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

#### Movement in the options under the scheme: \*

	31 March 2020	31 March 2019
Options outstanding at the beginning of the year (of ₹ 1 each)	533,336	433,334
Options granted during the year (of ₹ 1 each)	350,000	300,000
Options vested during the year (of ₹ 1 each)	250,002	199,998
Options exercised during the year (of ₹ 1 each)	150,002	199,998
Shares allotted against options exercised during the year (of ₹ 1 each)	150,002	199,998
Options lapsed during the year (of ₹ 1 each)	-	-
Options outstanding at the end of the year (of ₹ 1 each)	733,334	533,336
Options exercisable at the end of the year (of ₹ 1 each)	100,000	-
Weighted average price per option outstanding at the end of the year (of ₹ 1 each)	2,700.62	2,262.07

#### Fair Value Measurement:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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 2020	31 March 2019
No. of options granted (of ₹ 1 each)	350,000	300,000
Date of grant	1-May-19	15-May-18
Vesting period (years)	1 to 3	1 to 3
Expected life of option (years)	3	3
Expected volatility	20.89%	22.12%
Risk free rate	7.03%	7.66%
Expected dividends expressed as a dividend yield	0.52%	0.46%
Weighted-average fair values of options per share (of ₹ 1 each)	678.56	687.58

\* Disclosures for 31 March 2019 have been made after giving effect to the share split.

(e) In the Annual General Meeting held on 9 August 2010, the shareholders of the Company approved the sub-division of equity shares, where in each equity share with a face value of ₹ 10 was subdivided into 5 equity shares with a face value of ₹ 2 each. The effective date for the sub-division was 10 September 2010. Further, the Board of Directors at their meeting held on 23 August 2018 approved the sub-division of each equity share of face value of ₹ 2 fully paid up into 2 equity shares of face value of ₹ 1 each fully paid. The same was approved by the members on 15 October 2018 through postal ballot and e-voting. The effective date for the sub-division was 30 November 2018.

## Note 21 - Other equity

Particulars	Share options outstanding account	Debenture redemption reserve	Capital redemption reserve	Capital reserve	General reserve	Securities premium	Retained earnings	Other items of OCI	Foreign currency translation reserve	Total
Balance as at 1 April 2018	11.44	-	3.96	0.63	611.15	48.17	2,707.48	(1.45)	0.84	3,382.22
Additions:										
Share based payment expense	16.12	-	-	-	-	-	-	-	-	16.12
Transfer from Share options outstanding account	-	-	-	-	-	7.63	-	-	-	7.63
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	6.50	6.50
On issue of equity shares	-	-	-	-	-	29.77	-	-	-	29.77
Transfer from retained earnings	-	-	-	-	112.22	-	-	-	-	112.22
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	-	-	-	-	-	-	(2.66)	-	(2.66)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	-	1,159.12	-	-	1,159.12
	27.56	-	3.96	0.63	723.37	85.57	3,866.60	(4.11)	7.34	4,710.92
Deductions:										
Transfer to general reserve	-	-	-	-	-	-	112.22	-	-	112.22
Transfer to securities premium	7.63	-	-	-	-	-	-	-	-	7.63
Dividends	-	-	-	-	-	-	300.15	-	-	300.15
Tax on dividend	-	-	-	-	-	-	61.70	-	-	61.70
Balance as at 31 March 2019	19.93	-	3.96	0.63	723.37	85.57	3,392.53	(4.11)	7.34	4,229.22

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Particulars	Share options outstanding account	Debenture redemption reserve	Capital redemption reserve	Capital reserve	General reserve	Securities premium	Retained earnings	Other items of OCI	Foreign currency translation reserve	Total
Balance as at 1 April 2019	19.93	-	3.96	0.63	723.37	85.57	3,392.53	(4.11)	7.34	4,229.22
Additions:										
Share based payment expense	21.58	-	-	-	-	-	-	-	-	21.58
Transfer from Share options outstanding account	-	-	-	-	-	7.10	-	-	-	7.10
Foreign currency translation adjustment	-	-	-	-	-	-	-	-	10.05	10.05
On issue of equity shares	-	-	-	-	-	23.95	-	-	-	23.95
Transfer from retained earnings	-	180.24	-	-	148.43	-	-	-	-	328.67
Remeasurement of the net defined benefit (liability)/asset, net of tax effect	-	-	-	-	-	-	-	(4.93)	-	(4.93)
Net profit after tax transferred from the statement of profit and loss	-	-	-	-	-	-	1,402.63	-	-	1,402.63
	41.51	180.24	3.96	0.63	871.80	116.62	4,795.16	(9.04)	17.39	6,018.27
Deductions:										
Transfer to general reserve	-	-	-	-	-	-	148.43	-	-	148.43
Transfer to debenture redemption reserve*	-	-	-	-	-	-	180.24	-	-	180.24
Transfer to securities premium	7.10	-	-	-	-	-	-	-	-	7.10
Dividends	-	-	-	-	-	-	360.48	-	-	360.48
Tax on dividend	-	-	-	-	-	-	74.09	-	-	74.09
Issue of bonus debentures*	-	-	-	-	-	-	720.95	-	-	720.95
Tax on bonus debentures*	-	-	-	-	-	-	148.20	-	-	148.20
	34.41	180.24	3.96	0.63	871.80	116.62	3,162.77	(9.04)	17.39	4,378.78

### Nature and purpose of other reserves

#### Share options outstanding account

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

#### Securities premium reserve

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

#### Capital redemption reserve

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

#### Capital reserve

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

#### Debenture redemption reserve

The Company has issued bonus debentures and as per the provisions of the applicable laws, a sum equal to 25% of the issue size of bonus debentures was required to be transferred to debenture redemption reserve.

#### General reserve

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

*Foreign currency translation reserve*

Exchange differences relating to the translation of the results and net assets of the Group foreign operations from their functional currencies to the Group presentation currency (i.e. ₹) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to Consolidated Statement of Profit and Loss on the disposal of the foreign operation.

*Retained earnings*

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

*Dividends*

The following dividends were declared and paid during the year.

As at	31 March 2020	31 March 2019
₹ 15 per equity share of face value of ₹ 1 each (31 March 2019: ₹ 25 per equity share of face value of ₹ 2 each ) to equity shareholders	360.48	300.15
Dividend distribution tax (DDT) on dividend to equity shareholders (Includes DDT paid by one of the subsidiaries)	74.09	61.70
	<b>434.57</b>	<b>361.85</b>

After the reporting date, interim dividend of ₹ 35 per equity share of face value of ₹ 1 each (31 March 2019: final dividend ₹ 15 per equity share of face value of ₹ 1 each) was declared by the Board of directors in their meeting held on 23 April 2020. The interim dividend has not been recognised as liability.

**Note 22 - Borrowings**

## Secured

Term loans from banks (Refer note (a) below)	43.93	61.66
Long-term maturities of lease obligations (Refer note (b) below and note 39 (b)) [Secured by hypothecation of assets (vehicles) taken on lease]	1.18	0.26
240,318,294 (31 March 2019: Nil) 8.00% Redeemable Non-convertible Bonus Debentures of face value of ₹ 30 each, fully paid up (Refer Not 56) [Secured by way of charge on current assets (Inventories and Trade receivables). Redeemable in full at the end of 3 years from 28 August 2019 (being the date of allotment)].	720.95	-
	<b>766.06</b>	<b>61.92</b>

**Notes:**

## (a) Term loan includes:

- (i) ₹ 13.63 (31 March 2019: ₹ 17.63) taken from HSBC Bank by one of the subsidiaries, repayable in 24 equal quarterly installments starting from 27 April 2017. The rate of interest is one year MCLR. This includes additional loan of ₹ 5.00 taken from HSBC bank during the previous year with same term of repayment starting from 24 April 2019 at an interest rate of 6 months T-Bill plus spread. The outstanding term loan is secured by an exclusive charge on existing and future moveable assets, current assets and negative lien on immovable property, plant and equipment of the subsidiary.

Out of the above loan, ₹ 4.00 (31 March 2019: ₹ 4.00) is repayable within 1 year and classified under "Other financial liabilities" (Refer note 28) and balance of ₹ 9.63 (31 March 2019: ₹ 13.63) has been classified under "Borrowings".

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

- (ii) ₹ 51.46 (31 March 2019: ₹ 61.76) taken from Standard Chartered Bank by few subsidiaries, repayable in 24 equal quarterly installments starting from 28 December 2017. The rate of interest is 6% p.a. The outstanding term loan is secured by an exclusive charge on property, plant and equipment of the subsidiaries.

Out of the above loan, ₹ 17.16 (31 March 2019: ₹ 13.73) is repayable within 1 year and classified under "Other financial liabilities" (Refer note 28) and balance of ₹ 34.30 (31 March 2019: ₹ 48.03) has been classified under "Borrowings".

- (b) Rate of interest for lease obligations range from 16.60% to 20.20% per annum. Number of repayment installments (quarterly) for lease obligations range from 1 to 11. Period of maturity for the lease obligations range from 3 months to 3 years and secured by the relevant vehicles acquired under the lease.

As at	31 March 2020	31 March 2019
<b>Note 23 - Other financial liabilities</b>		
Deposits from customers	29.51	26.02
Lease liability (a)	15.81	-
Security deposits	1.22	1.22
	<b>46.54</b>	<b>27.24</b>

- (a) Out of the above ₹ 1.77 (31 March 2019: ₹ Nil) is repayable within 1 year and classified under "Other financial liabilities" (Refer note 28).

**Note 24 - Government grant**

Current		
Capital subsidy *	-	0.71
	-	<b>0.71</b>

\* Refer note 50

**Note 25 - Provisions**

Provision for employee benefits	13.16	11.45
	<b>13.16</b>	<b>11.45</b>

**Note 26 - Borrowings**

<b>Unsecured</b>		
From banks (Refer note (i) below)	82.87	76.10
Commercial paper (Refer note (ii) below)	478.45	-
Bank Overdraft (Refer note (iii) below)	5.97	-
Liability under reverse factoring arrangement (Refer note (iv) below)	180.70	-
	<b>747.99</b>	<b>76.10</b>

**Notes:**

- (i) Represents loan availed by one of the subsidiaries to support working capital requirement of its step down subsidiaries. The loan is secured by an irrevocable and unconditional corporate guarantee from Britannia Industries Limited and carries an interest rate of USD 6 month LIBOR + markup as applicable (31 Mar 2019: USD 1 month LIBOR + markup as applicable). The loan was refinanced on 11 October 2019 for a period of 6 months and is being renewed on a monthly basis thereafter.
- (ii) Carrying interest at 5.90% p.a. and repayable in January 2021.
- (iii) Carrying interest at the prevailing MCLR/Base rate (Plus markup as applicable) and repayable on demand.
- (iv) Represents dues towards a financial institution relating to bill discounting transactions. The discounting rate for these transactions is the prevailing 3 month T-Bill rate + markup as applicable.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 27 - Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises [Refer note below]	8.53	1.78
Total outstanding dues of creditors other than micro enterprises and small enterprises*	1,107.75	1,138.73
	<b>1,116.28</b>	<b>1,140.51</b>

**Note:**

There are no material dues owed by the Group to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2020. 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 Group and has been relied upon by the auditors.

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

- Principal	8.53	1.78
- Interest	-	-
The amount of interest paid by the Group in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

\*Includes dues to related party (Refer note 47)

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 54.

**Note 28 - Other financial liabilities**

Current maturities of long term debt (Refer note 22(a))	21.16	17.73
Current maturities of lease liability (Refer note 23(a))	1.77	-
Current maturities of lease obligations (Refer note 22(b))	0.61	0.27
Unpaid dividend *	13.41	11.37
Unclaimed debenture interest *	0.06	0.06
Unclaimed debenture redemption balance *	1.19	1.21
Interest accrued but not due	36.38	1.20
Creditors for capital goods	23.87	38.16
Book overdraft	-	1.60
Payroll related liabilities	84.12	59.55
Other liabilities	129.34	138.05
	<b>311.91</b>	<b>269.20</b>

\* Investor Education and Protection Fund shall be credited when due.  
[Refer note 55]

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

As at	31 March 2020	31 March 2019
<b>Note 29 - Other current liabilities</b>		
Advance from customers	77.80	40.58
Statutory liabilities (TDS, PF, GST etc.)	68.02	51.30
Deferred revenue *	4.26	3.34
	<b>150.08</b>	<b>95.22</b>

\* Relates to loyalty credit points granted to the customers as part of sales transactions and has been estimated with reference to the relative standalone selling price of the products for which they could be redeemed. Closing balance represents the estimated liability towards unredeemed points.

Opening balance	3.34	4.73
Deferred during the year	13.88	12.57
Released to the statement of profit and loss	12.96	13.96
Closing balance	<b>4.26</b>	<b>3.34</b>

**Note 30 -Provisions**

Provision for compensated absences	19.56	16.63
Employee benefits - gratuity, net [Refer note 48(b)]	9.40	5.97
Others:		
Excise duty and service tax related issues (a)	7.60	23.44
Sales tax and other issues (a)	134.54	129.27
Trade and other issues (a)	20.16	21.20
	<b>191.26</b>	<b>196.51</b>

(a) Refer note 42

For the year ended	31 March 2020	31 March 2019
<b>Note 31 - Revenue from operations</b>		
Sale of goods	11,444.91	10,972.07
Customer loyalty programme [Refer note 29]	(0.92)	1.39
<b>Total (a) [Refer note 58]</b>	<b>11,443.99</b>	<b>10,973.46</b>
<b>Other operating revenues</b>		
Royalty income	1.79	2.36
Scrap sales	28.42	22.39
Other receipts [Refer note below]	125.35	56.46
<b>Total (b)</b>	<b>155.56</b>	<b>81.21</b>
<b>Total revenue from operations (a+b)</b>	<b>11,599.55</b>	<b>11,054.67</b>

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

**Note 32 - Other income**

Interest income from financial assets carried at amortised cost	176.77	136.77
Net gain on financial asset measured at fair value through profit and loss*	89.88	63.85
Profit on sale of property, plant and equipment	0.11	0.97
Foreign exchange gain, net	5.92	1.48
Other receipts	6.72	3.38
	<b>279.40</b>	<b>206.45</b>

\*Includes net gains on fair value changes include ₹ 46.55 (31 March 2019: ₹ 37.36)



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

For the year ended	31 March 2020	31 March 2019
<b>Note 33 (a) - Cost of materials consumed</b>		
Inventory of materials at the beginning of the year	434.09	332.29
Add: Purchases	5,913.19	5,614.81
Less: Inventory of materials at the end of the year	446.12	434.09
	<b>5,901.16</b>	<b>5,513.01</b>
<b>Note 33 (b) - Purchase of stock-in-trade</b>		
Biscuits and high protein food	533.69	719.00
Bread, bread toast and rusk	70.45	86.54
Cake	245.50	250.99
Others	124.10	47.10
	<b>973.74</b>	<b>1,103.63</b>
<b>Note 34 - Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>		
Opening inventory:		
- Finished goods	261.83	210.73
- Stock-in-trade	41.22	38.00
- Work-in-progress	1.53	0.67
Closing inventory:		
- Finished goods	206.84	261.83
- Stock-in-trade	44.22	41.22
- Work-in-progress	0.95	1.53
<b>(Increase) / Decrease in inventory</b>	<b>52.57</b>	<b>(55.18)</b>
<b>Note 35 - Employee benefits expense</b>		
Salaries, wages and bonus	420.27	382.39
Contribution to provident and other funds [Refer note 48]	23.67	23.71
Share based payment expense	21.58	16.12
Staff welfare expenses	21.17	19.60
	<b>486.69</b>	<b>441.82</b>
<b>Note 36 - Finance costs</b>		
Finance cost on lease obligation	0.45	0.13
Interest expense on financial liabilities measured at amortised cost	71.99	7.76
Others	4.46	1.20
	<b>76.90</b>	<b>9.09</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

For the year ended	31 March 2020	31 March 2019
<b>Note 37 - Other expenses</b>		
Consumption of stores and spares	38.66	38.47
Power and fuel	177.70	175.17
Rent [Refer note 39 (a)]	34.05	36.45
Repairs and maintenance:		
- Plant and equipment (a)	33.56	36.89
- Buildings (a)	3.35	5.05
- Others	26.50	27.48
Insurance	5.42	4.39
Rates and taxes, net	8.39	10.77
Carriage, freight and distribution	600.12	553.37
Auditors' remuneration (b):		
- Audit fees	1.40	1.37
- Other services	0.28	0.19
- Expenses reimbursed	0.18	0.11
Corporate social responsibility [Refer note 46]	29.24	25.47
Advertising and sales promotion	475.39	500.84
Conversion charges	508.61	513.43
Write off of bad debts	5.10	-
Reversal of provision for impairment in receivables	(5.10)	-
Allowance for doubtful receivables and loans, net	0.26	0.11
Miscellaneous	399.10	388.41
	2,342.21	2,317.97
(a) Includes stores and spares consumed	10.84	9.92
(b) Excluding applicable taxes		

**Note 38 Contingent liabilities and commitments:****(i) Contingent liabilities:**

- (a) Claims / demands against the Group not acknowledged as debts including excise duty, income tax, sales tax and trade and other demands of ₹ 93.05 (31 March 2019: ₹ 76.90).
- (b) Bank guarantee and letter of credit for ₹ 48.90 (31 March 2019: ₹ 72.31).

**Notes:**

- (i) Contingent liabilities disclosed above represent possible obligations where possibility of cash outflow to settle the obligations is not remote.
- (ii) The above does not include non-quantifiable industrial disputes and other legal disputes pending before various judicial authorities [Also refer note 42 and 55].
- (iii) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company had made a provision for provident fund contribution pursuant to the judgement in the previous year. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

**(ii) Commitments:**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 135.70 (31 March 2019: ₹ 138.63).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 39 (a) Short term leases**

- (i) The Group has certain operating leases for office facilities and residential premises (short term leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement on mutual consent of both the parties. Rental expenses of ₹ 10.22 (31 March 2019: ₹ 9.51) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.
- (ii) The Group has certain cancellable arrangements with contract packers (short term leases) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 23.83 (31 March 2019: ₹ 26.94) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

**(b) Leases liabilities**

- (i) The Group has taken motor vehicles under lease. Also the Group has taken certain land on lease for factory and office premises purposes and liability towards these leases are classified as lease liabilities. The total minimum lease payments and present value of minimum lease payments are as follows:

	As at			
	31 March 2020		31 March 2019	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than 1 year	2.69	2.38	0.34	0.27
Later than 1 year and not later than 5 years	3.26	2.89	0.30	0.26
Later than 5 years	23.04	14.10	-	-
	<b>28.99</b>	<b>19.37</b>	<b>0.64</b>	<b>0.53</b>

The difference between minimum lease payments and the present value of minimum lease payments of ₹ 9.62 (31 March 2019: ₹ 0.11) represents interest not due. The lease liability relating to motor vehicles is secured by the relevant vehicles acquired under lease.

- (ii) The Group has taken certain land on lease for factory and office premises. Right of use asset (ROU) of ₹ 37.87 and lease liability of ₹ 19.17 has been recognised on initial application of the standard. The weighted average rate of 3.36% has been used for discounting the future cash outflow.

	31 March 2020	31 March 2019
Operating lease commitment at 31 March 2019	-	-
Discounted using the incremental borrowing rate 1 April 2019	-	-
Lease liabilities recognised as at 1 April 2019	11.94	-
Extension and termination options reasonably certain to be exercised as at 1 April 2019	7.23	-
Total Lease Liabilities recognised at 1 April 2019	<b>19.17</b>	-

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 40 (i) Details of non-current investments (other than mutual funds) purchased and sold during the year:**

	Face value per unit	As at 1 April 2019	Purchased during the year	Share of Profit / (loss) during the year	As at 31 March 2020
<b>Trade Investment - Unquoted</b>					
<b>(a) Investments in equity instruments (fully paid)</b>					
<b>Associates</b>					
Nalanda Biscuits Company Limited	₹ 10	0.84	-	0.24	1.08
Sunandaram Foods Private Limited	₹ 10	0.20	-	0.20	0.40
		<b>1.04</b>	<b>-</b>	<b>0.44</b>	<b>1.48</b>
		<b>As at 1 April 2019</b>	<b>Purchased during the year</b>	<b>Reclassified/ Sold/ Redeemed during the year</b>	<b>As at 31 March 2020</b>
		13.34	1.27	-	14.61
(a) Investments with insurance companies*		414.06	978.90	54.07	1,338.89
(b) Investments in debentures / bonds		14.11	-	-	14.11
(c) Investments in tax free bonds		12.29	-	0.97	11.32
(d) Investments in government securities		0.26	-	0.09	0.17
		<b>454.06</b>	<b>980.17</b>	<b>55.13</b>	<b>1,379.10</b>

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

**(ii) Details of non-current investments (other than mutual funds) purchased and sold during the previous year:**

	Face value per unit	As at 1 April 2018	Purchased during the year	Share of Profit / (loss) during the year	As at 31 March 2019
<b>Trade Investment - Unquoted</b>					
<b>(a) Investments in equity instruments (fully paid)</b>					
<b>Associates</b>					
Klassik Foods Private Limited	₹ 100	1.04	-	(1.04)	-
Nalanda Biscuits Company Limited	₹ 10	0.64	-	0.20	0.84
Sunandaram Foods Private Limited	₹ 10	0.33	-	(0.13)	0.20
		<b>2.01</b>	<b>-</b>	<b>(0.97)</b>	<b>1.04</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	As at 1 April 2018	Purchased during the year	Reclassified/ Sold/ Redeemed during the year	As at 31 March 2019
<b>Non-trade Investment</b>				
(a) Investments with insurance companies*	12.41	0.93	-	13.34
(b) Investments in debentures / bonds	67.29	375.76	28.99	414.06
(c) Investments in tax free bonds	14.11	-	-	14.11
(d) Investments in government securities	12.29	-	-	12.29
<b>Unquoted equity shares</b>				
(i) Investments in equity instruments	-	0.26	-	0.26
	106.10	376.95	28.99	454.06

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

## (iii) Details of Current investments (other than mutual funds) purchased and sold during the current year:

	As at 1 April 2019	Purchase/ Reclassified during the year	Sold/ Redeemed during the year	As at 31 March 2020
(a) Investments in debentures / bonds	101.79	100.93	101.79	100.93
(b) Investments in government securities	-	0.97	-	0.97
	101.79	101.90	101.79	101.90

## (iv) Details of Current investments (other than mutual funds) purchased and sold during the previous year:

	As at 1 April 2018	Purchase/ Reclassified during the year	Sold/ Redeemed during the year	As at 31 March 2019
(a) Investments in debentures / bonds	4.20	101.79	4.20	101.79
(b) Investments in government securities	0.95	-	0.95	-
(c) Investments in commercial paper	74.24	-	74.24	-
	79.39	101.79	79.39	101.79

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 41 (a) Details of loans during the year:**

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2019	Given during the year	Repayment during the year	As at 31 March 2020
Purbasha Properties Private Limited*	Others	Unsecured	10%	10 years	0.51	-	0.42	0.09
Varun Berry**	KMP	Unsecured	7.25%	4 months	-	23.96	23.96	-
					<b>0.51</b>	<b>23.96</b>	<b>24.38</b>	<b>0.09</b>

**Details of loans during the previous year:**

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2018	Given during the year	Repayment during the year	As at 31 March 2019
Purbasha Properties Private Limited*	Others	Unsecured	10%	10 years	1.30	-	0.79	0.51
Varun Berry**	KMP	Unsecured	7.25%	1 year	-	29.79	29.79	-
					<b>1.30</b>	<b>29.79</b>	<b>30.58</b>	<b>0.51</b>

\*The loan was given for project expansion.

\*\*The loan was given for subscription to equity shares under the Employee Stock Option Scheme.

**(b) Details of inter corporate deposits during the year**

Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2019	Placed during the year	Refunded during the year	As at 31 March 2020
Bajaj Finance Limited	Others	Unsecured	6.90 - 8.35%	1 to 2 years	264.28	394.41	264.28	394.41
Kotak Mahindra Investments Limited	Others	Unsecured	9.10 - 9.15%	1 year	60.00	-	60.00	-
Shriram Transport Finance Company Limited	Others	Unsecured	7.85%	1 year	32.21	-	32.21	-
Bombay Dyeing & Manufacturing Co. Ltd.	Others	Unsecured	10.00%	1 year	350.00	350.00	350.00	350.00
HDFC Limited	Others	Unsecured	6.90- 7.20%	1 year	157.75	125.00	157.75	125.00
Go Airlines (India) Limited	Others	Unsecured	10.00%	1 year	335.00	160.00	245.00	250.00
LIC Housing Finance Limited	Others	Unsecured	7.50- 7.85%	1 to 2 years	-	114.00	-	114.00
Sterling & Wilson Solar Limited	Others	Unsecured	12.50%	6 months	-	50.00	50.00	-
Macrofl Investments Limited	Others	Unsecured	10.00%	1 year	-	75.00	45.00	30.00
Standard Chartered Investments and Loans (India) Ltd	Others	Unsecured	7.50%	6 months	-	25.00	-	25.00
					<b>1,199.24</b>	<b>1,293.41</b>	<b>1,204.24</b>	<b>1,288.41</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Details of inter corporate deposits during the previous year									
Name of borrower	Nature of relationship	Secured/ unsecured	Rate of Interest	Term	As at 1 April 2018	Placed during the year	Refunded during the year	As at 31 March 2019	
Bajaj Finance Limited	Others	Unsecured	8.60 - 9.05%	1 year	201.18	251.30	188.20	264.28	
Kotak Mahindra Prime Limited	Others	Unsecured	8.46%	1 year	-	25.00	25.00	-	
Kotak Mahindra Investments Limited	Others	Unsecured	9.10 - 9.15%	1 year	25.00	60.00	25.00	60.00	
Shriram Transport Finance Company Limited	Others	Unsecured	7.85%	1 year	81.96	0.25	50.00	32.21	
Tata Housing Development Company Ltd	Others	Unsecured	8.00%	6 months	25.00	-	25.00	-	
Bombay Dyeing & Manufacturing Co. Ltd. *	Others	Unsecured	10.00%	1 year	350.00	-	-	350.00	
PNB Housing Finance Limited	Others	Unsecured	7.45 - 7.95%	1 to 2 years	127.20	20.00	147.20	-	
HDFC Limited	Others	Unsecured	8.55 - 8.90%	1 year	75.00	157.75	75.00	157.75	
Mahindra & Mahindra Financial Services Ltd.	Others	Unsecured	7.50%	1 year	25.00	-	25.00	-	
Tata Capital Financial Services Ltd.	Others	Unsecured	7.70 - 7.85%	6 months	50.00	-	50.00	-	
Go Airlines (India) Limited	Others	Unsecured	10.00%	1 year	-	360.00	25.00	335.00	
					<b>960.34</b>	<b>874.30</b>	<b>635.40</b>	<b>1,199.24</b>	

\* The same was renewed during the year on maturity.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 42** In accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Act, certain classes of liabilities have been identified as provisions which have been disclosed as under:

	1 April 2019	Additions*	Utilisation*	Reversals / adjustments*	31 March 2020
(a) Excise duty and service tax related issues	23.44	1.57	(2.52)	(14.89)	7.60
(b) Sales tax and other issues	129.27	9.64	(1.50)	(2.87)	134.54
(c) Trade and other issues	21.20	11.14	(3.41)	(8.77)	20.16

	1 April 2018	Additions*	Utilisation*	Reversals / adjustments*	31 March 2019
(a) Excise duty and service tax related issues	48.78	1.06	-	(26.40)	23.44
(b) Sales tax and other issues	92.21	63.12	(6.47)	(19.59)	129.27
(c) Trade and other issues	20.97	0.13	-	0.10	21.20

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

(c) represents provisions made for probable liabilities / claims arising out of commercial transactions with vendors / others. Further disclosures as required in Ind AS 37 are not made since it can be prejudicial to the interests of the Group.

\* Included under various heads in the Statement of Profit and Loss.

### Note 43 Earnings per equity share

	31 March 2020	31 March 2019
(a) Net profit attributable to the equity shareholders	1,402.63	1,159.12
(b) Weighted average number of equity shares outstanding during the year	240,379,360	240,246,514
(c) Effect of potential equity shares on employee stock option outstanding	59,021	1,81,037
(d) Weighted average number of equity shares outstanding for computing diluted earnings per share [(b)+(c)]	240,438,381	240,427,551
Nominal value of equity shares (₹) (Refer note 44)	1	1
Basic earnings per share (₹)	58.35	48.25
Diluted earnings per share (₹)	58.34	48.21

In compliance with Indian Accounting Standard 33- 'Earnings per share', the disclosure of earnings per share for the year ended 31 March 2019 has been arrived at after giving effect to the above sub-division. Also refer note 44.

**Note 44** The Board of Directors at their Meeting held on 23 August 2018 approved the sub-division of each equity share of face value of ₹ 2 fully paid up into 2 equity shares of face value of ₹ 1 each fully paid up. The same has been approved by the Members on 15 October 2018 through postal ballot and e-voting. The effective date for the sub-division was 30 November 2018.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 45 Segmental information**

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. The operating segment of the Group is identified to be "Foods" as the CODM reviews business performance at an overall Group level as one segment.

**Information by Geographies**

	31 March 2020	31 March 2019
<b>Revenue by Geographical Market (including other operating revenue)</b>		
India	10,957.19	10,345.63
Outside India	642.36	709.04
	<b>11,599.55</b>	<b>11,054.67</b>
<b>Segment non current assets*</b>		
India	1,795.90	1,769.35
Outside India	234.54	159.33
	<b>2,030.44</b>	<b>1,928.68</b>

\* Non current assets are excluding financial instruments and deferred tax assets.

**Revenue from major customers**

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

**Notes****(a) Revenue comprises :**

	31 March 2020	31 March 2019
Revenue from food products*	11,443.99	10,973.46

\*excludes other operating revenue.

**Note 46 Corporate Social Responsibility**

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 29.24 (31 March 2019: ₹ 25.47) in accordance with Section 135 of the Act, 2013. The following amounts were actually spent during the current and previous year:

For the year ended	31 March 2020	31 March 2019
(i) Amount spent other than for construction/ acquisition of any asset	29.24	25.47
(ii) Amount accrued and not spent	-	-
<b>Total</b>	<b>29.24</b>	<b>25.47</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

### Note 47 Related parties

#### Relationships

1.	Ultimate Holding Company Holding company	The Bombay Burmah Trading Corporation Limited Associated Biscuits International Limited (ABIL), UK
2.	Fellow subsidiary companies	Bannatyne Enterprises Pte Limited, Singapore Dowbiggin Enterprises Pte Limited, Singapore Nacupa Enterprises Pte Limited, Singapore Spargo Enterprises Pte Limited, Singapore Valletort Enterprises Pte Limited, Singapore
3.	Associates	Klassik Foods Private Limited ## Nalanda Biscuits Company Limited Sunandaram Foods Private Limited
4.	Other related party	Bombay Dyeing & Manufacturing Co. Ltd. Go Airlines (India) Limited Avijit Deb Partners, LLP
5.	Post employment-benefit plan entities	Britannia Industries Limited Management Staff Provident Fund Britannia Industries Limited Covenanted Staff Gratuity Fund Britannia Industries Limited Non Covenanted Staff Gratuity Fund Britannia Industries Limited Covenanted Staff Pension Fund Britannia Industries Limited Officers Pension Fund
6.	Key management personnel (KMP)	
	Managing Director	Mr. Varun Berry
	Chief Financial Officer	Mr. N.Venkataraman
	Company Secretary	Mr. T. V. Thulsidass* Mr. Jairaj Bham**
	Non-Executive Directors	Mr. Nusli N Wadia Mr. A K Hirjee Mr. Keki Elavia Mr. Avijit Deb Mr. Jeh N Wadia Mr. Keki Dadiseth Dr. Ajai Puri Mr. Ness N Wadia Dr. Y.S.P.Thorat Dr. Ajay Shah Mrs. Tanya Dubash ^ Mr. Nimesh N Kampani # Mrs. Ranjana Kumar # Mr. S S Kelkar @

## During the year, the Company sold equity shares held in Klassik Foods Private limited and does not hold any stake in the entity as at the balance sheet date.

\* Mr. T. V. Thulsidass was appointed as Company Secretary and Compliance Officer of the Company w.e.f 15 October 2018.

\*\* Mr. Jairaj Bham was appointed as Company Secretary and Compliance Officer of the Company on 15 May 2018 and relinquished office on 12 October 2018.

^ Mrs. Tanya Dubash was appointed as additional and independent director of the Company on 7 February 2019.

# Mr. Nimesh N Kampani and Mrs. Ranjana Kumar retired as director on 12 August 2019.

@ Mr. S S Kelkar resigned as director on 23 August 2018.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2020	31 March 2019
<b>Related party transactions during the year:</b>			
<b>Contributions during the year (includes Employees' share and contribution)</b>			
Britannia Industries Limited Management Staff Provident Fund	Post employment-benefit plan entities	17.38	12.82
Britannia Industries Limited Covenanted Staff Gratuity Fund		1.84	1.65
Britannia Industries Limited Non Covenanted Staff Gratuity Fund		3.40	2.87
Britannia Industries Limited Covenanted Staff Pension Fund		0.24	0.27
Britannia Industries Limited Officers Pension Fund		0.26	0.30
<b>Total</b>		<b>23.12</b>	<b>17.91</b>
<b>Remittance of dividend</b>			
Associated Biscuits International Limited (ABIL), UK	Holding Company	161.71	134.76
Others	Fellow subsidiary companies	20.91	17.42
<b>Total</b>		<b>182.62</b>	<b>152.18</b>
<b>Issue of Bonus Debentures</b>			
Associated Biscuits International Limited (ABIL), UK	Holding Company	323.43	-
Others	Fellow subsidiary companies	41.83	-
<b>Total</b>		<b>365.26</b>	<b>-</b>
<b>Purchase of finished goods</b>			
Nalanda Biscuits Company Limited	Associate	71.37	90.16
Sunandaram Foods Private Limited	Associate	66.51	83.39
<b>Total</b>		<b>137.88</b>	<b>173.55</b>
<b>Conversion charges</b>			
Klassik Foods Private Limited	Associate	-	0.67
<b>Key management personnel compensation</b>			
Short-term employee benefits		12.21	11.44
Post-employment defined benefit		0.44	0.41
Other long term benefits		0.51	0.12
Share based payments		21.58	16.12
Sitting fees		0.92	0.95
Commission		11.50	10.60
Travelling expenses & others		0.25	0.27

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

	Relationship	31 March 2020	31 March 2019
<b>Shares allotted under employee stock option scheme for consideration received during the year</b>			
<u>Mr. Varun Berry</u>	KMP		
Equity shares		0.02	0.02
Securities premium		23.95	29.77
<b>Total</b>		<b>23.97</b>	<b>29.79</b>
<b>Loan given to KMP</b>			
Varun Berry	KMP	23.96	29.79
<b>Loan repaid by KMP</b>			
Varun Berry	KMP	23.96	29.79
<b>Share of current year profit / (loss)</b>			
Klassik Foods Private Limited	Associate	-	(1.04)
Nalanda Biscuits Company Limited	Associate	0.24	0.20
Sunandaram Foods Private Limited	Associate	0.20	(0.13)
<b>Total</b>		<b>0.44</b>	<b>(0.97)</b>
<b>Sale of goods / consumables and ingredients</b>			
Nalanda Biscuits Company Limited	Associate	3.23	1.36
Sunandaram Foods Private Limited	Associate	1.08	2.53
Go Airlines (India) Limited	Other related party	0.18	0.13
<b>Total</b>		<b>4.49</b>	<b>4.02</b>
<b>Interest income</b>			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	34.91	35.07
Go Airlines (India) Limited	Other related party	21.74	28.35
Varun Berry	KMP	0.16	0.40
<b>Total</b>		<b>56.81</b>	<b>63.82</b>
<b>Reimbursement of travelling &amp; other expenses</b>			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	2.67	1.12
<b>Professional charges</b>			
Avijit Deb Partners, LLP	Other related party	0.43	-



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

	Relationship	31 March 2020	31 March 2019
<b>Recovery of guest house expenses</b>			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	0.13	0.28
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	-	0.02
Go Airlines (India) Limited	Other related party	0.04	0.03
<b>Total</b>		<b>0.17</b>	<b>0.33</b>
<b>Inter-corporate deposits placed</b>			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	350.00	-
Go Airlines (India) Limited	Other related party	160.00	360.00
<b>Total</b>		<b>510.00</b>	<b>360.00</b>
<b>Inter-corporate deposits redeemed / repaid</b>			
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	350.00	-
Go Airlines (India) Limited	Other related party	245.00	25.00
<b>Total</b>		<b>595.00</b>	<b>25.00</b>
<b>Travelling expenses</b>			
Go Airlines (India) Limited	Other related party	-	0.77
<b><u>Related party closing balances as on balance sheet date:</u></b>			
<b>Outstanding - net receivables / (payables)</b>			
The Bombay Burmah Trading Corporation Limited	Ultimate Holding Company	0.07	0.06
Klassik Foods Private Limited	Associate	0.04	0.04
Nalanda Biscuits Company Limited	Associate	1.25	(1.54)
Sunandaram Foods Private Limited	Associate	5.60	4.17
Bombay Dyeing & Manufacturing Co. Ltd.	Other related party	359.15	353.08
Go Airlines (India) Limited	Other related party	256.43	335.12
<b>Total</b>		<b>622.54</b>	<b>690.93</b>
<b>Investments (including goodwill)</b>			
Nalanda Biscuits Company Limited	Associate	1.08	0.84
Sunandaram Foods Private Limited	Associate	0.40	0.20
<b>Total</b>		<b>1.48</b>	<b>1.04</b>

Notes:

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

### Note 48 Employee benefits

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

The Group has recognised an amount of ₹ 9.27 (31 March 2019: ₹ 9.35) as expenses under the defined contribution plans in the Statement of Profit and Loss for the year:

	31 March 2020	31 March 2019
<b>Benefit ( Contribution to)</b>		
Provident Fund	4.42	4.90
Family Pension Scheme	4.10	3.35
Pension Fund / Scheme	0.75	1.10
<b>Total</b>	<b>9.27</b>	<b>9.35</b>

#### (b) Post retirement benefit - Defined benefit plans

- (1) Provident fund - Contribution made by the Company during the year to the self administered Trust fund is ₹ 7.04 (31 March 2019: ₹ 6.32). 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.
- (2) The Company has two funds: Britannia Industries Limited Covenanted Staff Gratuity Fund and Britannia Industries Limited Non Covenanted Staff Gratuity Fund, which are funded defined benefit plans for qualifying employees.
  - (i) The Scheme in relation to Britannia Industries Limited Non Covenanted Staff Gratuity Fund provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to the maximum amount payable as per the Payment of Gratuity Act, 1972.
  - (ii) The Scheme in relation to Britannia Industries Limited Covenanted Staff Gratuity Fund provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days basic salary payable for each completed year of service or part thereof in excess of six months subject to the higher of maximum amount payable as per the Payment of Gratuity Act, 1972 and twenty months salary. Vesting (for both the funds mentioned above) occurs only upon completion of five years of service, except in case of death or permanent disability. The present value of the defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried out at balance sheet date.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

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

	31 March 2020	31 March 2019
1. Reconciliation of net defined benefit asset / (liability)		
(i) Reconciliation of present value of defined benefit obligation:		
Obligations at 1 April	37.26	30.19
Service cost	3.80	4.10
Interest cost	2.45	2.01
Benefits settled	(5.88)	(3.24)
Actuarial (gain) / loss due to financial assumptions	5.15	0.92
Actuarial (gain) / loss due to demographic assumption	(0.06)	-
Actuarial (gain) / loss due to experience adjustments	1.66	3.28
Obligations at the year end 31 March	44.38	37.26
(ii) Reconciliation of present value of plan asset:		
Plan assets at 1 April at fair value	31.29	27.08
Expected return on plan assets	2.37	1.93
Return on assets excluding interest income	0.25	0.11
Contributions	6.95	5.41
Benefit settled	(5.88)	(3.24)
Plan assets as at 31 March at fair value	34.98	31.29
(iii) Reconciliation of net defined benefit asset/(liability):		
Present value of obligation as at 31 March	44.38	37.26
Plan assets at 31 March at fair value	34.98	31.29
Amount recognised in balance sheet asset / (liability)	(9.40)	(5.97)
2. Expenses recognised in the Statement of Profit and Loss under Employee benefit expense:		
Current service cost	3.80	4.10
Interest cost	2.45	2.01
Interest income	(2.37)	(1.93)
Net cost	3.88	4.18
3. Remeasurements recognised in statement of other comprehensive income:		
Actuarial (gain) / loss on defined benefit obligation	6.75	4.30
Return on plan assets excluding interest income	(0.25)	(0.21)
Loss recognised in statement of other comprehensive income	6.50	4.09
4. Amount recognised in the balance sheet:		
Opening asset / (liability)	5.97	3.11
Expense as above	10.38	8.27
Employers contribution paid	(6.95)	(5.41)
Closing (asset) / liability	9.40	5.97

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

	31 March 2020	31 March 2019
5. Experience adjustment:		
On plan liabilities (gain) / loss	1.66	3.28
On plan assets gain / (loss)	0.25	0.11
6. Investment details:	<b>% Invested</b>	<b>% Invested</b>
Government of India securities	2.12	2.36
State Government securities	43.25	37.48
Public sector securities	30.73	28.70
Mutual funds	5.20	5.76
Special deposit scheme	-	1.96
Others	18.70	23.74
	<b>100.00</b>	<b>100.00</b>
7. Principal actuarial assumptions:		
Discount factor [Refer note (i) below]	6.00%	7.70%
Estimated rate of return on plan assets [Refer note (ii) below]	6.00%	7.70%
Attrition rate:		
Service related:		
5 years and above	4%	4%
Below 5 years	25%	25%
Salary escalation rate (Refer note (iii) below)	7%	7%
Retirement age (in years)	58	58
8. Maturity profile of defined benefit obligation:		
Within 1 year	4.02	3.66
1-2 year	3.93	3.61
2-3 year	5.28	3.76
3-4 year	5.14	5.02
4-5 year	4.48	5.09
5- 10 year	28.26	24.85

**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 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 ₹ 3.48 (31 March 2019: ₹ 3.86).

**Sensitivity analysis**

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

	31 March 2020	31 March 2019
A. Discount rate		
Discount rate -50 basis points	45.70	37.97
Assumptions	5.50%	7.20%
Discount rate +50 basis points	42.38	36.33
Assumptions	6.50%	8.20%
B. Salary escalation rate		
Salary rate -50 basis points	42.49	35.97
Assumptions	6.50%	6.50%
Salary rate +50 basis points	46.06	38.32
Assumptions	7.50%	7.50%
C. Withdrawal rate		
Withdrawal rate -50 basis points	44.56	37.00
Withdrawal rate +50 basis points	43.92	37.21

**Note 49** With respect to Al Sallan Food Industries Co. SAOC, the Company's income tax assessments for the tax years 2012 to 2015 have not been finalised by the Secretariat General for Taxation at the Ministry of Finance, Oman. The Group 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 Group's financial position as at 31 March 2020.

**Note 50 Government grant**

During the year ended 31 March 2013, an amount of ₹ 5 was received towards capital subsidy for the Hajipur Factory, Bihar in accordance with the State Industrial Policy of Bihar. Out of this, an amount of ₹ 0.71 (31 March 2019: ₹ 0.71) has been credited to the Statement of Profit and Loss (by reducing the depreciation charge for the year) and the outstanding amount of ₹ Nil (31 March 2019: ₹ 0.71) has been classified as government grant in the balance sheet [Refer note 3 (l)].

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

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

Name of the Entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net Assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
<b>Parent</b>								
Britannia Industries Limited	85.89%	4,274.65	101.04%	1,484.30	(89.65%)	(4.59)	100.38%	1,479.71
<b>Indian Subsidiaries</b>								
Boribunder Finance and Investments Private Limited	0.02%	1.26	0.00%	0.02	0.00%	-	0.00%	0.02
Flora Investments Company Private Limited	0.05%	2.43	0.01%	0.10	0.00%	-	0.01%	0.10
Gilt Edge Finance and Investments Private Limited	0.05%	2.50	0.01%	0.13	0.00%	-	0.01%	0.13
Ganges Vally Foods Private Limited	0.16%	8.06	(1.45%)	(21.39)	0.00%	-	(1.45%)	(21.39)
International Bakery Products Limited	0.33%	16.62	0.04%	0.65	(2.15%)	(0.11)	0.04%	0.54
J B Mangharam Foods Private Limited	0.15%	7.51	0.05%	0.73	(2.73%)	(0.14)	0.04%	0.59
Manna Foods Private Limited	0.33%	16.29	0.31%	4.52	0.39%	0.02	0.31%	4.54
Sunrise Biscuit Company Private Limited	0.50%	25.20	0.17%	2.44	(1.95%)	(0.10)	0.16%	2.34
Britannia Dairy Private Limited	3.10%	154.18	1.15%	16.95	(0.20%)	(0.01)	1.15%	16.94
Britchip Foods Limited	1.45%	72.30	(2.28%)	(33.47)	0.00%	-	(2.27%)	(33.47)
Britannia Employees General Welfare Association Private Limited	0.02%	0.82	(0.01%)	(0.09)	0.00%	-	(0.01%)	(0.09)
Britannia Employees Medical Welfare Association Private Limited	0.02%	0.79	(0.01%)	(0.10)	0.00%	-	(0.01%)	(0.10)
Britannia Employees Educational Welfare Association Private Limited	0.02%	0.82	(0.01%)	(0.10)	0.00%	-	(0.01%)	(0.10)
<b>Foreign Subsidiaries</b>								
Britannia and Associates (Mauritius) Private Limited	3.80%	188.95	0.05%	0.80	0.00%	-	0.05%	0.80
Britannia and Associates (Dubai) Private Co. Limited	3.35%	166.73	0.03%	0.45	0.00%	-	0.03%	0.45

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

Name of the Entity	Net Assets		Share in Profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of Consolidated Net Assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of total comprehensive income	Amount
Al Sallan Food Industries Co. SAOC	(0.78%)	(38.93)	0.23%	3.31	0.00%	-	0.22%	3.31
Strategic Food International Co. LLC, Dubai	0.46%	22.92	0.70%	10.24	0.00%	-	0.70%	10.24
Strategic Brands Holding Company Limited	0.00%	0.01	0.00%	0.04	0.00%	-	0.00%	0.04
Britannia Dairy Holdings Private Limited	(0.01%)	(0.43)	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
Britannia Nepal Private Limited	1.08%	54.01	(0.03%)	(0.38)	0.00%	-	(0.03%)	(0.38)
Britannia Bangladesh Private Limited	0.01%	0.33	0.00%	(0.05)	196.29%	10.05	0.00%	(0.05)
Foreign currency translation reserve	100.00%	4,977.02	100.00%	1,469.06	100.00%	5.12	100.00%	1,474.18
<i>Adjustment arising out of Consolidation</i>		(540.02)		(66.87)				(66.87)
<b>Non-controlling interests in all Subsidiaries /Associates (Investment as per the Equity method)</b>								
<b>Non-controlling interest in Subsidiaries</b>								
Ganges Vally Foods Private Limited		(1.89)		(0.23)				(0.23)
Sunrise Biscuit Company Private Limited		(0.26)		0.01				0.01
Britchip Foods Limited		(33.50)		(8.81)				(8.81)
<b>Associates</b>								
Klassik Foods Private Limited		-		-				-
Nalanda Biscuits Company Limited		0.40		0.24				0.24
Sunandaram Foods Private Limited		1.08		0.20				0.20
<b>Total</b>		<b>4,402.83</b>		<b>1,393.60</b>		<b>5.12</b>		<b>1,398.72</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 52 Capital management**

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

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

As at	31 March 2020	31 March 2019
Total debt	1,537.01	157.23
Equity	4,402.83	4,253.25
Debt to equity %	34.91%	3.70%

**Note 53 Research and development expenses**

For the year ended	31 March 2020	31 March 2019
Capital expenditure	1.99	0.77
Revenue expenditure	31.58	33.83
<b>Total</b>	<b>33.57</b>	<b>34.60</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Note 54 Financial instruments - fair values and risk management****Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount			Fair value					
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Investments in mutual funds	8, 13	1,410.75	-	-	-	1,410.75	-	1,410.75	-	1,410.75
Investments with insurance companies	8	14.61	-	-	-	14.61	-	14.61	-	14.61
Investments in equity instruments	8	0.17	-	-	-	0.17	-	-	0.17	0.17
		<b>1,425.53</b>	-	-	-	<b>1,425.53</b>	-	-	-	
<b>Financial assets not measured at fair value</b>										
Investments in debentures/ bonds	8, 13	-	-	1,439.82	-	1,439.82	-	-	-	1,439.82
Investments in tax free bonds	8	-	-	14.11	-	14.11	-	-	-	14.11
Investments in government securities	8, 13	-	-	12.29	-	12.29	-	-	-	12.29
Loans receivable	9, 16	-	-	1,313.06	-	1,313.06	-	-	-	1,313.06
Other financial assets	10, 17	-	-	261.08	-	261.08	-	-	-	261.08
Trade receivables	14	-	-	320.36	-	320.36	-	-	-	320.36
Cash and cash equivalents	15	-	-	81.23	-	81.23	-	-	-	81.23
Bank balances	15	-	-	41.62	-	41.62	-	-	-	41.62
		-	-	<b>3,483.57</b>	-	<b>3,483.57</b>	-	-	-	<b>3,483.57</b>
<b>Financial liabilities not measured at fair value</b>										
Borrowings	22, 26	-	-	-	-	-	-	1,514.05	-	1,514.05
Trade payables	27	-	-	-	-	-	-	1,116.28	-	1,116.28
Other financial liabilities	23, 28	-	-	-	-	-	-	358.45	-	358.45
		-	-	-	-	-	-	<b>2,988.78</b>	-	<b>2,988.78</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2019, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount			Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>								
Investments in mutual funds	8, 13	919.39	-	-	-	919.39	-	919.39
Investments with insurance companies	8	13.34	-	-	-	13.34	-	13.34
Investments in equity instruments	8	0.26	-	-	-	0.26	-	0.26
		<b>932.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>932.99</b>	<b>-</b>	<b>932.99</b>
<b>Financial assets not measured at fair value</b>								
Investments in debentures/ bonds	8, 13	-	-	516.11	-	-	-	516.11
Investments in tax free bonds	8	-	-	14.11	-	-	-	14.11
Investments in government securities	8, 13	-	-	12.29	-	-	-	12.29
Loans receivable	9, 16	-	-	1,222.94	-	-	-	1,222.94
Other financial assets	10, 17	-	-	154.96	-	-	-	154.96
Trade receivables	14	-	-	394.24	-	-	-	394.24
Cash and cash equivalents	15	-	-	60.32	-	-	-	60.32
Bank balances	15	-	-	49.50	-	-	-	49.50
		<b>-</b>	<b>-</b>	<b>2,424.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,424.47</b>
<b>Financial liabilities not measured at fair value</b>								
Borrowings	22, 26	-	-	-	-	138.02	-	138.02
Trade payables	27	-	-	-	-	1,140.51	-	1,140.51
Other financial liabilities	23, 28	-	-	-	-	296.44	-	296.44
		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,574.97</b>	<b>-</b>	<b>1,574.97</b>

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

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

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Financial risk management**

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

**Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Based on our assessment and current estimates the carrying value and the provisions made as at 31 March 2020 is considered adequate.

*Trade and other receivables*

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

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

	Carrying amount	
	31 March 2020	31 March 2019
India	235.06	259.91
Others	87.48	141.35
	<b>322.54</b>	<b>401.26</b>

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

	Carrying amount	
	31 March 2020	31 March 2019
Institutional	146.78	168.81
Authorised wholesaler	45.30	94.92
Exports	87.48	112.64
Others	42.98	24.89
	<b>322.54</b>	<b>401.26</b>

**Movement in the allowance for impairment in trade receivables**

	31 March 2020	31 March 2019
Opening balance	7.02	6.91
Amount provided for	0.26	0.11
Reversal of provision for impairment in receivables (Refer note 37)	(5.10)	-
Net remeasurement of loss allowance	<b>2.18</b>	<b>7.02</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Liquidity risk**

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

The Group aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. At 31 March 2020, the expected cash flows from trade receivables is ₹ 320.36 (31 March 2019: ₹ 394.24). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

In addition, the Company maintains a line of credit, ₹ 675.60 (31 March 2019: ₹ 274) overdraft facility with various banks that is unsecured. Interest would be payable basis prevailing MCLR rates plus applicable margin (31 March 2019 : MCLR rates plus applicable margin).

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2020 and 31 March 2019:

Particulars	As at 31 March 2020		
	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>			
Trade payables (Refer note 27)	1,116.28	-	-
Borrowings (Refer note 22 and 26)	747.99	18.44	747.62
Other financial liabilities (Refer note 23 and 28)	311.91	1.71	44.83
	<b>2,176.18</b>	<b>20.15</b>	<b>792.45</b>

Particulars	As at 31 March 2019		
	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>			
Trade payables (Refer note 27)	1,140.51	-	-
Borrowings (Refer note 22 and 26)	76.10	17.99	43.93
Other financial liabilities (Refer note 23 and 28)	269.20	-	27.24
	<b>1,485.81</b>	<b>17.99</b>	<b>71.17</b>

**Market risk**

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



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)**

₹ in Crores

**Currency risk**

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Group companies. The Company has export sales (3% of total sales) primarily denominated in US dollars and Euro. At any point in time, the Company hedges 95% to 100% of its estimated foreign currency exposure in respect of sales and purchases over the following 12 months. The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The Company's investment in foreign subsidiaries is not hedged.

**Exposure to currency risk**

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

	31 March 2020		31 March 2019	
	Euro	USD	Euro	USD
Export receivables	-	0.38	-	1.25
Overseas payables	-	-	(0.20)	(0.10)

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

**Sensitivity analysis**

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

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates. The Group's exposure to risk of changes in market interest rate is minimal.

**Sensitivity analysis**

The sensitivity analysis have been determined based on the exposure to interest rates for debt obligations with floating rates. The impact of movement in interest rate by 100 basis points higher or lower and considering all other variables constant, the Group's profit before tax for the year ended 31 March 2020 would decrease / increase by ₹ 0.96 (31 March 2019: ₹ 0.94).

**Impact of COVID-19**

The Group has considered the possible effects that may result from COVID-19 on the carrying amounts of its financial assets, inventory, receivables, loans and advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Group has used internal and external information. Having reviewed the underlying data and based on current estimates, the Group does not expect any material impact on the carrying amount of these assets and liabilities. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

The Group has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk, market risk, currency risk and interest risk and does not foresee any material impact on account of the same.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**Note 55** During the year ended 31 March 2016, based on queries received from Securities Exchange Board of India ('SEBI'), the Company conducted a preliminary internal investigation and discovered certain irregularities by M/s Sharepro Services (India) Private Limited ('Sharepro'), the Company's erstwhile Registrar and Share Transfer Agent. Subsequently, the Company filed a criminal complaint against Sharepro and its employees. Pursuant to the directions issued by SEBI in its interim order dated 22 March 2016, the Company appointed an independent external agency to conduct an audit of the records and systems of Sharepro with respect to past transactions. The report of the external agency was submitted with SEBI by the Company vide its letter dated 12 July 2016. In the current year, following the receipt of a Show Cause Notice dated 8 November 2019 from SEBI in a related matter, the Company has filed a Settlement Application, which was considered and cleared by the Internal Committee of SEBI on 11 March 2020 for further approvals and is presently awaiting final Settlement orders from SEBI. The Company continues to evaluate additional steps, if any, based on the directions of SEBI or any other regulatory authorities.

Based on consultations with its legal counsel, the Company has been advised that the liability will not devolve on the Company and thus no provision is considered necessary. Further, the Company has a right to claim losses, if any, from Sharepro and accordingly the Company does not plan to make good the losses on its own account.

**Note 56** The Board of Directors at their Meeting held on 6 August 2018 approved the issue of secured non-convertible redeemable fully paid-up debentures as Bonus Debentures of ₹ 60 each out of the Accumulated Profits of the Company, in the ratio of 1 Bonus Debenture for every 1 equity share of ₹ 2 each held by the shareholders on a Record date as may be decided by the Board. The Board of Directors at their Meeting held on 7 October 2018 approved the Scheme of Arrangement of Britannia Industries Limited and their Members for issue of bonus debentures in accordance with Sections 230 to 232 of the Companies Act, 2013 read with the rules made thereunder. Following the approval of sub-division of equity shares of face value of ₹ 2 each into 2 equity shares of face value of ₹ 1 each by the Members, the Bonus Debenture Committee constituted by the Board of Directors, approved the revision in the Scheme of Arrangement to give effect to the aforementioned sub-division changing the value of Bonus Debenture to ₹ 30 per Debenture. Thereafter, the Company obtained necessary approvals from the BSE Limited, the National Stock Exchange of India Limited, the SEBI and filed a Company Application with the Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench for approval of the Scheme of Arrangement. The Hon'ble NCLT, Kolkata Bench, vide its order dated 2 August 2019 sanctioned the Scheme of Arrangement for the issue of one Bonus debenture of ₹ 30 each per equity share of face value ₹ 1 each of the Company to all shareholders whose names appear on the register of members on the Record date. The Board, at its meeting held on 9 August 2019, fixed the record date to determine the eligibility of the shareholders for the Bonus Debentures as 23 August 2019 and the rate of interest at 8% p.a. payable annually. Subsequently, the Bonus Debenture Committee at its Meeting held on 28 August 2019 allotted the Bonus Debentures. The final listing and trading approval for the bonus debentures was received from the BSE Limited and the National Stock Exchange of India Limited on 7 October 2019 and the bonus debentures were listed on both the exchanges w.e.f 9 October 2019. The term of bonus debentures is 3 years from the date of allotment.

**Note 57** Considering the economic viability of the business, the operations of Daily Bread Gourmet Foods (India) Private Limited have been discontinued during the previous year.

**Note 58** A. Revenue streams

The Group is primarily involved in manufacturing and sale of various food products. Other sources of revenue include scrap sales and royalty income.

	Note	31 March 2020	31 March 2019
Sale of goods / Income from operations	31	11,443.99	10,973.46
Other operating revenues	31	155.56	81.21
<b>Revenue from operations</b>		<b>11,599.55</b>	<b>11,054.67</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

₹ in Crores

**B. Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by primary geographical market.

	31 March 2020	31 March 2019
India	10,801.74	10,264.85
Others	642.25	708.61
<b>Sale of goods / Income from operations</b>	<b>11,443.99</b>	<b>10,973.46</b>

The Group does not incur any cost to obtain or fulfil a contract with the customer.

**C. Reconciliation of net sale of goods**

	31 March 2020	31 March 2019
Gross Sales Value	12,083.26	11,576.27
Add: Customer loyalty programme	(0.92)	1.39
Less: Stock returns	131.02	104.38
Less: Trade discounts, promotions & channel margins	507.33	499.82
<b>Sale of goods / Income from operations</b>	<b>11,443.99</b>	<b>10,973.46</b>

**Note 59** Exceptional items pertain to voluntary retirement cost incurred in one of the subsidiaries of the Company.

**Note 60** The financial statements are presented in ₹ Crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ Crores are given below:

		₹ in '000	
Note	Description	31 March 2020	31 March 2019
8.	Non-current investments:		
	(a) Unquoted - Trade investments - Investments in debentures / bonds	4	4
	The Bengal Chamber of Commerce and Industry 6 1/2 % Non-redeemable registered debentures 1962		

**Note 61** During the year ended 31 March 2020, no material foreseeable loss (31 March 2019: Nil) was incurred for any long-term contract including derivative contracts.

As per our report of even date attached

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

Chartered Accountants

ICAI Firm registration number: 101248W/W-100022

**Supreet Sachdev**

Partner

Membership number: 205385

Place: Bengaluru

Date : 2 June 2020

for and on behalf of the Board of Directors

**Nusli N Wadia**

Chairman

(DIN:00015731)

**N. Venkataraman**

Chief Financial Officer

Place: Bengaluru

Date : 2 June 2020

**Varun Berry**

Managing Director

(DIN:05208062)

**T.V. Thulsidass**

Company Secretary

(Membership number: A20927)

**SIGNIFICANT RATIOS**  
(on standalone basis)

			2019-20	2018-19
<b>Measures of Investment</b>				
Return on Equity	$\frac{\text{Profit after tax}}{\text{Shareholders' funds (Total Equity)}}$	%	34.7	27.8
Book value per share	$\frac{\text{Shareholders' funds (Total Equity)}}{\text{Number of equity shares (of face value of ₹ 1 each)}}$	₹	177.76	168.09
Dividend cover	$\frac{\text{Earnings per share (Basic)}}{\text{Dividend (Plus tax) per share}}$	times	1.8	2.6
<b>Measures of Performance</b>				
Net profit margin	$\frac{\text{Profit after tax}}{\text{Total Income}}$	%	13.1	10.5
Debtors turnover	$\frac{\text{Sale of goods}}{\text{Average Gross Trade receivables}}$	times	36.0	35.0
Stock turnover	$\frac{\text{Sale of goods}}{\text{Average Gross Inventories (Finished goods + Stock-in-trade+Goods in transit)}}$	times	43.1	40.4
<b>Measure of Financial Status</b>				
Debt equity ratio	$\frac{\text{Non-current borrowings + current borrowings + certain components of other financial liabilities}}{\text{Shareholder's Fund}}$	%	28.2	0.0
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities - Current maturities of long-term debt and finance lease obligations}}$	times	1.4	1.9
Tax ratio	$\frac{\text{Provision for tax}}{\text{Profit before tax}}$	%	22.2	34.6

**TEN YEAR FINANCIAL STATISTICS : 2011 - 2020**  
**(STANDALONE FINANCIAL STATEMENTS)**

₹ in Crores

As at / Year ended 31 March	Previous GAAP					Ind AS				
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Assets employed</b>										
Fixed Aseets (net of depreciation and amortisation)#	315.40	458.82	580.12	642.88	574.16	716.29	869.09	1,231.55	1,392.51	1,499.45
Investments (non-current and current)	545.00	428.94	279.60	372.99	661.04	921.33	599.91	1,186.13	1,645.67	3,141.17
Other assets (net of liabilities)	22.34	66.78	(2.01)	(160.72)	2.55	380.21	1,114.71	828.20	1,003.01	837.95
	<b>882.74</b>	<b>954.54</b>	<b>857.71</b>	<b>855.15</b>	<b>1,237.75</b>	<b>2,017.83</b>	<b>2,583.71</b>	<b>3,245.88</b>	<b>4,041.19</b>	<b>5,478.57</b>
<b>Financed by</b>										
Equity shares	23.89	23.89	23.91	23.99	23.99	24.00	24.00	24.01	24.03	24.05
Reserves and surplus	427.41	496.15	612.50	829.47	1,211.63	1,992.03	2,557.98	3,211.27	4,015.42	4,250.60
Loan funds	431.44	434.50	221.30	1.69	2.13	1.80	1.73	10.60	1.74	1,203.92
	<b>882.74</b>	<b>954.54</b>	<b>857.71</b>	<b>855.15</b>	<b>1,237.75</b>	<b>2,017.83</b>	<b>2,583.71</b>	<b>3,245.88</b>	<b>4,041.19</b>	<b>5,478.57</b>
<b>Other key information</b>										
Revenue from operation	4,223.52	4,974.19	5,615.49	6,307.39	7,175.99	7,960.62	8,684.39	9,380.17	10,482.45	10,986.68
Profit before tax	198.06	252.37	332.18	542.62	882.61	1,149.13	1,251.16	1,445.20	1,716.11	1,908.26
Tax	52.77	65.63	98.31	172.79	260.20	385.82	407.47	497.31	593.91	423.96
Net profit	145.29	186.74	233.87	369.83	622.41	763.31	843.69	947.89	1,122.20	1,484.30
Dividend (including tax on dividend)	90.24	118.00	118.94	168.37	230.94	288.80	317.75	361.85	422.27 <sup>^</sup>	841.64 <sup>*</sup>
Profit for the year after dividend and tax thereon	55.05	68.74	114.93	201.46	391.47	474.51	525.94	586.04	687.63	642.66
Issue of bonus debentures (excluding dividend distribution tax)	-	-	-	-	-	-	-	-	-	720.95

\* Interim Dividend (Dividend Distribution Tax is not applicable from 1 April 2020).

<sup>^</sup> Net of Dividend Distribution Tax on dividend received from one of the subsidiaries.

# Includes property, plant and equipment, capital work in progress, investment property and intangible asset.





**Britannia Industries Limited**  
**A Wadia Enterprise**

**Registered Office**

5/1A Hungerford Street, Kolkata - 700 017, West Bengal  
Ph: 033- 22872439, 22872057, Fax: 033 - 22872501

# BRITANNIA INDUSTRIES LIMITED

(Corporate Identification Number: L15412WB1918PLC002964)

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

Phone: 033 22872439/2057; Fax: 033 22872501

Website: [www.britannia.co.in](http://www.britannia.co.in) E-mail Id: [investorrelations@britindia.com](mailto:investorrelations@britindia.com)

## NOTICE OF 101<sup>ST</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 101<sup>st</sup> Annual General Meeting (AGM) of the Members of Britannia Industries Limited will be held on Tuesday, 7 July 2020 at 11:00 A.M. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business. The venue of the meeting shall be deemed to be the registered office of the Company at 5/1A, Hungerford Street, Kolkata - 700 017.

### ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - a. the Audited Standalone Financial Statement of the Company for the Financial Year ended 31 March 2020, together with the Reports of the Board of Directors and the Auditors thereon;
  - b. the Audited Consolidated Financial Statement of the Company for the Financial Year ended 31 March 2020, together with the Report of the Auditors thereon.
2. To confirm the interim dividend paid for FY 2019-20.
3. To appoint a Director in place of Mr. Nusli N Wadia (DIN: 00015731), 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 Statutory Auditors and to fix their remuneration:

Pursuant to Section 139 of the Companies Act, 2013 and the rules made thereunder, the Statutory Auditors are required to retire mandatorily on completion of tenure of 10 years.

M/s B S R & Co. LLP, Chartered Accountants, ('BSR') (ICAI Firm Registration Number 101248W/W-100022) were appointed as Statutory Auditors at the 91<sup>st</sup> Annual General Meeting (AGM) held on 9 August 2010 and thereafter at every AGM till 12 August 2014 in accordance with Section 224 of the erstwhile Companies Act, 1956.

Consequent to enactment of Companies Act, 2013, M/s B S R & Co. LLP, were appointed as the Statutory Auditors of the Company at the 95<sup>th</sup> AGM held on 12 August 2014 for a period of 5 consecutive years, subject to ratification by Members at every AGM in accordance with Section 139 of the Companies Act, 2013 read with the rules made thereunder.

Further, M/s B S R & Co. LLP were re-appointed as Statutory Auditors at the 100<sup>th</sup> AGM held on 9 August 2019, to hold office upto the ensuing AGM.

Since M/s B S R & Co. LLP, would be completing their term of 10 years as the Statutory Auditors of the Company, they are required to mandatorily retire at the ensuing AGM as per Section 139 of the Companies Act, 2013.

Pursuant to the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on 7 February 2020 recommended the appointment of M/s Walker Chandiok & Co, Chartered Accountants (Firm Registration No. 001076N/N500013) as Statutory Auditors of the Company, for a period of five (5) consecutive years from the conclusion of the 101<sup>st</sup> AGM till the conclusion of 106<sup>th</sup> AGM of the Company to be held in the year 2025, subject to the approval of shareholders of the Company.

To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions of the Companies Act, 2013 ("Act") read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. Walker Chandiok & Co, Chartered Accountants (Firm Registration No. 001076N/N500013), be and are hereby appointed as the Statutory Auditors of the Company for a period of five (5) consecutive years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 106<sup>th</sup> Annual General Meeting at such remuneration inclusive of applicable taxes and out of pocket expenses to be decided by the Board of Directors of the Company".

By Order of the Board of Directors  
For Britannia Industries Limited

Date : 2 June 2020  
Place : Bengaluru

T. V. Thulsidass  
Company Secretary  
Membership No.: A20927

# BRITANNIA INDUSTRIES LIMITED

## Notes:

1. In view of the continuing COVID-19 pandemic and restrictions imposed on the movement of people, the Ministry of Corporate Affairs (“MCA”) vide its Circular dated 5 May 2020 read with Circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as “MCA Circulars”) and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 have permitted the holding of the Annual General Meeting (“AGM”) through Video Conference/ Other Audio Visual Means, without the physical presence of the Members at a common venue.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Circulars issued by MCA and SEBI, 101<sup>st</sup> AGM of the Company shall be conducted through VC / OAVM. National Securities Depositories Limited (‘NSDL’) will be providing facility for remote e-voting, participation in the AGM through VC / OAVM and e-voting during the AGM.

2. A proxy is allowed to be appointed under Section 105 of the Companies Act, 2013 to attend and vote at the general meeting on behalf of a member who is not able to attend personally. Since the AGM will be conducted through VC / OAVM, there is no requirement of appointment of proxies. Hence, Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
3. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM and vote on its behalf. The said Resolution/Authorization shall be sent to the Company at [investorrelations@britindia.com](mailto:investorrelations@britindia.com) or to KFin Technologies Private Limited, Registrar and Share Transfer Agent at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 1 July 2020 to Tuesday, 7 July 2020 (both days inclusive) for the purpose of AGM.
5. The details required under Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as SEBI Listing Regulations, 2015) and Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM forms part of the Notice.

## DISPATCH OF ANNUAL REPORT THROUGH EMAIL AND REGISTRATION OF EMAIL IDs

6. In compliance with MCA Circular No. 20/2020 dated 5 May, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 and owing to the difficulties involved in dispatching of physical copies of the financial statements including Board’s Report, Auditor’s report or other documents required to be attached therewith (together referred to as Annual Report), the Annual Report for FY 2019-20 and Notice of AGM are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).
7. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company’s Registrar and Share Transfer Agent, KFin Technologies Private Limited at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). Members are requested to submit request letter mentioning the Folio No. and Name of Shareholder along with scanned copy of the Share Certificate (front and back) and self-attested copy of PAN card for updation of email address. Members holding shares in dematerialised mode are requested to register / update their email addresses with their Depository Participants.
8. The Notice of AGM along with Annual Report for FY 2019-20, is available on the website of the Company at [www.britannia.co.in](http://www.britannia.co.in), on the website of Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

## PROCEDURE FOR ATTENDING THE AGM THROUGH VC / OAVM:

9. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the EVEN for Company’s AGM.
10. Members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-voting system of NSDL.
11. Members are requested to join the Meeting through Laptops for better experience and will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note



## BRITANNIA INDUSTRIES LIMITED

that participants connecting from Mobile Devices or Tablets or through Laptop connected via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of glitches.

12. Members may note that the VC / OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
13. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/+91 9920264780 or Ms. Pallavi Mhatre, Manager, at [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)/+91-75066 82281.

### PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

14. As the AGM is being conducted through VC / OAVM, members are encouraged to express their views / send their queries in advance mentioning their name, DP Id and Client Id/Folio No., e-mail id, mobile number at [investorrelations@britindia.com](mailto:investorrelations@britindia.com) to enable smooth conduct of proceedings at the AGM. Questions / Queries received by the Company on or before Tuesday, 30 June 2020 on the aforementioned e-mail id shall only be considered and responded to during the AGM.
15. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP Id and Client Id / Folio No., PAN, mobile number at [investorrelations@britindia.com](mailto:investorrelations@britindia.com) on or before Tuesday, 30 June 2020. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. Speakers are requested to submit their questions at the time of registration, to enable the Company to respond appropriately.
16. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, to ensure the smooth conduct of the AGM.

### PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

17. In compliance with provisions of Section 108 of the Companies Act, 2013; Rule 20 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force); Regulation 44 of SEBI Listing Regulations, 2015 and Secretarial Standard on General Meetings (SS- 2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide Members with a facility to exercise their right to vote by electronic means for the business to be transacted at the AGM.
18. Members whose name appears in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date i.e., Tuesday, 30 June 2020 shall only be entitled to attend and vote at the AGM. A person who is not a Member as on the cut-off date should treat this Notice of AGM for information purpose only.
19. The remote e-voting period commences on Saturday, 4 July 2020 (9:00 A.M. IST) and ends on Monday, 6 July 2020 (5:00 P.M. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Tuesday, 30 June 2020, may cast their vote by remote e-voting. The remote 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.  
  
In addition, the facility for voting through electronic voting system shall also be made available during the AGM. Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to cast their vote through e-voting during the AGM. Members who have voted through remote e-voting shall be eligible to attend the AGM, however, they shall not be eligible to vote at the meeting.

20. The procedure and instructions for remote e-voting are given below:

Step 1: Log-in to NSDL e-voting system at

URL: <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 to log in to NSDL e-voting system are mentioned below:**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.

## BRITANNIA INDUSTRIES LIMITED

2. Once the home page of e-voting system is launched, click on the icon “Login” which is available under “Shareholders” section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e., cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
A) For Members who hold shares in demat account with NSDL.	8 Character DP Id followed by 8 Digit Client Id For example, if your DP Id is IN300*** and Client Id is 12***** then your user Id is IN300***12*****
B) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
C) For Members holding shares in Physical Form.	EVEN Number followed by Folio No. registered with the company For example, if EVEN is 123456 and Folio No. is 001*** then user ID is 123456001***

5. Your password details are given below:
  - a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you by NSDL. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

- c) How to retrieve your ‘initial password’?
  - i) If your E-Mail ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your E-Mail ID. Trace the email sent to you from NSDL in your mailbox from [evoting@nsdl.com](mailto:evoting@nsdl.com). Open the email and open the attachment i.e., a .pdf file. The password to open the .pdf file is your 8 digit Client Id for NSDL account, last 8 digits of Client Id for CDSL account or Folio No. for shares held in physical form. The .pdf file contains your ‘User Id’ and your ‘initial password’.
  - ii) In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned above in this notice.

6. If you are unable to retrieve or have not received the ‘initial password’ or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / Folio No., your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-voting will open.

**Details on Step 2 to cast vote electronically on NSDL e-Voting System are mentioned below:**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.



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2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company, which is XXXXXX.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
23. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e., 30 June 2020, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
24. The Company has appointed Mr. P. N. Parikh (FCS No.: 327 CP No.: 1228) or failing him Mr. Mitesh Dhabliwala (FCS No.: 8331 CP No.: 9511), or failing him Mr. Jigyasa Ved (FCS No.: 6488 CP No.: 6018), Practising Company Secretaries, Address: 111, 11<sup>th</sup> Floor, Sai Dwar CHS Ltd., Sab TV Lane, Opp. Laxmi Indl Estate, Off Link Road, Andheri (West), Mumbai- 400 053 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

### Procedure for E- Voting on the day of the AGM:

1. Only those members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions by remote e-voting prior to the AGM shall be entitled to cast their vote through the e-voting system at the AGM.
2. The procedure for e-voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.
25. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
26. The result declared along with the Scrutinizer's Report shall be placed on the Company's website: [www.britannia.co.in](http://www.britannia.co.in) and on NSDL's website: <https://www.evoting.nsdl.com/> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

### GENERAL INFORMATION FOR SHAREHOLDERS

21. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. 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 User Details/Password?” or “Physical User Reset Password?” option available on <https://www.evoting.nsdl.com/> to reset the password.
22. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com/> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

In case of any grievances connected with facility for remote e-voting or e-voting at the AGM, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4<sup>th</sup> Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013.

Email: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/[pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in)

Tel: +91 22 2499 4545/ 1800-222-990/ +91 75066 82281

### PROCEDURE FOR INSPECTION OF DOCUMENTS:

27. All the documents referred to in the accompanying Notice shall be available for inspection through electronic mode, basis the request being sent on [investorrelations@britindia.com](mailto:investorrelations@britindia.com).
28. During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 shall be available for inspection upon login at NSDL e-voting system at <https://www.evoting.nsdl.com/>.

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### INVESTOR EDUCATION AND PROTECTION FUND (IEPF) RELATED INFORMATION:

29. Pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') including any statutory modification(s) or re-enactment thereof for the time being in force, dividend for the financial year ended 31 March 2013 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).

Members who have so far not yet claimed their dividend for the previous years are advised to submit their claim to the Company's Registrar and Transfer Agent at their address given herein below, quoting their Folio No./ DP Id and Client Id:

**Kfin Technologies Private Limited**  
(Formerly known as Karvy Fintech Private Limited)

**Unit: Britannia Industries Limited**  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad – 500 032  
Tel. No.: +91 40 6716 2222;  
Fax No.: +91 40 2342 0814  
Email: [einward.ris@kffintech.com](mailto:einward.ris@kffintech.com)  
Website: [www.kffintech.com](http://www.kffintech.com)

During FY 2019-20, the Company has transferred unpaid and unclaimed dividend of ₹ 70,30,155 to IEPF in accordance with the provisions of Section 125 of the Companies Act, 2013 read with IEPF Rules.

Details of the Members whose dividend has remained unclaimed / unpaid as on the date of the 100<sup>th</sup> AGM held on 9 August 2019, has been uploaded on the website of the IEPF viz., [www.iepf.gov.in](http://www.iepf.gov.in) and also under 'Investor Centre' section on the website of the Company [www.britannia.co.in](http://www.britannia.co.in). The details of unpaid and unclaimed amounts lying with the Company as on 31 March 2020 will be available on the website of the Company [www.britannia.co.in](http://www.britannia.co.in).

30. Pursuant to the provisions of Section 124 (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including circulars, notifications and amendments thereof) all the shares in respect of which dividend has not been paid or claimed for 7 consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund (IEPF).

The shareholders who have not claimed / encashed the dividend in the last 7 consecutive years from FY 2012-13 are requested to claim the same to avoid transfer of shares to IEPF.

In accordance with the aforesaid provisions, the Company has transferred 1,89,626 equity shares held by 89 shareholders as on 31 March 2012 whose dividends were remaining unpaid/unclaimed for 7 consecutive years i.e., from FY 2011-12 to IEPF.

Shareholders may note that both the unclaimed dividend/ debenture interest amount transferred to IEPF and the shares transferred to the Demat Account of the IEPF Authority including all benefits accruing on such shares, if any, can be claimed back by them from the IEPF Authority by making an online application in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with the fee prescribed to the IEPF authority with a copy to the Company.

### OTHER INFORMATION:

31. To prevent fraudulent transactions, members are advised to exercise due diligence and notify any change in information to Registrar and Share Transfer Agent or Company as soon as possible. Members are also advised not to leave their Demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
32. 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 Agent for consolidating the holdings into one account. The Share Certificate(s) will be returned after consolidation.
33. Members holding shares in dematerialised form may please note that, while opening a depository account with Participants they may have given their bank account details, which will be printed on their dividend warrants. However, if Members want to change/correct the bank account details, they should send the same immediately to the Depository Participant concerned. Members are also requested to give the MICR code of their bank to their Depository Participant. The Company will not entertain any direct request from Members for cancellation/change in the bank account details furnished by Depository Participants to the Company.
34. 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 Registrar and Share Transfer Agent or the Company.
35. 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

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- avail of the nomination facility by filling form SH-13. Members holding shares in the dematerialized form may contact their Depository Participant for recording the nomination in respect of their holdings.
36. All documents, transfers, dematerialization requests and other communications in relation thereto should be addressed directly to the Company's Registrar and Transfer Agent, Kfin Technologies Private Limited, at the address mentioned below:
- Kfin Technologies Private Limited**  
(Formerly known as Karvy Fintech Private Limited)  
**Unit: Britannia Industries Limited**  
Karvy Selenium Tower B, Plot 31-32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad – 500 032  
Tel. No.: +91 40 6716 2222;  
Fax No.: +91 40 2342 0814  
E-mail Id: [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)  
Website: [www.kfintech.com](http://www.kfintech.com)
37. Pursuant to provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Company is maintaining an E-mail Id: [investorrelations@britindia.com](mailto:investorrelations@britindia.com) exclusively for quick redressal of members'/investors grievances.
38. Pursuant to the provisions of Regulation 40 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities can be transferred only in dematerialised form w.e.f. 1 April 2019. Members are requested to convert their physical holdings into demat form to avoid any possibility of loss, mutilation etc., of physical share certificates. Any shareholder who is desirous of dematerializing their securities may write to T. V. Thulsidass, Company Secretary at [thulsidasstv@britindia.com](mailto:thulsidasstv@britindia.com) or [investorrelations@britindia.com](mailto:investorrelations@britindia.com) or to the Registrar and Share Transfer Agent.

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## PROFILE OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT

(Pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015)

### Mr. Nusli N Wadia (DIN: 00015731)

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

Mr. Wadia 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
<b>(a) Public Limited Companies</b>		
The Bombay Dyeing & Mfg. Co. Ltd.	Chairman	Member - Nomination and Remuneration Committee
The Bombay Burmah Trading Corporation Limited	Chairman	Member - Nomination and Remuneration Committee
Go Airlines (India) Ltd.	Chairman	Member - Nomination and Remuneration Committee
<b>(b) Private Limited Companies</b>		
Go Investments & Trading Private Limited	Chairman	-
<b>(c) Foreign Companies</b>		
Leila Lands SDN. Bhd. (Malaysia)	Chairman	-
Strategic Food International Company LLC, Dubai, UAE	Director	-
Island Horti-Tech Holdings Pte. Ltd.	Director	-
Strategic Brand Holdings Co. Ltd., UAE	Director	-
Al Sallan Food Industries Co. SAOC, Oman	Director	-
Britannia and Associates (Dubai) Pvt. Ltd.	Director	-
Al Fayafi General Trading Co. LLC, UAE	Director	-

Mr. Wadia is the Member of the Nomination & Remuneration Committee and Strategy & Innovation Steering Committee of the Board of the Company.

Mr. Wadia holds 4,500 (0.002%) Equity Shares in the Company.

Except Mr. Nusli N Wadia being an appointee, Mr. Ness N Wadia and Mr. Jeh N Wadia (his sons), 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. 3.

During the Financial Year 2019-20, Mr. Wadia has attended all the seven Board Meetings held during the year.

By Order of the Board of Directors  
For Britannia Industries Limited

Date : 2 June 2020  
Place : Bengaluru

T. V. Thulsidass  
Company Secretary  
Membership No.: A20927