

## **Independent Auditor's Report**

### **To the Board of Directors of Britannia Dairy Private Limited**

#### **Report on the Financial Statements**

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the relevant rules issued thereunder. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

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

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flow, and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer notes 29 and 33 to the financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer note 44 to the financial statements.
  - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. The Company has provided requisite disclosures in the standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the management – Refer Note 38 to the financial statements.

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

**SD/-**

**Supreet Sachdev**  
*Partner*

Membership Number: 205385

Place: Mumbai  
Date: 24 May 2017

## **Britannia Dairy Private Limited**

### **Annexure - A to the Auditor's Report**

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were observed on verification.
- (c) According to the information and explanation given to us and on the basis of our examination of the records, the Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the Order is not applicable.
- (ii) The inventory, except for the goods in transit and 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.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to loans and investments made.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public and hence reporting under clause (v) of the Order is not applicable.
- (vi) According to information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act in respect of the products of the Company and hence reporting under clause (vi) of the Order is not applicable.
- (vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amount deducted/accrued in the books of account in respect of undisputed statutory dues including Provident fund, Income tax, Sales tax, Value added tax, Service tax, cess and other material statutory dues have 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 Employee State Insurance, duty of customs and duty of excise.

According to the information and explanation given to us, no undisputed amounts payable in respect of Provident fund, Income tax, Sales tax, Value added tax, Service tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales-tax, Service tax and Value added tax which have not been deposited by the Company on account of disputes except the following:

<b>Statute/Nature of Dues</b>	<b>Amount (Rs in thousands)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Sales Tax Act	25,205	2002-15	Appellate Authority up to Commissioner's level
Sales Tax Act	736	2003-06	Tribunal(s)
Income Tax Act, 1961	4,271	2005-10	Tribunal(s)
Income Tax Act, 1961	3,014	2012-14	CIT (A)

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

- (viii) The Company does not have any loans or borrowings from any financial institutions, banks or government or debenture holders during the year and hence reporting under clause (viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit and hence reporting under clause (x) of the Order is not applicable.
- (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 explanation given to us and in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the 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 any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence reporting under clause (xiv) of the Order is not applicable.

- (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 and hence reporting under clause (xv) of the Order is not applicable.
- (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 and hence reporting under clause (xvi) of the Order is not applicable.

*for B S R & Co. LLP*

*Chartered Accountants*

Firm's Registration Number: 101248W/W-100022

SD/-

**Supreet Sachdev**

*Partner*

Membership Number: 205385

Place: Mumbai

Date: 24 May 2017

**Annexure B to the Independent Auditor's Report of even date on the standalone financial statements of Britannia Dairy Private Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Britannia Dairy Private Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Sd/-

**Supreet Sachdev**  
*Partner*  
Membership Number: 205385

Place: Mumbai  
Date: 24 May 2017



**BRITANNIA DAIRY PRIVATE LIMITED**  
**Balance Sheet**

Rs. in crores

As at	Note	31 March 2017	31 March 2016	1 April 2015
<b>I Assets</b>				
<b>(1) Non-current assets</b>				
(a) Property, plant and equipment	4	0.02	0.03	0.03
(b) Financial assets				
(i) Investments	5	5.60	5.13	-
(ii) Loans	6	2.49	11.00	-
(c) Deferred tax assets, (net)	39	10.57	15.30	15.76
(d) Other non-current assets	7	0.49	0.52	0.66
(e) Income tax assets, (net)	39	0.73	0.22	0.07
<b>Total non-current assets</b>		<b>19.90</b>	<b>32.20</b>	<b>16.52</b>
<b>(2) Current assets</b>				
(a) Inventories	8	24.74	17.74	16.93
(b) Financial assets				
(i) Investments	9	89.12	58.80	56.30
(ii) Trade receivables	10	9.06	9.33	5.91
(iii) Cash and cash equivalents	11	2.92	3.18	2.32
(iv) Bank balances other than (iii) above	11	1.90	2.86	0.10
(v) Loans	12	50.23	39.75	25.00
(vi) Other financial assets	13	2.74	1.12	-
(c) Other current assets	14	2.84	2.12	2.78
<b>Total current assets</b>		<b>183.55</b>	<b>134.90</b>	<b>109.34</b>
<b>Total assets</b>		<b>203.45</b>	<b>167.10</b>	<b>125.86</b>
<b>II Equity and liabilities</b>				
<b>Equity</b>				
(a) Equity share capital	15	5.78	5.78	5.78
(b) Other equity	16	138.22	112.46	76.59
<b>Total equity</b>		<b>144.00</b>	<b>118.24</b>	<b>82.37</b>
<b>Liabilities</b>				
<b>(1) Non-current liabilities</b>				
(a) Financial liabilities				
(i) Other financial liabilities	17	6.24	6.26	6.27
(b) Provisions	18	0.85	0.76	0.67
<b>Total non-current liabilities</b>		<b>7.09</b>	<b>7.02</b>	<b>6.94</b>
<b>(2) Current liabilities</b>				
(a) Financial liabilities				
(i) Trade payables	19	42.29	33.41	29.52
(ii) Other financial liabilities	20	2.84	2.37	1.93
(b) Other current liabilities	21	4.89	3.99	3.74
(c) Provisions	22	2.14	1.87	1.28
(d) Current tax liabilities, (net)	39	0.20	0.20	0.08
<b>Total current liabilities</b>		<b>52.36</b>	<b>41.84</b>	<b>36.55</b>
<b>Total liabilities</b>		<b>59.45</b>	<b>48.86</b>	<b>43.49</b>
<b>Total equity and liabilities</b>		<b>203.45</b>	<b>167.10</b>	<b>125.86</b>
Significant accounting policies	3			

See accompanying notes to financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 101248W/ W-100022

Sd/-

**Supreet Sachdev**

Partner

Membership number: 205385

Place : Bangalore

Date : 24 May 2017

for and on behalf of the Board of Directors

Sd/-

**N Venkataraman**

Director

Sd/-

**Piyush Bhandari**

Chief Financial Officer

Place : Bangalore

Date : 24 May 2017

Sd/-

**Ramamurthy Jayaraman**

Director

Sd/-

**Sona Rajora**

Company Secretary

**BRITANNIA DAIRY PRIVATE LIMITED**  
**Statement of profit and loss**

		Rs. in crores	
For the year ended	Note	31 March 2017	31 March 2016
<b>I Revenue from operations</b>			
Sale of goods		318.02	297.17
<b>II Other income</b>	23	12.24	9.86
<b>III Total income (I+II)</b>		<b>330.26</b>	<b>307.03</b>
<b>IV Expenses:</b>			
Purchase of stock-in-trade	24	266.01	228.70
Changes in inventories of stock-in-trade	25	(7.00)	(0.81)
Employee benefits expense	26	7.17	7.04
Finance costs	27	0.01	0.01
Depreciation and amortisation expense	4, 43	-	-
Other expenses	28	26.29	26.68
<b>Total expenses</b>		<b>292.48</b>	<b>261.62</b>
<b>V Profit before tax (III-IV)</b>		<b>37.78</b>	<b>45.41</b>
<b>VI Tax expense:</b>			
(i) Current tax	39	10.76	10.60
(ii) Deferred tax	39	1.24	(1.06)
		<b>12.00</b>	<b>9.54</b>
<b>VII Profit for the year (V-VI)</b>		<b>25.78</b>	<b>35.87</b>
<b>Other comprehensive income</b>			
<b>VIII Items that will not be reclassified subsequently to Statement of profit or loss</b>			
Remeasurements of the net defined benefit liability / asset		(0.02)	-
Income tax relating to items not to be reclassified subsequently to statement of profit or loss		0.01	-
<b>Other comprehensive income, net of tax</b>		<b>(0.01)</b>	<b>-</b>
<b>IX Total comprehensive income for the year (VII-VIII)</b>		<b>25.77</b>	<b>35.87</b>
<b>Earnings per Share (nominal value of Rs. 10 each)</b>	36		
Basic [in Rs]		44.60	62.06
Diluted [in Rs]		44.60	62.06
Weighted average number of equity shares used in computing earnings per share:			
- Basic		5,780,000	5,780,000
- Diluted		5,780,000	5,780,000
<b>Significant accounting policies</b>	3		

See accompanying notes to 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

Sd/-  
N Venkataraman  
Director

Sd/-  
Ramamurthy Jayaraman  
Director

Sd/-  
**Supreet Sachdev**  
Partner  
Membership number: 205385

Sd/-  
Piyush Bhandari  
Chief Financial Officer

Sd/-  
Sona Rajora  
Company Secretary

Place : Bangalore  
Date : 24 May 2017

Place : Bangalore  
Date : 24 May 2017

**BRITANNIA DAIRY PRIVATE LIMITED**  
Statement of changes in equity

Particulars	Equity share capital		Other equity		Total equity attributable to equity holders of the Company
	Reserves and surplus	Securities premium	Retained earnings	Other Items of OCI	
Balance as at 1 April 2015	5.78	111.61	(35.02)	-	82.37
<b>Changes in equity for the year ended 31 March 2016</b>					
Remeasurement of the net defined benefit liability/asset, net of tax effect*	-	-	-	-	-
Profit for the year	-	-	35.87	-	35.87
Balance as at 31 March 2016	5.78	111.61	0.85	-	118.24

\*Refer note 43

Particulars	Equity share capital		Other Equity		Total equity attributable to equity holders of the Company
	Reserves and surplus	Securities premium	Retained earnings	Other Items of OCI	
Balance as at 1 April 2016	5.78	111.61	0.85	-	118.24
<b>Changes in equity for the year ended 31 March 2017</b>					
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	(0.01)	(0.01)
Profit for the year	-	-	25.77	-	25.77
Balance as at 31 March 2017	5.78	111.61	26.62	(0.01)	144.00

See accompanying notes to 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

Sd/-  
N Venkataraman  
Director

Sd/-  
Ramanurthy Jayaraman  
Director

Sd/-  
Supreet Sachdev  
Partner  
Membership number: 205385

Sd/-  
Piyush Bhandari  
Chief Financial Officer

Sd/-  
Sona Rajora  
Company Secretary

Place : Bangalore  
Date: 24 May 2017

Place : Bangalore  
Date: 24 May 2017

**BRITANNIA DAIRY PRIVATE LIMITED**  
Statement of cash flow

Rs. in crores

For the year ended	31 March 2017	31 March 2016
<b>Cash flows from operating activities</b>		
Profit before tax	37.78	45.41
Adjustments for:		
Depreciation and amortisation: [Refer note 43]	-	-
Interest expense	0.01	0.01
Profit on sale of investments, net	(6.80)	(5.61)
Interest income	(5.43)	(4.19)
	<b>25.56</b>	<b>35.62</b>
<b>Changes in</b>		
Trade receivables	0.27	(3.42)
Other assets and other bank balance	0.27	(1.97)
Inventories	(7.00)	(0.81)
Liabilities and provisions	10.59	5.27
<b>Cash generated from operating activities</b>	<b>29.69</b>	<b>34.69</b>
Income tax paid	(7.78)	(9.11)
<b>Net cash from operating activities</b>	<b>21.91</b>	<b>25.58</b>
<b>Cash flows from investing activities</b>		
Purchase of investments, net	(24.00)	(2.03)
Inter-corporate deposits placed	(41.72)	(25.75)
Inter-corporate deposits redeemed	39.75	-
Interest received	3.81	3.07
<b>Net cash used in investing activities</b>	<b>(22.16)</b>	<b>(24.71)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(0.01)	(0.01)
<b>Net cash used in financing activities</b>	<b>(0.01)</b>	<b>(0.01)</b>
<b>Net change in cash and cash equivalents</b>	<b>(0.26)</b>	<b>0.86</b>
Cash and cash equivalents at beginning of the year	3.18	2.32
<b>Cash and cash equivalents at end of year</b>	<b>2.92</b>	<b>3.18</b>

**Note :**

Cash and cash equivalents as at the end of the year [Refer note 11]

**2.92**      **3.18**

**Significant accounting policies [Refer note 3]**

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**

Sd/-  
N Venkataraman  
Director

Sd/-  
Ramamurthy Jayaraman  
Director

Sd/-  
Supreet Sachdev  
Partner  
Membership number: 205385

Sd/-  
Piyush Bhandari  
Chief Financial Officer

Sd/-  
Sona Rajora  
Company Secretary

Place : Bangalore  
Date : 24 May 2017

Place : Bangalore  
Date : 24 May 2017

**BRITANNIA DAIRY PRIVATE LIMITED****Notes to financial statements****1 Reporting entity**

Britannia Dairy Private Limited (the 'Company') is a Company domiciled in India with its registered office situated at 5/1A, Hungerford Street, Kolkata, West Bengal - 700001. The Company has been incorporated under the provisions of the Companies Act applicable in India. The Company is a 100% subsidiary of Britannia Industries Limited. The company is involved in trading of dairy products.

**2 Basis of preparation****A. Statement of compliance**

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

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

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance is provided in Note 41.

The financial statements were authorised for issue by the Company's Board of Directors on 24 May 2017.

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

**B. Functional & presentation currency**

These financial statements are presented in Indian Rupees (Rs), 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 financial statements have been prepared on the historical cost basis except for the following items:

<b>Items</b>	<b>Measurement basis</b>
Certain financial assets and liabilities	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

**D. Use of estimates**

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

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

**Assumptions and estimation uncertainties**

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

Note 39 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 30 - measurement of defined benefit obligations: key actuarial assumptions;

Note 33 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 4 - useful life of property, plant and equipment

Note 5, 6, 9, 10, 12 and 13 - impairment of financial assets.

**BRITANNIA DAIRY PRIVATE LIMITED**

**Notes to financial statements (continued)**

**Basis of preparation (continued)**

**(E) Measurement of Fair values**

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

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

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

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

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

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

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

Note 40 - 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 cost if any), less accumulated depreciation and accumulated impairment losses, if any.

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

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

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

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

***ii. Transition to Ind AS***

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer Note 41).

***iii. Subsequent expenditure***

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

***iv. Depreciation***

Depreciation is calculated on cost of items of Property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the management and is recognised in the statement of profit and loss. 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:

Assets	Useful life
Plant and equipment*	7.5-15 years
Office equipment	3 years

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

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

**BRITANNIA DAIRY PRIVATE LIMITED**

**Notes to financial statements (continued)**

**3. Significant accounting policies (continued)**

**(b) Impairment**

**(i) Financial assets**

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

**(ii) Non-financial assets**

**Property, plant and equipment**

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

**(c) Leases**

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

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

**As a lessee**

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

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

**(d) Inventories**

Inventories are valued at the lower of cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a first-in-first-out basis, 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 provision for inventory obsolescence is assessed regularly based on the estimated shelf life of the product.

## BRITANNIA DAIRY PRIVATE LIMITED

### Notes to financial statements (continued)

#### 3. Significant accounting policies (continued)

##### (e) Financial instruments

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

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

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

###### **Financial assets**

###### *Financial assets carried at amortised cost*

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

###### *Financial assets at fair value through other comprehensive income*

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

###### *Financial assets at fair value through profit or loss*

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

###### **Financial liabilities**

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

###### *iii. Derecognition*

###### **Financial assets**

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

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

###### **Financial liabilities**

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

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

###### *iv. Offsetting*

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

##### (f) Revenue Recognition

Revenue from sale of goods is recognised, when the significant risks and rewards of ownership have transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, exclusive of sales tax and net of sales return, trade discounts and volume rebates.

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.



## BRITANNIA DAIRY PRIVATE LIMITED

### Notes to financial statements (continued)

#### 3. Significant accounting policies (continued)

##### (g) Foreign currencies

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

##### (h) Income tax

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

###### *i. Current tax*

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

###### *ii. Deferred tax*

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

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

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

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

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

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

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

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

##### (i) 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.

##### (j) 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.

**BRITANNIA DAIRY PRIVATE LIMITED**

**Notes to financial statements (continued)**

**3. Significant accounting policies (continued)**

**(k) 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. 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.

*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.

**(l) 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.

**(m) Earnings per share**

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

**(n) 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.

**(o) Recent accounting pronouncements**

**Standards issued but not yet effective:**

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

**Amendment to Ind AS 7:**

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

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

**Amendment to Ind AS 102:**

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

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

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

**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

**Note 4 -Property, plant and equipment**

**Reconciliation of carrying amount**

Rs. in crores

Description	Gross carrying amount			Accumulated depreciation			Carrying amounts (net) As at 31 March 2017
	As at 1 April 2016	Additions	Disposals	As at 31 March 2017	As at 1 April 2016	Depreciation for the year*	
Own assets Plant and equipment	0.03	-	-	0.03	-	-	0.02
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.02</b>

Description	Gross carrying amount			Accumulated depreciation			Carrying amounts (net) As at 31 March 2016
	As at 1 April 2015	Additions	Disposals	As at 31 March 2016	As at 1 April 2015	Depreciation for the year*	
Own assets Plant and equipment	0.03	-	-	0.03	-	-	0.03
<b>Total</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.03</b>	<b>-</b>	<b>-</b>	<b>0.03</b>

\* Refer Note 43

**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

**Note 5 - Non current investments**

	Face value / per share / unit	Units /Nos.			Amount			Rs. in crores
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	
At cost less provision for other than temporary impairment								
<u>Unquoted</u>								
<b>Investments in equity instruments (fully paid)</b>								
International Bakery Products Limited*	10	1	1	1	-	-	-	-
At fair value through profit and loss								
<b>Investments in mutual funds</b>								
ICICI prudential fixed maturity plan	10	5,000,000	5,000,000	-	5.60	5.13	-	-
<b>Total non-current investment</b>					<b>5.60</b>	<b>5.13</b>		
Total quoted non-current investment					-	-	-	-
Total unquoted non-current investment					5.60	5.13	-	-

\* Ref: Note 43

**BRITANNIA DAIRY PRIVATE LIMITED**  
**Notes to financial statements (continued)**

Rs. in crores

As at	31 March 2017	31 March 2016	1 April 2015
<b>Note 6 - Loans</b>			
Unsecured			
<i>Considered good:</i>			
Inter-corporate deposits [Refer note 31]	2.49	11.00	-
	<u>2.49</u>	<u>11.00</u>	<u>-</u>
<b>Note 7 - Other non-current assets</b>			
Unsecured			
<i>Considered good:</i>			
<i>Advances other than capital advances</i>			
Advances to statutory authorities	0.49	0.52	0.66
	<u>0.49</u>	<u>0.52</u>	<u>0.66</u>
<b>Note 8 - Inventories*</b>			
Stock-in-trade	19.94	15.85	14.76
Goods-in-transit	4.80	1.89	2.17
	<u>24.74</u>	<u>17.74</u>	<u>16.93</u>

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

The write down of inventories to net realisable value during the year amounted to Rs. Nil (31 March 2016: Rs.Nil, 1 April 2015: Rs.Nil). The write down are included in changes in inventories of stock-in-trade.

**BRITANNIA DAIRY PRIVATE LIMITED**

Notes to financial statements (continued)

**Note 9 - Current Investments**

Rs. in crores

	Face value / per share / unit	Units / Nos.			Amount		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
<b>At fair value through profit and loss</b>							
<u>Unquoted</u>							
<b>(i) Investments in mutual funds</b>							
Reliance Liquid Fund - Treasury Plan - Institutional Option - Growth	1,000	-	-	7,350	-	-	2.50
ICICI Prudential Money Market Fund - Cash Option - Growth	100	131,592	150,391	150,391	2.96	-	2.91
DSP Black Rock Liquidity Direct Plan - Growth	1,000	6,534	15,335	15,335	1.52	3.32	3.07
L&T Liquid Super Institutional Plan - Cumulative - Direct Plan	1,000	3,561	14,808	14,808	0.79	3.07	2.83
Birla Sunlife Cash Plus - Institutional Premium - Direct Plan - Growth	100	-	156,883	123,572	-	3.82	2.78
Reliance Liquidity Fund - Direct Plan - Growth	1,000	37,218	173,816	173,816	0.90	3.90	3.60
ICICI Prudential Liquid Super Institutional Plan - Direct Plan - Growth	100	-	-	2,034,155	-	-	3.69
J P Morgan India Liquid Fund Direct Plan - Growth	100	-	-	22,817	-	-	3.45
Taurus Liquid Fund - Direct Plan - Growth	100	-	-	1,932	-	-	0.66
Reliance Liquid Fund - Treasury Plan - Direct Plan - Growth	1,000	-	3,576	3,576	-	0.66	0.61
IDFC Cash Fund - Direct - Growth	10	682,880	682,880	-	1.58	1.46	-
IDFC Ultra Short Term Fund - Direct - Growth	1,000	15,342	15,342	15,342	2.80	2.61	2.41
UTI Money Market Fund - Direct - Growth	1,000	-	882	882	-	0.25	0.23
Tata Liquid Fund - Direct - Growth	1,000	-	6,430	6,430	-	1.98	1.83
Kotak Liquid Fund - Direct - Growth	100	373,619	27,676	72,041	7.50	0.51	1.21
Birla Floating Rate Fund - Long Term Plan Direct - Growth	1,000	12,160	10,264	10,264	3.25	2.55	2.36
Kotak Floater Fund - Short Term Plan Direct - Growth	10	-	-	2,992,516	-	-	5.56
Franklin India Ultra Short Term Bond Fund - Direct - Growth	1,000	-	-	15,086	-	-	3.15
Franklin India Treasury Management Account - Direct - Growth	1,000	184,001	184,001	184,001	3.99	3.71	3.43
Birla Floating Rate Fund St Plan - Direct - Growth	1,000	5,170	5,170	5,170	1.33	1.23	1.14
Tata Money Market Fund - Direct Plan - Growth	10	19,208	19,208	-	4.77	4.40	-
Tata Floater Fund - Direct Plan - Growth	100	9,255,197	4,288,695	1,887,119	15.83	6.69	2.70
ICICI Prudential Ultra Short Term Fund - Direct - Growth	1,000	43,694	24,148	6,355	9.85	5.01	1.21
UTI Treasury Advantage Fund - Direct Plan - Growth	10	-	-	831,841	-	-	2.00
HDFC Floating Rate Income Fund - St Plan - Direct Plan - Growth	100	-	-	62,354	-	-	1.31
ICICI Prudential Savings Fund - Direct Plan - Growth	100	159,941	57,583	-	5.00	1.65	-
ICICI Prudential Flexible Income Plan - Direct Plan - Growth	100	226,475	-	46,630	7.25	6.42	1.26
Birla Sunlife Savings Fund - Direct - Growth	10	5,843,812	5,843,812	-	6.95	-	-
DSP Black Rock ultra short term fund - Direct plan - Growth	10	-	-	236,996	-	-	0.40
UTI Short Term Income Fund - Direct Plan - Growth	10	2,312,607	996,972	-	6.06	2.41	-
IDFC Money manager treasury plan - Direct - Growth	10	3,749,150	-	-	6.79	-	-
HDFC Short Term Opportunities Fund - Direct Plan - Growth	10	-	-	-	-	-	-
<b>Total current investment</b>					<b>89.12</b>	<b>58.80</b>	<b>56.30</b>
Total quoted current investment					-	-	-
Total unquoted current investment					89.12	58.80	56.30
<b>Aggregate value of current investments</b>					<b>89.12</b>	<b>58.80</b>	<b>56.30</b>

**BRITANNIA DAIRY PRIVATE LIMITED**  
**Notes to financial statements (continued)**

Rs. in crores

As at	31 March 2017	31 March 2016	1 April 2015
<b>Note 10 - Trade Receivables</b>			
<b>Unsecured</b>			
<i>Considered good</i>	9.06	9.33	5.91
Considered doubtful	0.40	0.39	0.19
	<u>9.46</u>	<u>9.72</u>	<u>6.10</u>
Less: Allowance for doubtful debts	0.40	0.39	0.19
	<u>9.06</u>	<u>9.33</u>	<u>5.91</u>
The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 40.			
<b>Note 11 - Cash and bank balances</b>			
<i>Cash and cash equivalents*:</i>			
Cheques on hand	2.47	1.95	1.73
Current accounts	0.45	1.23	0.59
	<u>2.92</u>	<u>3.18</u>	<u>2.32</u>
<i>Other bank balances:</i>			
Deposit accounts [Refer note below]	1.90	2.86	0.10
	<u>1.90</u>	<u>2.86</u>	<u>0.10</u>
<b>Notes:</b>			
Deposit accounts include bank deposits held against bank guarantees with more than 12 months maturity amounting to Rs. Nil (31 March 2016: Nil, 1 April 2015: Nil).			
*Refer note 43			
<b>Note 12 - Loans</b>			
<b>Unsecured</b>			
<i>Considered good</i>			
Inter-corporate deposits [Refer note 31]	50.23	39.75	25.00
	<u>50.23</u>	<u>39.75</u>	<u>25.00</u>
<b>Note 13 - Other financial assets</b>			
Interest accrued but not due	2.74	1.12	-
	<u>2.74</u>	<u>1.12</u>	<u>-</u>
<b>Note 14 - Other current assets</b>			
<b>Unsecured considered good:</b>			
<i>Advances other than capital advances</i>			
Advance for supply of goods	1.04	0.46	1.76
Employee benefits - gratuity, net [Refer note 30 (b)(4)]	-	0.04	0.06
<i>Others</i>			
Balance with Government authorities	0.42	0.16	0.18
Prepayments	0.25	0.14	0.05
Other advances	1.13	1.32	0.73
	<u>2.84</u>	<u>2.12</u>	<u>2.78</u>

**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

**Note 15 - Share capital**

Rs. in crores

As at	31 March 2017	31 March 2016	1 April 2015
<b>Authorised</b>			
Equity shares	6.00	6.00	6.00
[6,000,000 equity shares of Rs. 10/- each (31 March 2016 : 6,000,000 equity shares of Rs. 10/- each, 1 April 2015 : 6,000,000 equity shares of Rs. 10/- each)]			
	<u>6.00</u>	<u>6.00</u>	<u>6.00</u>
<b>Issued, subscribed and paid-up</b>			
Equity shares fully paid-up	5.78	5.78	5.78
[5,780,000 equity shares of Rs. 10/- each (31 March 2016: 5,780,000 equity shares of Rs. 10/- each, 1 April 2015: 5,780,000 equity shares of Rs. 10/- each)]*			
	<u>5.78</u>	<u>5.78</u>	<u>5.78</u>

**Equity shares:**

\* Of the above, 5,779,999 equity shares of Rs. 10/- each (31 March 2016: 5,779,999 equity shares of Rs. 10/- each, 1 April 2015: 5,779,999 equity shares of Rs. 10/- each) are held by Britannia Industries Limited (BIL), the holding company and 1 equity share of Rs. 10/- each (previous year: 1 equity share of Rs. 10/- each) is held by a nominee of BIL. The Bombay Burmah Trading Corporation Limited is the ultimate holding company.

Rights, preferences and restrictions attached to the equity shares:

- The equity shares have a par value of Rs. 10/-. Each holder of equity shares is entitled to one vote per share.
- The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts (represented by the preference shares outstanding). The distribution will be in proportion to the number of equity shares held by the shareholders.

**Notes**

a) Shares in respect of equity in the Company held by its holding company in aggregate:

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
<b>Holding company</b>						
Britannia Industries Limited *	5,779,999	5.78	5,779,999	5.78	5,779,999	5.78
* Excludes one equity share held by a nominee of Britannia Industries Limited						

b) Details of shareholders' holding more than 5% of total number of equity shares, including amount:

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Britannia Industries Limited *	5,779,999	100%	5,779,999	100%	5,779,999	100%
* Excludes one equity share held by a nominee of Britannia Industries Limited						

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

	31 March 2017		31 March 2016		1 April 2015	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	5,780,000	5.78	5,780,000	5.78	5,780,000	5.78
Movement during the reporting year						
Closing balance at the end of the reporting year	<u>5,780,000</u>	<u>5.78</u>	<u>5,780,000</u>	<u>5.78</u>	<u>5,780,000</u>	<u>5.78</u>



**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

**Note 16 - Other equity**

Particulars	Rs. in crores			
	Securities premium	Retained earnings	Other Items of OCI	Total
<b>Balance as at 1 April 2015</b>	111.61	(35.02)	-	76.59
Additions:				
Remeasurement of the net defined benefit liability asset, net of tax effect		-	-	-
Net profit after tax transferred from the statement of profit and loss		35.87	-	35.87
<b>Balance as at 31 March 2016</b>	<b>111.61</b>	<b>0.85</b>	<b>-</b>	<b>112.46</b>

Particulars	Rs. in crores			
	Securities premium	Retained earnings	Other Items of OCI	Total
<b>Balance as at 1 April 2016</b>	111.61	0.85	-	112.46
Additions:				
Remeasurement of the net defined benefit liability asset, net of tax effect		-	(0.01)	(0.01)
Net profit after tax transferred from the statement of profit and loss		25.77	-	25.77
<b>Balance as at 31 March 2017</b>	<b>111.61</b>	<b>26.62</b>	<b>(0.01)</b>	<b>138.22</b>

*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.

**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

As at	31 March 2017	31 March 2016	1 April 2015
			Rs. in crores

**Note 17 - Other financial liabilities**

Deposits from customers:

10% Redeemable non-cumulative preference shares fully paid-up*	0.24	0.26	0.27
[6,000,000 10% Redeemable non-cumulative preference shares of Rs. 10/- each (31 March 2016 & 1 April 2015; 6,000,000 10% Redeemable non-cumulative preference shares of Rs. 10/- each)]	6.00	6.00	6.00
	<u>6.24</u>	<u>6.26</u>	<u>6.27</u>

**Preference shares:**

Rights, preferences and restrictions attached to the preference shares:

The preference shares do not carry any voting rights except in case of class meetings of preference shareholders.

The preference shares have right for dividend. In the case of winding up, they have the right of repayment of the amount of capital.

The preference shares are redeemable and shall not be converted into equity shares of the Company under any circumstances. Preference shares are redeemable 20 years from the date of allotment of the preference shares at a premium as may be decided by the Board of Directors and permitted by the then prevailing law. Also, the Company can redeem the preference shares prior to the expiry of the term of 20 years within 60 days of approval of the audited accounts for each financial year but not later than 30 September in each year, at a value determined by the Board of Directors.

Shares in respect of preference in the company held by its holding company in aggregate:

	31 March 2017		31 March 2016		1 April 2015	
Holding company	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Britannia Industries Limited	6,000,000	6.00	6,000,000	6.00	6,000,000	6.00

Details of shareholders' holding more than 5% of total number of preference shares, including amount:

	31 March 2017		31 March 2016		1 April 2015	
Britannia Industries Limited	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
	6,000,000	6.00	6,000,000	6.00	6,000,000	6.00

Reconciliation of the number of preference shares outstanding at the beginning and at the end of the reporting year:

	31 March 2017		31 March 2016		1 April 2015	
Opening balance at the beginning of the reporting year	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Movement during the reporting year	6,000,000	6.00	6,000,000	6.00	6,000,000	6.00
Closing balance at the end of the reporting year	<u>6,000,000</u>	<u>6.00</u>	<u>6,000,000</u>	<u>6.00</u>	<u>6,000,000</u>	<u>6.00</u>

**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

Rs. in crores

As at	31 March 2017	31 March 2016	1 April 2015
<b>Note 18 - Provisions</b>			
Employee benefits (unfunded pension liability)	0.85	0.76	0.67
	<b>0.85</b>	<b>0.76</b>	<b>0.67</b>
<b>Note 19 - Trade Payables</b>			
<b>Particulars</b>			
Total outstanding dues of micro and small enterprises [Refer note below]	-	-	-
Total outstanding dues of other than micro and small enterprises*	42.29	33.41	29.52
	<b>42.29</b>	<b>33.41</b>	<b>29.52</b>
<b>Note:</b>			
There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2017. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditor.			
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:			
- Principal	-	-	-
- Interest	-	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 alongwith the amount of the payment made to the supplier beyond the appointed date during the year			
	-	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year			
	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.			
	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.			
	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006			
	-	-	-
*Includes dues to related party (refer note 34)			
The Company's exposure to currency and liquidity risks related to trade payables is			
<b>Note 20 - Other financial liabilities</b>			
Payroll related liabilities	0.91	0.65	0.52
Other payables	1.93	1.72	1.40
	<b>2.84</b>	<b>2.37</b>	<b>1.93</b>
<b>Note 21 - Other current liabilities</b>			
Statutory liabilities (VAT, TDS, PF etc.)	1.87	1.83	1.71
Advance from customers	3.02	2.16	2.03
	<b>4.89</b>	<b>3.99</b>	<b>3.74</b>
<b>Note 22 - Provisions</b>			
Provision for compensated absences	0.37	0.33	0.28
Employee benefits - gratuity, net [Refer note 30 (b)(4)]	0.02	-	-
<b>Others:</b>			
Excise and service tax related issues (a)	0.05	0.05	0.05
Sales tax and other issues (a)	1.70	1.49	0.95
	<b>2.14</b>	<b>1.87</b>	<b>1.28</b>

(a) Refer note 33

**BRITANNIA DAIRY PRIVATE LIMITED**  
**Notes to financial statements (continued)**

Rs. in crores

For the year ended	31 March 2017	31 March 2016
<b>Note 23 - Other income</b>		
Interest income from financial assets carried at amortised cost	5.43	4.19
Net gain on financial asset measured at fair value through profit and loss*	6.80	5.61
Foreign exchange gain, net	-	0.01
Other receipts	0.01	0.05
	<b>12.24</b>	<b>9.86</b>
*Includes unrealised gain amounting Rs.3.81 (31 March 2016: Rs. 2.79)		
<b>Note 24 - Purchase of stock-in-trade</b>		
Cheese	118.26	92.73
Dairy whitener	28.50	21.57
Butter	6.79	5.74
Ghee	112.46	108.66
	<b>266.01</b>	<b>228.70</b>
<b>Note 25 -Changes in inventories of finished goods and stock- in-trade</b>		
Opening inventory	17.74	16.93
Closing inventory	24.74	17.74
(Increase) / decrease in inventory	<b>(7.00)</b>	<b>(0.81)</b>
<b>Note 26 - Employee benefits expense</b>		
Salaries, wages and bonus	6.79	6.70
Contribution to provident and other funds	0.30	0.24
Staff welfare expenses	0.08	0.10
	<b>7.17</b>	<b>7.04</b>
<b>Note 27 - Finance costs</b>		
Interest expense:		
- Bank and others	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
<b>Note 28 - Other expenses</b>		
Rent [Refer note 35]	1.16	1.13
Repairs and maintenance - others	0.03	0.03
Insurance	0.15	0.12
Rates and taxes, net	2.15	1.92
Carriage, freight and distribution	8.56	8.21
Auditors' remuneration (a):		
- Audit fees	0.08	0.08
- Expenses reimbursed	0.01	0.01
Corporate social responsibility [Refer note 42]	0.52	0.48
Legal and professional	1.80	1.19
Advertising and sales promotion	8.75	9.82
Travelling and conveyance	0.75	0.97
Foreign exchange loss, net	0.06	-
Allowance for doubtful receivables,net	0.01	0.20
Miscellaneous	2.26	2.52
	<b>26.29</b>	<b>26.68</b>

(a) Excluding service tax

**Note 29 Contingent liabilities and commitments (to the extent not provided for) :**

As at	31 March 2017	31 March 2016	1 April 2015
(a) Cheques discounted	0.26	0.67	0.59
(b) Bank guarantee	0.01	0.01	0.01
(c) Sales tax and income tax cases	0.74	0.75	0.48

## Notes:

Regarding items mentioned 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 / receipts of judgements pending at various forums.

**Note 30 Employee benefits****(a) Post retirement benefit - Defined contribution plans**

The Company has recognized an amount of Rs. 0.26 (31 March 2016: Rs. 0.20) as expenses under the defined contribution plans in the statement of profit and loss for the year.

Benefit (contribution / provision to)	31 March 2017	31 March 2016
Provident fund	0.17	0.16
Superannuation scheme	0.09	0.04
<b>Total</b>	<b>0.26</b>	<b>0.20</b>

**(b) Post retirement benefit - Defined benefit plans**

The Company makes annual contribution to Britannia Dairy Private Limited Employees Gratuity Fund Trust, a defined benefit plan for qualifying employees, which is maintained by Metlife India Insurance Company Limited. The scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment as per provision of Payment of Gratuity Act, 1972.

	31 March 2017	31 March 2016
<b>I. Reconciliation of net defined benefit asset / (liability)</b>		
<b>I. Reconciliation of present value of defined benefit obligation</b>		
Obligation at 1 April	0.34	0.30
Service cost	0.04	0.03
Interest cost	0.03	0.02
Benefit settled	(0.05)	(0.01)
Actuarial (gain) / loss due to financial assumptions	0.02	0.01
Actuarial (gain) / loss due to experience adjustments	0.01	(0.01)
Obligations as at year end 31 March	0.39	0.34
<b>II. Reconciliation of present value of Plan Asset</b>		
Plan assets as at 1 April at fair value	0.38	0.36
Expected return on plan assets	0.03	0.03
Return on assets excluding interest income	0.01	(0.00)
Benefit settled	(0.05)	(0.01)
Plan assets as at 31 March at fair value	0.37	0.38
<b>III. Reconciliation of net defined benefit asset/(liability):</b>		
Present value of obligation as at 31 March	0.39	0.34
Plan assets as at 31 March at fair value	0.37	0.38
Amount recognised in balance sheet asset / (liability)	(0.02)	0.04
<b>2. Expenses recognised in the statement of profit and loss under Employee benefit expense:</b>		
Current service cost	0.04	0.03
Interest cost	0.03	0.02
Expected return on plan assets	(0.03)	(0.03)
Net Cost	0.04	0.02
<b>3. Remeasurements recognised in statement of Other comprehensive income</b>		
Actuarial (gain) / loss on defined benefit obligation	0.03	0.00
Return on plan assets excluding interest income	(0.01)	0.00
Loss recognised in statement of other comprehensive income	0.02	0.00
<b>4. Amount recognised in the balance sheet:</b>		
Opening asset	(0.04)	(0.06)
Expense as above	0.06	0.02
Closing (asset) / liability	0.02	(0.04)

**BRITANNIA DAIRY PRIVATE LIMITED**
**Notes to financial statements (continued)**

Rs. in crores

**Note 30 Employee benefits (continued)**

5. Experience adjustment			
On plan liabilities (gain) / loss		0.01	(0.01)
On plan assets gain / (loss)		0.01	(0.00)
6. Principal actuarial assumptions			
		<b>31 March 2017</b>	<b>31 March 2016</b>
		<b>31 March 2015</b>	
Discount factor [Refer note (i) below]		6.70%	7.56%
Estimated rate of return on plan assets [Refer note (ii) below]		6.70%	7.56%
Attrition rate:			
Age related (Service related):			
5 years and above		4.00%	4.00%
Below 5 years		15.00%	15.00%
Salary escalation rate [Refer note (iii) below]		5.00%	5.00%
Retirement age (in years)		58	58
7. Maturity profile of defined benefit obligation:			
Within 1 year		0.02	
1-2 year		0.05	
2-3 year		0.07	
3-4 year		0.05	
4-5 year		0.13	
5- 10 year		0.31	

**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.

**Sensitivity analysis**

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

	<b>31 March 2017</b>	<b>31 March 2016</b>
A. Discount rate		
Discount rate -50 basis points	0.40	0.36
Assumptions	6.2%	7.06%
Discount rate +50 basis points	0.38	0.34
Assumptions	7.2%	8.06%
B. Salary increase rate		
Discount rate -50 basis points	0.38	0.34
Assumptions	4.5%	4.5%
Discount rate +50 basis points	0.40	0.36
Assumptions	5.3%	5.5%
C. Withdrawal rate		
Withdrawal rate -50 basis points	0.39	0.35
Withdrawal rate +50 basis points	0.39	0.35

**Note 31 Details of inter corporate deposits during the year**

Name of the Borrower	Nature of relationship	Secured/unsecured	Rate of Interest	Term period	As at 1 April 2016	Placed during the year	Refunded during the year	As at 31 March 2017
Scal Services Limited	Others	Unsecured	12.25%	1 Year	25.00	-	25.00	-
Bajaj Finance	Others	Unsecured	8.00-9.25%	1 to 2 Years	10.00	23.21	1.25	31.96
Shriram Transport Finance Company Limited	Others	Unsecured	8.00-8.25%	1 Year	10.00	9.72	10.00	9.72
Kotak Mahindra Investments	Others	Unsecured	8.97%	1.2 Years	2.25	-	-	2.25
Infrastructure Leasing & Finance Company Limited	Others	Unsecured	7.98 - 8.40%	1 to 1.5 Year	3.50	8.79	3.50	8.79
					<b>50.75</b>	<b>41.72</b>	<b>39.75</b>	<b>52.72</b>

**Details of inter corporate deposits during the previous year**

Name of the Borrower	Nature of relationship	Secured/unsecured	Rate of Interest	Term period	As at 1 April 2015	Placed during the year	Refunded during the year	As at 31 March 2016
Scal Services Limited	Others	Unsecured	12.25%	1 Year	25.00	-	-	25.00
Bajaj Finance	Others	Unsecured	9-9.25%	2 Years	-	10.00	-	10.00
Shriram Transport Finance Company Limited	Others	Unsecured	8.75-9%	1 Year	-	10.00	-	10.00
Kotak Mahindra Investments	Others	Unsecured	9%	1.5 Years	-	2.25	-	2.25
Infrastructure Leasing & Finance Company Limited	Others	Unsecured	9%	1 Year	-	3.50	-	3.50
					<b>25.00</b>	<b>25.75</b>	<b>-</b>	<b>50.75</b>

**Details of Non-current investments purchased and sold during the year:**

Particulars	Face value per unit	As at 1 April 2016	Purchased during the year	Sold during the year	As at 31 March 2017
<b>Trade investments, Unquoted *</b>					
International Bakery Products Limited	10	-	-	-	-
		-	-	-	-

**Details of Non-current investments purchased and sold during previous year:**

Particulars	Face value per unit	As at 1 April 2015	Purchased during the year	Sold during the year	As at 31 March 2017
<b>Trade investments, Unquoted *</b>					
International Bakery Products Limited	10	-	-	-	-
		-	-	-	-

\* Refer note 43

**Note 32 Segmental information**

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

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

**Note 33** In accordance with Ind AS 37 - "Provisions, Contingent Liabilities and Contingent Assets", notified under Section 133 of the Act, certain classes of liabilities have been identified as provisions which have been disclosed as under:

	1 April 2016	Additions *	Utilisation *	Reversals / adjustments *	31 March 2017
(a) Excise and service tax related issues	0.05	-	-	-	0.05
(b) Sales tax and other issues	1.49	0.50	0.29	-	1.70
	<b>1 April 2015</b>	<b>Additions *</b>	<b>Utilisation *</b>	<b>Reversals / adjustments *</b>	<b>31 March 2016</b>
(a) Excise and service tax related issues	0.05	-	-	-	0.05
(b) Sales tax and other issues	0.95	0.54	-	-	1.49

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

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

**Note : 34 Related parties**

**Relationships**

1 Holding Company	Britannia Industries Limited (BIL)
2 Holding Company of Britannia Industries Limited	Associated Biscuits International Limited, UK
3 Ultimate Holding Company	The Bombay Burmah Trading Corporation Limited
4 Fellow subsidiary company	International Bakery Products Limited Daily Bread Gourmet Foods (India) Private Limited
5. Key Management Personnel (KMP)	
Chief Financial Officer	Mr. Piyush Bhandari# Mr. Amlan Datta Majumdar##
Directors	Mr. Ramamurthy Jayaraman Mr. N. Venkataraman Mr. Raja Sharma Mr. Sarad Garodia###
Company Secretary	Ms. Sona Rajora

# Mr. Piyush Bhandari appointed as Chief Financial Officer on 23 March 2017

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

### Mr. Sarad Garodia appointed as Director on 4 January 2016

**Related party transactions during the year:**

	Relationship	31 March 2017	31 March 2016
<b>Related party transactions during the year ( Britannia Industries Limited )</b>			
(i) Purchases of goods	Holding company	0.28	0.50
(ii) Shared services fee paid		1.60	1.60
<b>Key management personnel compensation</b>			
(i) Short-term employee benefits		1.06	0.31
(ii) Post-employment defined benefits		0.04	0.01
(iii) Other long term benefits		0.01	-
<b>Related party closing balances as on balance sheet date (Britannia Industries Limited)</b>			
(i) Net payable	Holding company	0.70	0.46
(ii) Letter of comfort for banking facilities		-	4.50

**Note : 35 Operating leases**

The Company has certain operating leases for office facilities and warehouses (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of Rs. 1.16 (Previous year: Rs.1.13) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

**Note : 36 Earnings per share**

For the year ended	31 March 2017	31 March 2016
Net profit attributable to the equity shareholders (Rs. in crores)	25.78	35.87
Weighted average number of equity shares outstanding during the year	5,780,000	5,780,000
Nominal value of equity shares (Rs.)	10	10
Basic / diluted earnings per share (Rs.)	44.60	62.06

**Note : 37 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.

**Note 38 Disclosure on Specified bank notes (SBNs)**

During the year, the Company had other denomination note, however it does not had any specified bank notes as defined in the MCA notification G.S.R. 308(E) dated 31 March, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below :

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	-	9,808	9,808
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	9,808	9,808

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



**BRITANNIA DAIRY PRIVATE LIMITED**

Notes to financial statements (continued)

**Note 39 Income tax**
**(a) Amounts recognised in profit and loss**

Rs. in crores

For the year ended	31 March 2017	31 March 2016
Current tax	10.76	10.60
Deferred tax		
Attributable to origination and reversal of temporary differences	1.24	(1.06)
<b>Tax expense for the year</b>	<b>12.00</b>	<b>9.54</b>

**(b) Amounts recognised in other comprehensive income**

For the year ended	31 March 2017			31 March 2016		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(0.02)	0.01	(0.01)	-	-	-
	<b>(0.02)</b>	<b>0.01</b>	<b>(0.01)</b>	-	-	-

**(c) Reconciliation of effective tax rate**

For the year ended	31 March 2017		31 March 2016	
Profit before tax		37.78		45.41
Tax using the Company's domestic tax rate (31 March 2017: 34.61% and 31 March 2016: 34.61%)	34.61%	13.08	34.61%	15.72
Tax effect of:				
Indexation benefit	-0.90%	(0.34)	0.00%	-
Tax savings on brought forward losses	0.00%	-	-9.49%	(4.31)
Others	-1.96%	(0.74)	4.12%	(1.87)
	<b>31.75%</b>	<b>12.00</b>	<b>21.00%</b>	<b>9.54</b>

**(d) Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities) / asset, net	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Property, plant and equipment	0.79	0.95	-	-	0.79	0.95
Investment at fair value through profit and loss	-	-	3.30	2.09	(3.30)	(2.09)
Statutory dues	1.18	1.05	-	-	1.18	1.05
Minimum alternative tax credit	11.90	15.39	-	-	11.90	15.39
	<b>13.87</b>	<b>17.39</b>	<b>3.30</b>	<b>2.09</b>	<b>10.57</b>	<b>15.30</b>

**(e) Movement in temporary differences**

	As at 1 April 2015	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2016
Property, plant and equipment	-	0.95	-	-	-	0.95
Investment at fair value through profit and loss	(1.15)	(0.94)	-	-	-	(2.09)
Statutory dues	-	1.05	-	-	-	1.05
Minimum alternative tax credit	16.91	-	-	-	(1.52)	15.39
	<b>15.76</b>	<b>1.06</b>	-	-	<b>(1.52)</b>	<b>15.30</b>

	Balance as at 1 April 2016	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2017
Property, plant and equipment	0.95	(0.16)	-	-	-	0.79
Investment at fair value through profit and loss	(2.09)	(1.21)	-	-	-	(3.30)
Statutory dues	1.05	0.13	-	-	-	1.18
Minimum alternative tax credit	15.39	-	-	-	(3.49)	11.90
	<b>15.30</b>	<b>(1.24)</b>	-	-	<b>(3.49)</b>	<b>10.57</b>

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

As at	31 March 2017	31 March 2016	1 April 2015
Income tax assets	0.73	0.22	0.07
Current tax liabilities	(0.20)	(0.20)	(0.08)
<b>Net current income tax asset / (liability) at the end</b>	<b>0.53</b>	<b>0.02</b>	<b>(0.01)</b>

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

For the year ended	31 March 2017	31 March 2016
Net current income tax asset / (liability) at the beginning	0.02	(0.01)
Income tax paid	7.78	9.11
Minimum alternative tax credit	3.49	1.52
Current income tax expense	(10.76)	(10.60)
Income tax on other comprehensive income and others	0.01	-
<b>Net current income tax asset / (liability) at the end</b>	<b>0.53</b>	<b>0.02</b>

## BRITANNIA DAIRY PRIVATE LIMITED

## Notes to the financial statements (continued)

## Note 40 Financial instruments - fair values and risk management

## Accounting classification and fair values

Rs. in crores

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

Particulars	Note	Carrying amount				Total carrying amount	Fair value			
		FVTPL	FVOCI	Other financial assets- amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Investments in mutual funds	5 & 9	94.72	-	-	-	94.72	94.72	-	-	94.72
		<u>94.72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>94.72</u>				
<b>Financial assets not measured at fair value</b>										
Loans	6 & 12	-	-	52.72	-	52.72				
Other financial assets	13	-	-	2.74	-	2.74				
Trade receivables	10	-	-	9.06	-	9.06				
Cash and cash equivalents	11	-	-	2.92	-	2.92				
Other bank balances	11	-	-	1.90	-	1.90				
		<u>-</u>	<u>-</u>	<u>69.34</u>	<u>-</u>	<u>69.34</u>				
<b>Financial liabilities not measured at fair value</b>										
Other financial liabilities	17 & 20	-	-	-	9.08	9.08				
Trade payables	19	-	-	-	42.29	42.29				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>51.37</u>	<u>51.37</u>				

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

Particulars	Note	Carrying amount				Total carrying amount	Fair value			
		FVTPL	FVOCI	Other financial assets- amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Investments in mutual funds	5 & 9	63.93	-	-	-	63.93	63.93	-	-	63.93
		<u>63.93</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63.93</u>				
<b>Financial assets not measured at fair value</b>										
Loans	6 & 12	-	-	50.75	-	50.75				
Other financial assets	13	-	-	1.12	-	1.12				
Trade receivables	10	-	-	9.33	-	9.33				
Cash and cash equivalents	11	-	-	3.18	-	3.18				
Other bank balances	11	-	-	2.86	-	2.86				
		<u>-</u>	<u>-</u>	<u>67.24</u>	<u>-</u>	<u>67.24</u>				
<b>Financial liabilities not measured at fair value</b>										
Other financial liabilities	17 & 20	-	-	-	8.63	8.63				
Trade payables	19	-	-	-	33.41	33.41				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>42.04</u>	<u>42.04</u>				

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

Particulars	Note	Carrying amount				Total carrying amount	Fair value			
		FVTPL	FVOCI	Other financial assets- amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>										
Investments in mutual funds	5 & 9	56.30	-	-	-	56.30	56.30	-	-	56.30
		<u>56.30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56.30</u>				
<b>Financial assets not measured at fair value</b>										
Loans	6 & 12	-	-	25.00	-	25.00				
Trade receivables	13	-	-	5.91	-	5.91				
Cash and cash equivalents	10	-	-	2.32	-	2.32				
Other bank balances	11	-	-	0.10	-	0.10				
		<u>-</u>	<u>-</u>	<u>33.33</u>	<u>-</u>	<u>33.33</u>				
<b>Financial liabilities not measured at fair value</b>										
Other financial liabilities	17 & 20	-	-	-	8.20	8.20				
Trade payables	19	-	-	-	29.52	29.52				
		<u>-</u>	<u>-</u>	<u>-</u>	<u>37.72</u>	<u>37.72</u>				

The fair value of cash and cash equivalents, other bank balances, trade receivables, loans, trade payables and other financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's redeemable non-cumulative preference shares have been contracted at market rates of interest. Accordingly, the carrying value of such redeemable non-cumulative preference shares approximate fair value.

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

## Accounting classification and fair values (continued)

Rs. in crores

## Financial risk management

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

## Credit risk

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

## Trade and other receivables

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

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

	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
India	9.46	8.42	6.1
Others	-	1.30	-
	<u>9.46</u>	<u>9.72</u>	<u>6.10</u>

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

	Carrying amount		
	31 March 2017	31 March 2016	1 April 2015
Institutional	7.59	7.84	5.73
Authorised wholesaler	1.16	0.69	0.28
Others	0.71	1.19	0.09
	<u>9.46</u>	<u>9.72</u>	<u>6.10</u>

## Movement in the allowance for impairment

	31 March 2017	31 March 2016	1 April 2015
Balance as at 1 April	0.39	0.19	0.13
Amount further provided for	0.01	0.20	0.06
Total remeasurement of loss allowance	<u>0.40</u>	<u>0.39</u>	<u>0.19</u>

## 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 senior management.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities. At 31 March 2017, the expected cash flows from trade receivables is Rs. 9.06 (31 March 2016: Rs. 9.33, 1 April 2015: Rs. 5.91). This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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

Particulars	As at 31 March 2017		
	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>			
Trade payables (refer note 19)	42.29	-	-
Other financial liabilities (refer note 17 & 20)	2.84	-	6.24
	<u>45.13</u>	<u>-</u>	<u>6.24</u>
<b>Particulars</b>	<b>As at 31 March 2016</b>		
	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>			
Trade payables (refer note 19)	33.41	-	-
Other financial liabilities (refer note 17 & 20)	2.37	-	6.26
	<u>35.78</u>	<u>-</u>	<u>6.26</u>
<b>Particulars</b>	<b>As at 1 April 2015</b>		
	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>			
Trade payables (refer note 19)	29.52	-	-
Other financial liabilities (refer note 17 & 20)	1.93	-	6.27
	<u>31.45</u>	<u>-</u>	<u>6.27</u>

## 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.

**Note 41 Explanation of transition to Ind AS**

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

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

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

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

**Optional exemptions availed and mandatory exceptions**

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

**A. Optional exemptions availed**

**1 Property, plant and equipment**

As per Ind AS 101 an entity may elect to:

- (i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
- (ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:
  - fair value
  - or cost or depreciated cost under Ind AS adjusted to reflect.

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

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

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

**B. Mandatory exceptions**

**2 Estimates**

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

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

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

- Fair valuation of financial instruments carried at FVTPL/ FVOCI.
- Impairment of financial assets based on the expected credit loss model.

**2. Classification and measurement of financial assets**

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

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

**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

**Explanation of transition to Ind AS (continued)**  
**Reconciliation of Equity**

	Note	As at date of transition 1 April 2015		As at 31 March 2016		Rs. in crores
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	
<b>I Assets</b>						
<b>(1) Non-current Assets</b>						
(a) Property, plant and equipment		0.03	-	0.03	0.03	0.03
(b) Financial assets		-	-	-	5.00	5.13
(i) Investment;		-	-	-	11.00	11.00
(ii) Loans		-	-	-	17.39	15.30
(c) Deferred tax assets (net)	b	16.91	(1.15)	15.76	0.52	0.52
(d) Other non-current assets		0.66	-	0.66	0.22	0.22
(e) Income tax assets (net)		0.07	-	0.07	-	-
<b>Total non-current assets</b>		<b>17.67</b>	<b>(1.15)</b>	<b>16.52</b>	<b>34.16</b>	<b>32.20</b>
<b>(2) Current Assets</b>						
(a) Inventories		16.93	-	16.93	17.74	17.74
(b) Financial assets						
(i) Investment;		52.99	3.31	56.30	52.83	58.80
(ii) Trade receivables	a	5.91	-	5.91	9.33	9.33
(iii) Cash and cash equivalents		2.32	-	2.32	3.18	3.18
(iv) Bank balances other than (iii) above		0.10	-	0.10	2.86	2.86
(v) Loans		25.00	-	25.00	39.75	39.75
(vi) Other financial assets		-	-	-	1.12	1.12
(c) Other current assets		2.78	-	2.78	2.12	2.12
<b>Total current assets</b>		<b>106.03</b>	<b>3.31</b>	<b>109.34</b>	<b>128.93</b>	<b>134.90</b>
<b>Total Assets</b>		<b>123.70</b>	<b>2.16</b>	<b>125.86</b>	<b>163.09</b>	<b>167.10</b>

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

**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

**Explanation of transition to Ind AS (continued)**  
**Reconciliation of Equity (continued)**

	As at date of transition 1 April 2015		As at 31 March 2016		Rs. in crores		
	Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS		Previous GAAP*	Adjustment on transition to Ind AS
<b>II Equity and liabilities</b>							
Equity							
(a) Equity share capital		5.78	-	5.78	5.78	-	5.78
(b) Other equity	c	74.42	2.16	76.59	108.44	4.02	112.46
<b>Total equity</b>		<b>80.20</b>	<b>2.16</b>	<b>82.37</b>	<b>114.22</b>	<b>4.02</b>	<b>118.24</b>
<b>(1) Non-current liabilities</b>							
(a) Financial liabilities							
(i) Other financial liabilities		6.27	-	6.27	6.26	-	6.26
(b) Provisions		0.67	-	0.67	0.76	-	0.76
<b>Total non-current Liabilities</b>		<b>6.94</b>	<b>-</b>	<b>6.94</b>	<b>7.02</b>	<b>-</b>	<b>7.02</b>
<b>(2) Current liabilities</b>							
(a) Financial liabilities							
(i) Trade payables		29.52	-	29.52	33.41	-	33.41
(ii) Other financial liabilities		1.92	-	1.93	2.38	-	2.37
(b) Other current liabilities		3.74	-	3.74	3.99	-	3.99
(c) Provisions		1.28	-	1.28	1.87	-	1.87
(d) Current tax liabilities		0.08	-	0.08	0.20	-	0.20
<b>Total current liabilities</b>		<b>36.54</b>	<b>-</b>	<b>36.55</b>	<b>41.85</b>	<b>-</b>	<b>41.84</b>
<b>Total equity and liabilities</b>		<b>123.70</b>	<b>2.16</b>	<b>125.86</b>	<b>163.09</b>	<b>4.02</b>	<b>167.10</b>

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

**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

Explanation of transition to Ind AS (continued)

Rs. in crores

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

		Year ended 31 March 2016		
	Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
<b>I</b>	<b>Revenue from operations</b>			
	Sale of goods	322.25	(25.08)	297.17
<b>II</b>	<b>Other income</b>	7.06	2.80	9.86
<b>III</b>	<b>Total income (I+II)</b>	<b>329.31</b>	<b>(22.28)</b>	<b>307.03</b>
<b>IV</b>	<b>Expenses:</b>			
	Purchases of stock- in-trade	228.70	-	228.70
	Changes in inventories of finished goods, stock- in-trade	(0.81)	-	(0.81)
	Employee benefits expenses	7.04	-	7.04
	Finance costs	0.01	-	0.01
	Other expenses	51.75	(25.08)	26.68
	<b>Total expenses</b>	<b>286.69</b>	<b>(25.07)</b>	<b>261.62</b>
<b>V</b>	<b>Profit before tax (III - IV)</b>	<b>42.62</b>	<b>2.79</b>	<b>45.41</b>
<b>VI</b>	<b>Tax expense:</b>			
	(i) Current tax	10.60	-	10.60
	(ii) Deferred tax	(2.00)	0.94	(1.06)
		<b>8.60</b>	<b>0.94</b>	<b>9.54</b>
<b>VII</b>	<b>Profit for the year (V - VI)</b>	<b>34.02</b>	<b>1.85</b>	<b>35.87</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	-	-	-
	Income tax relating to items not to be reclassified subsequently to statement of profit or loss	-	-	-
	<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total comprehensive income, net of tax</b>	<b>34.02</b>	<b>1.85</b>	<b>35.87</b>

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

**BRITANNIA DAIRY PRIVATE LIMITED**  
**Notes to financial statements (continued)**

**Explanation of transition to Ind AS (continued)**

**Notes to the reconciliation**

**a. Investments:**

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

**b. Deferred tax assets (net)**

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

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

	Note	1 April 2015	31 March 2016
Total equity as per previous GAAP		80.20	114.22
Fair valuation of investments	a	3.31	6.10
Tax effects on Ind AS adjustments	c	(1.14)	(2.08)
<b>Total equity</b>		<b>82.37</b>	<b>118.24</b>

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

	Note	For the year ended 31 March 2016
Profit after tax as per previous GAAP		34.02
Fair valuation of investments	a	2.80
Others		-
Tax effects on Ind AS adjustments	c	(0.94)
<b>Total comprehensive income</b>		<b>35.87</b>

**e. Sale of goods**

Under the previous GAAP trade discounts and volume rebates were grouped under other expenses, however, under Ind AS, these expenses are netted off against sale of goods.

**f. Other comprehensive income**

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



**BRITANNIA DAIRY PRIVATE LIMITED**  
Notes to financial statements (continued)

Rs in Crore

**Note 42 - Corporate social responsibility**

During the year, the amount required to be spent on corporate social responsibility activities amounted to Rs. 0.52 (31 March 2016: Rs. 0.48) in accordance with Section 135 of the Companies Act, 2013. The following amounts were spent during the current & previous years:

Particulars	2016-17	2015-16
(i) Amount spent other than for construction/ acquisition of any asset	0.52	0.48
(ii) Amount accrued and not spent	-	-
<b>Total</b>	<b>0.52</b>	<b>0.48</b>

**Note 43** The financial statements are presented in Rs. 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 Rs. crores are given as follows:

Note	Description	31 March 2017	31 March 2016	Rs. in '000 1 April 2015
	<b>Statement of Changes in equity</b>			
	Remeasurement of the net defined benefit liability/asset, net of tax effect*		(2.50)	
<b>5 &amp; 31</b>	<b>Non-current investments:</b>			
	(i) Unquoted - Investments in equity instrument: (fully paid)	0.01	0.01	0.01
	International Bakery Products Limited [Face Value: Rs. 10/-; Number of shares: 1 (31 March 2016: 1, 1 April 2015 : 1)]			
<b>11</b>	<b>Cash and bank balances</b>			
	Cash on hand		12	15
Note	Description	31 March 2017	31 March 2016	31 March 2015
<b>4</b>	<b>Depreciation expense</b>		41	41

**Note 44** During the year ended 31 March 2017, no material foreseeable loss 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

for and on behalf of the Board of Directors

Sd/-  
**Supreet Sachdev**  
Partner  
Membership number: 205385

Place : Bangalore  
Date : 24 May 2017

Sd/-  
**N Venkataraman**  
Director

Sd/-  
**Ramamurthy Jayaraman**  
Director

Sd/-  
**Piyush Bhandari**  
Chief Financial Officer

Sd/-  
**Sona Rajora**  
Company Secretary

Place : Bangalore  
Date : 24 May 2017