

Walker Chandlok & Co LLP

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Independent Auditor's Report

To the Members of Britannia Dairy Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Britannia Dairy Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Directors' Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandlok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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

Other Matter

11. The financial statements of the Company for the year ended 31 March 2020 were audited by the predecessor auditor, BSR & Co. LLP, who have expressed an unmodified opinion on those financial statements vide their audit report dated 01 June 2020.

Report on Other Legal and Regulatory Requirements

12. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
13. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 April 2021 as per Annexure II expressed unmodified opinion; 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 30 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and



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- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Aasheesh Arjun Singh

Partner

Membership No.: 210122

UDIN: 21210122AAAABH4998



Bengaluru

26 April 2021

Walker Chandio & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Britannia Dairy Private Limited on the financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, goods and service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues				(Amount in Crores)	
Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Sales Tax	0.05	-	2003-05	Tribunal
Sales Tax Act	Sales Tax	0.45	-	2002-16	Appellate Authority up to Commissioner's level



Walker Chandiok & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Britannia Dairy Private Limited on the financial statements for the year ended 31 March 2021

- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



Aasheesh Arjun Singh

Partner

Membership No.: 210122

UDIN: 21210122AAAABH4998



Bengaluru

26 April 2021

Annexure II to the Independent Auditor's Report of even date to the members of Britannia Dairy Private Limited on the financial statements for the year ended 31 March 2021

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Britannia Dairy Private Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.



Annexure II to the Independent Auditor's Report of even date to the members of Britannia Dairy Private Limited on the financial statements for the year ended 31 March 2021

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Aasheesh Arjun Singh

Partner

Membership No.: 210122

UDIN: 21210122AANABH4998



Bengaluru

26 April 2021

BRITANNIA DAIRY PRIVATE LIMITED
Balance Sheet
 (all amounts in ₹ crores, unless otherwise mentioned)

As at	Note	31 March 2021	31 March 2020
I Assets			
(1) Non-current assets			
(a) Property, plant and equipment	4	-	-
(b) Financial assets			
(i) Investments	5	125.00	-
(ii) Loans receivable	6	-	7.00
(c) Deferred tax assets, net	35	0.81	-
(e) Income-tax assets, net	35	3.41	1.33
(d) Other non-current assets	7	0.81	0.62
Total non-current assets		130.03	8.95
(2) Current assets			
(a) Inventories	8	15.15	19.01
(b) Financial assets			
(i) Investments	9	100.29	126.71
(ii) Trade receivables	10	31.62	20.08
(iii) Cash and cash equivalents	11	1.48	2.16
(iv) Bank balances other than (iii) above	11	0.02	0.02
(v) Loans receivable	12	0.50	34.41
(vi) Other financial assets	13	13.98	1.66
(c) Other current assets	14	6.27	11.24
Total current assets		169.31	215.29
Total assets		299.34	224.24
II Equity and liabilities			
Equity			
(a) Equity share capital	15	5.78	5.78
(b) Other equity	16	214.32	148.40
Total equity		220.10	154.18
Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Other financial liabilities	17	0.17	6.21
(b) Deferred tax liabilities, net	35	-	1.69
Total non-current liabilities		0.17	7.90
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	18	-	-
(a) total outstanding dues of micro enterprises and small enterprises		56.58	45.44
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		11.98	6.52
(ii) Other financial liabilities	19	4.38	6.54
(b) Other current liabilities	20	1.19	1.28
(c) Provisions	21	4.94	2.38
(d) Current tax liabilities, net	35	79.07	62.16
Total current liabilities		79.24	70.06
Total liabilities		299.34	224.24
Total equity and liabilities			
Significant accounting policies	3		

See accompanying notes to the financial statements

As per our report of even date attached

for Walker Chandiook & Co. LLP

Chartered Accountants

ICAI Firm registration number: 001076N/N500013


Aashish Arjun Singh

Partner

Membership number: 210122

Place : Bengaluru

Date : 26 April 2021



for and on behalf of the Board of Directors

Britannia Dairy Private Limited

CIN: U15201WB2002PTC191511


N Venkataratnam

Director

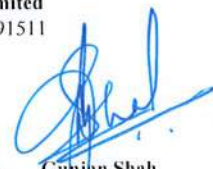
DIN:05220857


Piyush Bhandari

Chief Financial Officer

Place : Bengaluru

Date : 26 April 2021


Gunjan Shah

Director

DIN: 08525366


Sona Rajora

Company Secretary

Membership Number: A35468

Place : Bengaluru

Date : 26 April 2021

BRITANNIA DAIRY PRIVATE LIMITED
Statement of profit and loss
(all amounts in ₹ crores, unless otherwise mentioned)

For the year ended	Note	31 March 2021	31 March 2020
I Revenue from operations			
Sale of goods		333.90	277.02
II Other income	22	18.12	14.89
III Total income (I+II)		352.02	291.91
IV Expenses:			
Purchase of stock in trade	23	217.67	216.18
Changes in inventories of finished goods and stock in trade	24	3.86	(2.78)
Employee benefits expense	25	6.09	5.62
Depreciation and amortisation expense	4	0.05	0.02
Other expenses	26	31.26	25.90
Total expenses		258.93	244.94
V Profit before tax (III-IV)		93.09	46.97
VI Tax expense:			
(i) Current tax	35	29.68	27.55
(ii) Deferred tax	35	(2.50)	2.47
		27.18	30.02
VII Profit for the year (V-VI)		65.91	16.95
VIII Other comprehensive income			
<i>Items that will not be reclassified subsequently to Statement of profit or loss</i>			
Remeasurements of the net defined benefit asset / (liability)		0.02	(0.02)
Income-tax relating to items not to be reclassified subsequently to statement of profit or loss		(0.01)	0.01
Other comprehensive income, net of tax		0.01	(0.01)
IX Total comprehensive income for the year (VII-VIII)		65.92	16.94
Earnings per share (nominal value of ₹ 10 each)	33		
Basic [in ₹]		114.03	29.33
Diluted [in ₹]		114.03	29.33
Weighted average number of equity shares used in computing earnings per share:			
- Basic		57,80,000	57,80,000
- Diluted		57,80,000	57,80,000
Significant accounting policies	3		

See accompanying notes to the financial statements

As per our report of even date attached

for **Walker Chandio & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 001076N/N500013




Aasheesh Arjun Singh
Partner
Membership number: 210122

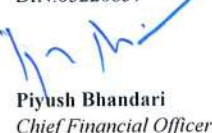
Place : Bengaluru
Date : 26 April 2021



for and on behalf of the Board of Directors
Britannia Dairy Private Limited
CIN: U15201WB2002PTC191511



N Venkataratnam
Director
DIN: 05220857

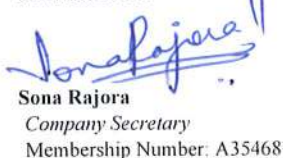


Piyush Bhandari
Chief Financial Officer

Place : Bengaluru
Date : 26 April 2021



Gunjan Shah
Director
DIN: 08525366



Sona Rajora
Company Secretary
Membership Number: A35468

Place : Bengaluru
Date : 26 April 2021

BRITANNIA DAIRY PRIVATE LIMITED

Statement of changes in equity
(all amounts in ₹ crores, unless otherwise mentioned)

For the year ended	Equity share capital			Reserves and surplus		Other Equity		Total equity attributable to equity holders of the Company
	Equity share capital	Securities premium	Retained earnings	Securities premium	Retained earnings	Other comprehensive income	Other Items of OCI	
Balance as at 01 April 2019	5.78	111.61	100.12	111.61	-	-	(0.14)	217.37
Changes in equity for the year ended 31 March 2020	-	-	-	-	(80.13)	-	(0.01)	(0.01)
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	16.95	-	-	(80.13)
Dividends (including dividend distribution tax)	-	-	-	-	-	-	-	16.95
Profit for the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	5.78	111.61	36.94	111.61	36.94	-	(0.15)	154.18
For the year ended	Equity share capital	Securities premium	Retained earnings	Reserves and surplus	Retained earnings	Other comprehensive income	Other Items of OCI	Total equity attributable to equity holders of the Company
Balance as at 01 April 2020	5.78	111.61	36.94	111.61	36.94	-	(0.15)	154.18
Changes in equity for the year ended 31 March 2021	-	-	-	-	-	-	0.01	0.01
Remeasurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	65.91	-	-	65.91
Profit for the year	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	5.78	111.61	102.85	111.61	102.85	-	(0.14)	220.10

See accompanying notes to the financial statements

As per our report of even date attached

for Walker Chandiook & Co. LLP

Chartered Accountants

ICAI Firm registration number: 001076N/N500013

(Signature)

Aasheesh Arjun Singh

Partner

Membership number: 210122

Place : Bengaluru

Date : 26 April 2021



for and on behalf of the Board of Directors
Britannia Dairy Private Limited
CIN: U15201WB2002PTC191511

(Signature)
N Venkataranga
Director
DIN: 05220857

(Signature)
Ganjan Shah
Director
DIN: 08525366

(Signature)
Sona Rajora
Company Secretary
Membership Number: A35468

Place : Bengaluru

Date : 26 April 2021

Place : Bengaluru

Date : 26 April 2021

BRITANNIA DAIRY PRIVATE LIMITED
Statement of cash flows
(all amounts in ₹ crores, unless otherwise mentioned)

Cash flows from operating activities		
Profit before tax	93.09	46.97
Adjustments for:		
Depreciation and amortisation	0.05	0.02
Net gain on financial asset measured at fair value through statement of profit and loss	(4.68)	(8.33)
Interest income	(13.23)	(5.59)
	75.23	33.07
Changes in		
Trade receivables	(11.54)	5.15
Loans receivable, other financial assets and other assets	4.78	(2.67)
Inventories	3.86	(2.78)
Accounts payables, other financial liabilities, other liabilities and provisions	8.33	(15.42)
Cash generated from operating activities	80.66	17.35
Income-tax paid	(29.21)	(26.63)
Net cash generated from / (used in) operating activities	51.45	(9.28)
Cash flows from investing activities		
(Purchase) / sale of investments, net	(93.90)	36.80
Purchase of property plant and equipment, net	(0.05)	-
Inter-corporate deposits placed	(9.50)	(41.41)
Inter-corporate deposits redeemed	50.41	82.24
Interest received	0.91	10.18
Net cash (used in) / from investing activities	(52.13)	87.81
Cash flows from financing activities		
Dividends paid (including dividend distribution tax)	-	(80.13)
Net cash from / (used in) financing activities	-	(80.13)
Net change in cash and cash equivalents	(0.68)	(1.60)
Cash and cash equivalents at beginning of the year	2.16	3.76
Cash and cash equivalents at end of year	1.48	2.16

Note :

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

Significant accounting policies [Refer note 3]

See accompanying notes to the financial statements

As per our report of even date attached

for Walker Chandiok & Co. LLP

Chartered Accountants

ICAI Firm registration number: 001076N/NS00013



Aasheesh Arjun Singh

Partner

Membership number: 210122

Place : Bengaluru

Date : 26 April 2021



for and on behalf of the Board of Directors

Britannia Dairy Private Limited

CIN: U15201WB2002PTC191511



N Venkataraman

Director

DIN:05220857

Piyush Bhandari

Chief Financial Officer

Place : Bengaluru

Date : 26 April 2021



Gunjan Shah

Director

DIN: 08525366



Sona Rajora

Company Secretary

Membership Number: A35468

Place : Bengaluru

Date : 26 April 2021

BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements

1 Reporting entity

Britannia Dairy Private Limited (the 'Company') is a private 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 has been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 26 April 2021.

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

B. Functional & presentation currency

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

C. Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities	Fair Value
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 2021 is included in the following notes:

Note 27 - measurement of defined benefit obligations: key actuarial assumptions;

Note 30 - 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

(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 36 - 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 the Statement of Profit or Loss.

ii. Subsequent expenditure

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



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)

3. Significant accounting policies (continued)

(a) Property, plant and equipment (continued)

iii. Depreciation

Depreciation is calculated on cost of items of Property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets estimated by the Company based on an internal technical evaluation performed by the 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 - 5 years

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.

(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 the Statement of 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

Effective 1 April 2019, the Company has applied Ind AS 116, which replaces the erstwhile lease standard, Ind AS 17 Leases and other interpretations. The Company at the inception of a contract, assesses whether a contract, is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ind AS 116 introduces a single balance sheet lease accounting model for lessees. A lessee recognises a Right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The Company does not recognise right-of-use of assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low value assets. The Company recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term. Lessor accounting remains similar to the accounting under the previous standard i.e. lessor continues to classify leases as finance or operating lease. This policy is applied to contracts entered into, or changed, on or after 01 April 2019. For contracts entered into before 01 April 2019, the determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct cost incurred and an estimate of cost to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful life of the right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payment of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero. On the Balance Sheet, right-of-use assets have been included under property, plant and equipment and lease liabilities have been included under borrowings & other financial liabilities.

(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.



(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.

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.



3. Significant accounting policies (continued)

(f) **Revenue Recognition**

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

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

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

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

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

(i) **Sale of goods:**

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

(ii) **Others:**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend. For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

(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 the statement of profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

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

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 Alternate Tax (MAT)

Minimum Alternate Tax (MAT) under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The Credit available under the Act in respect of MAT paid 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 period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. MAT credit entitlement at year end is grouped with Deferred Tax Asset (net) in the Balance Sheet of an entity.

(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



BRITANNIA DAIRY PRIVATE LIMITED

Notes to financial statements (continued)

3. Significant accounting policies (continued)

(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.

(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, current accounts, 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.

(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

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 01 April 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)
(all amounts in ₹ crores, unless otherwise mentioned)

Note 4 -Property, plant and equipment

Reconciliation of carrying amount

Description	Gross carrying amount				Accumulated depreciation			Carrying amounts, net
	As at 1 April 2020	Additions	Disposals	As at 31 March 2021	As at 1 April 2020	Depreciation for the year	Disposals	As at 31 March 2021
<i>Owned</i>								
<i>Building</i>	-	0.05	-	0.05	-	0.05	-	0.05
<i>Plant and equipment</i>	0.79	-	-	0.79	0.79	-	-	0.79
Total	0.79	0.05	-	0.84	0.79	0.05	-	0.84

Description	Gross carrying amount				Accumulated depreciation			Carrying amounts, net
	As at 1 April 2019	Additions	Disposals	As at 31 March 2020	As at 1 April 2019	Depreciation for the year	Disposals	As at 31 March 2020
<i>Owned</i>								
<i>Plant and equipment</i>	0.79	-	-	0.79	0.77	0.02	-	0.79
Total	0.79	-	-	0.79	0.77	0.02	-	0.79



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)
(all amounts in ₹ crores, unless otherwise mentioned)

As at	31 March 2021	31 March 2020
Note 5 - Non current investments		
Unquoted		
At cost less provision for other than temporary impairment		
Investments in equity instruments (fully paid)*	-	-
At amortised cost		
Investments in debentures / bonds	125.00	-
	125.00	-
Total quoted non-current investment	-	-
Total unquoted non-current investment	125.00	-
Aggregate market value of quoted non-current investments	-	-
Aggregate value of non-current investments	125.00	-
* Refer Note 28 (b) and Note 38		
Note 6 - Non current loans receivable		
<i>Considered good unsecured:</i>		
Inter-corporate deposits [Refer note 28(a)]	-	7.00
	-	7.00
Note 7 - Other non-current assets		
<i>Unsecured</i>		
Advances to statutory authorities	0.58	0.43
Others		
Receivable from others	0.23	0.19
	0.81	0.62
Note 8 - Inventories*		
Stock-in-trade	13.44	15.90
Goods-in-transit	1.71	3.06
Stores and spare parts	-	0.05
	15.15	19.01
* Refer note 3(d) for mode of valuation for inventories. The write down of inventories to net realisable value amounted to nil (31 March 2020: 0.27).		
Note 9 - Current investments		
At fair value through profit and loss		
(i) Investments in mutual funds	25.29	126.71
At amortised cost		
(i) Investments in non convertible debentures	75.00	-
	100.29	126.71
Total quoted current investment	-	-
Total unquoted current investment	100.29	126.71
Aggregate market value of quoted current investments	-	-
Aggregate value of current investments	100.29	126.71
Note 10 -Trade Receivables		
Unsecured:*	31.97	20.46
Less: Allowances for doubtful debts	0.35	0.38
	31.62	20.08
The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in note 36. *Includes dues from related party (refer note 31)		
Note 11 - Cash and bank balances		
<i>Cash and cash equivalents:</i>		
Cheques on hand	0.06	0.22
Balances with banks	1.42	1.94
	1.48	2.16
<i>Other bank balances:</i>		
Deposits with original maturity for more than 3 months but less than 12 months	0.02	0.02
	0.02	0.02
Note 12 - Current loans receivable		
<i>Considered good unsecured:</i>		
Inter-corporate deposits [Refer note 28(a)]	0.50	34.41
	0.50	34.41
Note 13 - Other financial assets		
Interest accrued but not due	13.98	1.66
	13.98	1.66
Note 14 - Other current assets		
<i>Others</i>		
Balance with Government authorities	3.01	3.49
Other advances	3.26	7.75
	6.27	11.24



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)
(all amounts in ₹ crores, unless otherwise mentioned)
Note 15 - Equity share capital

As at	31 March 2021	31 March 2020
Authorised		
Equity shares	6.00	6.00
[6,000,000 equity shares of ₹ 10/- each (31 March 2020 : 6,000,000 equity shares of ₹ 10/- each)]	<u>6.00</u>	<u>6.00</u>
Issued, subscribed and paid-up		
Equity shares fully paid-up	5.78	5.78
[5,780,000 equity shares of ₹ 10/- each (31 March 2020: 5,780,000 equity shares of ₹ 10/- each)]*	<u>5.78</u>	<u>5.78</u>

Equity shares:

* Of the above, 5,779,999 equity shares of ₹ 10/- each (31 March 2020: 5,779,999 equity shares of ₹ 10/- each) are held by Britannia Industries Limited (BIL), the holding company and 1 equity share of ₹ 10/- each (31 March 2020: 1 equity share of ₹ 10/- each) is held by a nominee of Britannia Industries Limited. 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 ₹ 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 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Holding company				
Britannia Industries Limited *	57,79,999	5.78	57,79,999	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 2021		31 March 2020	
	Number of shares	% Holding	Number of shares	% Holding
Holding company				
Britannia Industries Limited *	57,79,999	100%	57,79,999	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 2021		31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Opening balance at the beginning of the reporting year	57,80,000	5.78	57,80,000	5.78
Movement during the reporting year	-	-	-	-
Closing balance at the end of the reporting year	<u>57,80,000</u>	<u>5.78</u>	<u>57,80,000</u>	<u>5.78</u>

d) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date is Nil (31 March 2020 : Nil).

e) Shares reserved for issue under options and contracts or commitments for the sale of shares or disinvestment, including the terms and amounts is Nil (31 March 2020 : Nil).



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)
(all amounts in ₹ crores, unless otherwise mentioned)

Note 16 - Other equity

Particulars	Securities premium	Retained earnings	Other Items of OCI	Total
Balance as at 1 April 2019	111.61	100.12	(0.14)	211.59
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	-	16.95	-	16.95
	111.61	117.07	(0.15)	228.530
Deductions:				
Dividend Paid	-	66.47	-	66.47
Tax on Dividend	-	13.66	-	13.66
Balance as at 31 March 2020	111.61	36.94	(0.15)	148.40
Particulars	Securities premium	Retained earnings	Other Items of OCI	Total
Balance as at 1 April 2020	111.61	36.94	(0.15)	148.40
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	-	65.91	-	65.91
Balance as at 31 March 2021	111.61	102.85	(0.14)	214.32

Nature and purpose of other reserves

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.

Retained earnings

Retained earnings are the accumulated profits earned by the Company till date, less transfer to general reserves, dividend (including dividend distribution tax) and other distributions made to the shareholders.

Dividends

The following dividends were declared and paid by the Company during the year:

As at	31 March 2021	31 March 2020
Nil per equity share of face value of ₹ 10 each (31 March 2020: ₹ 11.5 per equity share of face value of Re. 10 each) to equity shareholders	-	66.47
Dividend distribution tax (DDT) on dividend to equity shareholders*	-	13.66
	-	80.13

* Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1 April, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates.



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)
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As at	31 March 2021	31 March 2020
Note 17 - Other financial liabilities		
Deposits from customers	0.17	0.21
10% Redeemable non-cumulative preference shares fully paid-up* [6,000,000 10% Redeemable non-cumulative preference shares of ₹ 10/- each (31 March 2020: 6,000,000 10% Redeemable non-cumulative preference shares of ₹ 10/- each)]	-	6.00
	0.17	6.21

***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 2021	31 March 2020
	Number of shares	Number of shares
Holding company Britannia Industries Limited	60,00,000	60,00,000
	6.00	6.00

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

	31 March 2021	31 March 2020
	Number of shares	Number of shares
Britannia Industries Limited	60,00,000	60,00,000
	6.00	6.00

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

	31 March 2021	31 March 2020
	Number of shares	Number of shares
Opening balance at the beginning of the reporting year	60,00,000	60,00,000
Movement during the reporting year	-	-
Closing balance at the end of the reporting year	60,00,000	60,00,000



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)
(all amounts in ₹ crores, unless otherwise mentioned)

As at	31 March 2021	31 March 2020
Note 18 - Trade Payables		
Particulars		
Total outstanding dues of micro and small enterprises [Refer note below]*	-	-
Total outstanding dues of other than micro and small enterprises**	56.58	45.44
	56.58	45.44

Note:

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2021. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:

- Principal*

- 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

*refer note 38

**Includes dues to related party (refer note 31)

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36.

Note 19 - Other financial liabilities

Payroll related liabilities	0.94	0.73
Other payables	5.04	5.79
10% Redeemable non-cumulative preference shares fully paid-up***	6.00	-
[6,000,000 10% Redeemable non-cumulative preference shares of ₹ 10/- each (31 March 2020: 6,000,000 10% Redeemable non-cumulative preference shares of ₹ 10/- each)]		
	11.98	6.52

*** Refer note-17

Note 20 - Other current liabilities

Statutory liabilities (TDS, PF etc.)	0.50	0.48
Advance from customers	3.88	6.06
	4.38	6.54

Note 21 - Provisions

Provision for compensated absences	0.51	0.48
Employee benefits - gratuity, net [Refer note 27 (b)(4)]	0.50	0.44
Employee benefits (unfunded pension liability)	0.05	0.23
Others:		
Excise and service tax related issues (a)	0.05	0.05
Sales tax and other issues (a)	0.08	0.08
	1.19	1.28

(a) Refer note 30



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)
(all amounts in ₹ crores, unless otherwise mentioned)

For the year ended	31 March 2021	31 March 2020
Note 22 - Other income		
Interest income from financial assets carried at amortised cost	13.23	5.59
Net gain on financial asset measured at fair value through profit and loss*	4.68	8.33
Other receipts	0.21	0.97
	18.12	14.89
*Includes net gain on fair value changes ₹ 2.42 (31 March 2020: ₹ 2.80)		
Note 23 - Purchase of stock-in-trade		
Cheese	130.93	123.41
Dairy whitener	22.18	24.34
Butter	4.54	4.12
Ghee	60.02	64.31
	217.67	216.18
Note 24 - Changes in inventories of finished goods and stock-in-trade		
Opening inventory	19.01	16.23
Closing inventory	15.15	19.01
Decrease / (increase) in inventory	3.86	(2.78)
Note 25 - Employee benefits expense		
Salaries, wages and bonus	5.23	5.24
Contribution to provident and other funds (refer note 27)	0.16	0.30
Staff welfare expenses	0.70	0.08
	6.09	5.62
Note 26 - Other expenses		
Rent [Refer note 32]	0.19	0.34
Repairs and maintenance - others	0.03	-
Insurance	0.14	0.13
Rates and taxes, net	0.08	0.12
Carriage, freight and distribution	10.13	10.17
Auditors' remuneration (a):		
- Audit fees	0.11	0.09
- Expenses reimbursed	-	0.01
Corporate social responsibility [Refer note 37]	0.86	0.81
Legal and professional	0.40	0.61
Advertising and sales promotion	13.66	10.74
Travelling and conveyance	0.10	0.36
Foreign exchange loss, net	-	0.02
Miscellaneous	5.56	2.50
	31.26	25.90

(a) Excluding applicable taxes



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)

(all amounts in ₹ crores, unless otherwise mentioned)

Note 27 Employee benefits
(a) Post retirement benefit - Defined contribution plans

The Company has recognized an amount of ₹ 0.15 (31 March 2020: ₹ 0.19) as expenses under the defined contribution plans in the statement of profit and loss for the year.

	31 March 2021	31 March 2020
Benefit (contribution to)		
Provident fund	0.15	0.16
Superannuation scheme	-	0.03
Total	0.15	0.19

(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 2021	31 March 2020
1. Reconciliation of net defined benefit asset / (liability)		
(a) Reconciliation of present value of defined benefit obligation		
Obligation at 1 April	0.69	0.62
Service cost	0.06	0.06
Interest cost	0.04	0.04
Benefit settled	(0.09)	(0.05)
Actuarial (gain) / loss due to financial assumptions	-	0.03
Actuarial (gain) / loss due to experience adjustments	(0.03)	(0.01)
Past service cost	-	-
Actuarial (gain) / loss due to demographic adjustments	-	-
Obligations as at year end 31 March	0.67	0.69
(b) Reconciliation of present value of Plan Asset		
Plan assets as at 1 April at fair value	0.25	0.28
Interest Income	0.02	0.02
Employer Contribution	-	-
Return on assets excluding interest income	(0.01)	-
Benefit settled	(0.09)	(0.05)
Plan assets as at 31 March at fair value	0.17	0.25
(c) Reconciliation of net defined benefit asset/(liability):		
Present value of obligation as at 31 March	0.67	0.69
Plan assets as at 31 March at fair value	0.17	0.25
Amount recognised in balance sheet asset / (liability)	(0.50)	(0.44)
2. Expenses recognised in the statement of profit and loss		
Current service cost	0.06	0.06
Past Service Cost	-	-
Interest cost	0.04	0.04
Expected return on plan assets	(0.02)	(0.02)
Net Cost	0.08	0.08
3. Remeasurements recognised in statement of Other comprehensive income		
Actuarial (gain) / loss on defined benefit obligation	(0.03)	0.02
Return on plan assets excluding interest income	0.01	-
(Profit) / loss recognised in statement of other comprehensive income	(0.02)	0.02
4. Amount recognised in the balance sheet:		
Opening liability	0.44	0.34
Expense as above	0.06	0.10
Closing liability	0.50	0.44
5. Experience adjustment		
On plan liabilities (gain) / loss	(0.03)	(0.01)
On plan assets (loss)/gain / gain	(0.01)	-
6. Principal actuarial assumptions		
Discount factor [Refer note (i) below]	6.60%	6.60%
Estimated rate of return on plan assets	6.60%	6.60%
Attrition rate:		
Age related (Service related):		
5 years and above	5.00%	5.00%
Below 5 years	15.00%	15.00%
Salary escalation rate [Refer note (iii) below]	7.00%	7.00%
Retirement age (in years)	58	58



Note 27 Employee benefits (continued)

Particulars	31 March 2021	31 March 2020
7. Expected total Benefit Payments:		
Year 1	0.18	0.10
Year 2	0.10	0.07
Year 3	0.06	0.18
Year 4	0.05	0.09
Year 5	0.08	0.06
Next 5 Years	0.46	0.36

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.

	31 March 2021	31 March 2020
A. Discount rate		
Discount rate -50 basis points	0.69	0.71
Assumptions	6.1%	6.1%
Discount rate +50 basis points	0.66	0.67
Assumptions	7.1%	7.1%
B. Salary increase rate		
Discount rate -50 basis points	0.66	0.67
Assumptions	6.5%	6.5%
Discount rate +50 basis points	0.69	0.70
Assumptions	7.5%	7.5%

Note 28 (a) 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 2020	Placed during the year	Refunded during the year	As at 31 March 2021
Bajaj Finance Limited	Others	Unsecured	6.9-8.55%	1- 2 years	41.41	9.50	50.41	0.50
					41.41	9.50	50.41	0.50

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 2019	Placed during the year	Refunded during the year	As at 31 March 2020
Bajaj Finance Limited	Others	Unsecured	6.9-8.55%	1- 2 years	39.27	41.41	39.27	41.41
Shriram Transport Finance Company Limited	Others	Unsecured	7.58%	2 year	7.22	-	7.22	-
Kotak Mahindra Investments Limited	Others	Unsecured	7.65-9.1%	1- 2 years	28.00	-	28.00	-
HDFC Limited	Others	Unsecured	8.55-8.90%	1- 2 years	7.75	-	7.75	-
					82.24	41.41	82.24	41.41

(b) Details of Non-current investments purchased and sold during the year:

Particulars	Face value per unit	As at 1 April 2020	Purchased during the year	Sold during the year	As at 31 March 2021
Trade investments, Unquoted *					
International Bakery Products Limited	10	-	-	-	-
		-	-	-	-

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

Particulars	Face value per unit	As at 1 April 2019	Purchased during the year	Sold during the year	As at 31 March 2020
Trade investments, Unquoted *					
International Bakery Products Limited	10	-	-	-	-
		-	-	-	-

* Refer note 38



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)

(all amounts in ₹ crores, unless otherwise mentioned)

Note 29 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 30 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 2020	Additions *	Utilisation *	Reversals / adjustments *	31 March 2021
(a) Excise and service tax related issues	0.05	-	-	-	0.05
(b) Sales tax and other issues	0.08	-	-	-	0.08

	1 April 2019	Additions *	Utilisation *	Reversals / adjustments *	31 March 2020
(a) Excise and service tax related issues	0.05	-	-	-	0.05
(b) Sales tax and other issues	0.08	-	-	-	0.08

(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 31 Related parties
Relationships
A) Parties where control exists:

- 1 Holding Company
- 2 Holding Company of Britannia Industries Limited
- 3 Ultimate Holding Company

Britannia Industries Limited (BIL)
Associated Biscuits International Limited, UK
The Bombay Burmah Trading Corporation Limited

B) Parties under common control where transactions have taken place:

- 1 Fellow subsidiary company

International Bakery Products Limited

C) Key Management Personnel (KMP)

Chief Financial Officer
Wholtime Director
Directors

Mr. Piyush Bhandari
Mr. Gunjan Shah@
Mr. Ramamurthy Jayaraman
Mr. N. Venkataraman
Mr. Raja Sharma#
Mr. Gunjan Shah@@
Mrs. Nidhi Saraf ##
Mr. Venkat Shankar###
Ms. Sona Rajora

Company Secretary

@ Mr Gunjan Shah appointed as Wholtime director w.e.f 22 January 2020.

@@ Mr Gunjan Shah appointed as director w.e.f 01 August 2019 till 21 January 2020.

Mr Raja Sharma resigned as director w.e.f 09 December 2020.

Mrs Nidhi Saraf resigned as director w.e.f 05 March 2021.

Mr. Venkat Shankar resigned w.e.f 07 June 2019.

Related party transactions during the year:
Related party transactions during the year (Britannia Industries Limited)

- (i) Shared services expenses
- (ii) Other Expenses
- (iii) Dividend Paid

Relationship	31 March 2021	31 March 2020
Holding company	1.60	1.60
	3.04	1.93
	-	66.47

Related party closing balances as at balance sheet date (Britannia Industries Limited)

- (i) Trade receivable
- (ii) Trade Payable

Relationship	31 March 2021	31 March 2020
Holding company	20.38	1.16
	(0.64)	(0.66)

The costs with respect to the SAP licences and office facilities of Britannia Industries Limited used by the Company will not be charged to the Company.

Note 32 Operating leases

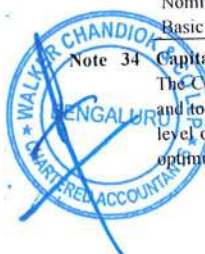
The Company has certain operating leases for office facilities and warehouses (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of ₹ 0.19 (31 March 2020: ₹ 0.34) in respect of obligation under operating leases have been recognised in the statement of profit and loss.

Note 33 Earnings per share

For the year ended	31 March 2021	31 March 2020
Net profit after tax attributable to the equity shareholders (₹ in crores)	65.91	16.95
Weighted average number of equity shares outstanding during the year	57,80,000	57,80,000
Nominal value of equity shares (₹)	10	10
Basic / diluted earnings per share (₹)	114.03	29.33

Note 34 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.



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)
(all amounts in ₹ crores, unless otherwise mentioned)

Note 35 Income-tax

(a) Amounts recognised in profit and loss

	31 March 2021	31 March 2020
For the year ended		
Current tax*	29.68	27.55
Deferred tax		
Attributable to originaisation and reversal of temporary differences	(2.50)	2.47
Tax expense for the year	27.18	30.02

*During the previous year current tax includes credit on account of restatement of provisions pursuant to application for settlement of old disputed direct tax cases under the Amnesty scheme (Vivaad Se Vishwas) announced by the Central Government.

(b) Amounts recognised in other comprehensive income

	31 March 2021			31 March 2020		
For the year ended	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	(0.02)	0.01	(0.01)
	0.02	(0.01)	0.01	(0.02)	0.01	(0.01)

(c) Reconciliation of effective tax rate

	31 March 2021	31 March 2020
For the year ended		
Profit before tax	93.09	46.97
Tax using the Company's domestic tax rate (31 March 2021: 29.12% and 31 March 2020: 29.12%)*	27.11	13.68
Reduction in tax rate		
Tax effect of:		
Adjustments recognised in relation to tax of prior years	0.68%	37.34%
Income exempt from tax or taxed at concessional rates	(0.76%)	(1.69%)
Expenses not deductible for tax purposes	0.13%	0.25%
Others	0.03%	0.80%
	29.20%	63.91%

(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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Property, plant and equipment	0.40	0.46	-	-	0.40	0.46
Investment at fair value through profit and loss	-	-	0.05	2.67	(0.05)	(2.67)
Statutory dues	0.46	0.52	-	-	0.46	0.52
	0.86	0.98	0.05	2.67	0.81	(1.69)

(e) Movement in temporary differences

	Balance as at 1 April 2020	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2021
Property, plant and equipment	0.46	(0.06)	-	-	-	0.40
Investment at fair value through profit and loss	(2.67)	2.62	-	-	-	(0.05)
Employee benefits, net	0.52	(0.06)	-	-	-	0.46
	(1.69)	2.50	-	-	-	0.81

	Balance as at 1 April 2019	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	Balance as at 31 March 2020
Property, plant and equipment	0.69	(0.23)	-	-	-	0.46
Investment at fair value through profit and loss	(5.62)	2.95	-	-	-	(2.67)
Employee benefits, net	0.91	(0.39)	-	-	-	0.52
Minimum alternative tax credit	4.80	(4.80)	-	-	-	-
	0.78	(2.47)	-	-	-	(1.69)

The following table provides the details of income-tax assets and income-tax liabilities as of 31 March 2021 and 31 March 2020

	31 March 2021	31 March 2020
As at		
Income-tax assets, net	3.41	1.33
Current tax liabilities, net	4.94	2.38
Net current income-tax liability at the end	(1.53)	(1.05)

The gross movement in the current income-tax asset / (liability) for the year ended 31 March 2021 and 31 March 2020 is as follows:

	31 March 2021	31 March 2020
For the year ended		
Net current income-tax asset liability at the beginning	(1.05)	(0.14)
Income-tax paid	29.21	26.63
Current income-tax expense	(29.68)	(27.55)
Income-tax on other comprehensive income and others	(0.01)	0.01
Net current income-tax asset liability at the end	(1.53)	(1.05)



BRITANNIA DAIRY PRIVATE LIMITED

Notes to the financial statements (continued)
(all amounts in ₹ crores, unless otherwise mentioned)

Note 36 Financial instruments - fair values and risk management

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2021, including their levels in the fair value hierarchy.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31.12.2019										
Particulars	Note	FVTPL	FVTOCI	Carrying amount		Total carrying amount	Fair value			
				Other financial assets- amortised cost	Other financial liabilities- amortised Cost		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments in mutual funds	9	25.29	-	-	-	25.29	-	25.29	-	25.29
		25.29	-	-	-	25.29				
Financial assets not measured at fair value										
Investments in debentures/bonds	5 & 9	-	-	200.00	-	200.00				
Loans receivables	6 & 12	-	-	0.50	-	0.50				
Other financial assets	13	-	-	13.98	-	13.98				
Trade receivables	10	-	-	31.62	-	31.62				
Cash and cash equivalents	11	-	-	1.48	-	1.48				
Other bank balances	11	-	-	0.02	-	0.02				
		-	-	247.60	-	247.60				
Financial liabilities not measured at fair value										
Other financial liabilities	17 & 19	-	-	-	12.15	12.15				
Trade payables	18	-	-	-	56.58	56.58				
		-	-	-	68.73	68.73				

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020, including their levels in the fair value hierarchy.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2020, including their level 1, level 2 and level 3 fair values											
Particulars		Carrying amount				Fair value					
		Note	FVTPL	FVTOCI	Other financial assets- amortised cost	Other financial liabilities- amortised Cost	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Investments in mutual funds	5 & 9	126.71	-	-	-	-	126.71	-	126.71	-	126.71
		126.71	-	-	-	-	126.71				
Financial assets not measured at fair value											
Loans receivables	6 & 12	-	-	41.41	-	-	41.41				
Other financial assets	13	-	-	1.66	-	-	1.66				
Trade receivables	10	-	-	20.08	-	-	20.08				
Cash and cash equivalents	11	-	-	2.16	-	-	2.16				
Other bank balances	11	-	-	0.02	-	-	0.02				
		-	-	65.33	-	-	65.33				
Financial liabilities not measured at fair value											
Other financial liabilities	17 & 19	-	-	-	12.73	12.73					
Trade payables	18	-	-	-	45.44	45.44					
		-	-	-	58.17	58.17					

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

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



Note 36 Financial instruments - fair values and risk management (continued)

Accounting classification and fair values (continued)

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

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 2021	31 March 2020
India	31.97	20.46
Others	-	-
	<u>31.97</u>	<u>20.46</u>

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

	Carrying amount	
	31 March 2021	31 March 2020
Institutional	9.94	13.05
Authorised wholesaler	2.34	6.05
Others	19.69	1.36
	<u>31.97</u>	<u>20.46</u>

Movement in the allowance for impairment in trade

Balance as at 01 April

Amount written down

Net remeasurement of loss allowance

	31 March 2021	31 March 2020
	0.38	0.38
	(0.03)	-
	<u>0.35</u>	<u>0.38</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 2021, the expected cash flows from trade receivables is ₹ 31.62 (31 March 2020: ₹ 20.08). 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 31 March 2021 and 31 March 2020

Particulars	As at 31 March 2021		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities	56.58	-	-
Trade payables (refer note 18)	11.98	-	0.17
Other financial liabilities (refer note 17 & 19)	<u>68.56</u>	<u>-</u>	<u>0.17</u>
Particulars	As at 31 March 2020		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities	45.44	-	-
Trade payables (refer note 18)	6.52	-	6.21
Other financial liabilities (refer note 17 & 19)	<u>51.96</u>	<u>-</u>	<u>6.21</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.

Price risk

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investment in equity securities, the company diversifies its portfolio.

Sensitivity

Profit or loss is sensitive to higher/lower prices of instruments on the Company's profits for the periods.

Particulars

Price increase by 5% - FVTPL

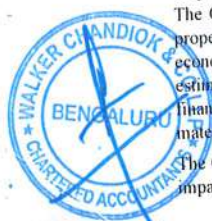
Price decrease by 5% - FVTPL

	31 March 2021	31 March 2020
	1.26	6.34
	(1.26)	(6.34)

Impact of COVID-19

The Company has considered the possible effects that may result from COVID-19 on the carrying amounts of financial assets, inventory, receivables, advances, property plant and equipment, intangibles etc as well as liabilities accrued. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has used internal and external information. Having reviewed the underlying data and based on current estimates, the Company does not expect any material impact on the carrying amount of these assets & liabilities. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The Company has also evaluated the impact of the same on the aforementioned risks i.e. credit risk, liquidity risk and market risk and does not foresee any material impact on account of the same.



BRITANNIA DAIRY PRIVATE LIMITED
Notes to financial statements (continued)

(all amounts in ₹ crores, unless otherwise mentioned)

Note 37 Corporate social responsibility

During the year, the amount required to be spent on corporate social responsibility activities amounted to ₹ 0.86 (31 March 2020: ₹ 0.81) in accordance with Section 135 of the Companies Act, 2013. The following amounts were spent during the current & previous years:

Particulars	31 March 2021	31 March 2020
(i) Amount spent other than for construction/ acquisition of any asset	0.86	0.81
(ii) Amount accrued and not spent	-	-
Total	0.86	0.81

Note 38 The financial statements are presented in ₹ crores (rounded off to two decimal places). Those items which are required to be disclosed and which were not presented in the financial statements due to rounding off to the nearest ₹ crores are given as follows:

Note	Description	₹ in '000 31 March 2021	₹ in '000 31 March 2020
5 & 28	Non-current investments:		
	(i) Unquoted - Investments in equity instruments (fully paid)	0.01	0.01
	International Bakery Products Limited [Face Value: ₹ 10/-; Number of shares: 1 (31 March 2020: 1)]		
18	Trade Payables :		
	Total outstanding dues of micro and small enterprises	8.12	-

Note 39 A. Revenue streams

The Company is primarily involved in trading and sale of various food products.

	31 March 2021	31 March 2020
Sale of goods	333.90	277.02
Total revenue	333.90	277.02

B. Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market

	31 March 2021	31 March 2020
India	333.90	277.02
Others	-	-
Total revenue	333.90	277.02

The Company does not incur any cost to obtain or fulfil a contract with the customer.

C. Reconciliation of net sale of goods

	31 March 2021	31 March 2020
Gross Sales Value	361.93	305.66
Less: Stock returns	3.61	6.69
Less: Trade discounts, promotions and channel margins	24.42	21.95
Net sale of goods	333.90	277.02

D. Contract balances

Assets and liabilities related to contracts with customers:

Particulars	31 March 2021	31 March 2020
Trade receivables (refer note 10)	31.62	20.08
Contract liability - Advance from customers (refer note 20)	3.88	6.06

Trade receivables are non-interest bearing and are generally on short term basis. The Company has recognised ₹ 0.35 provision for expected credit loss on trade receivables during the year 2020-21 (2019-20: ₹ 0.38).

Contract liabilities primarily relate to the Company's obligation to transfer goods or services to customer for which the Company has invoiced the customer or received advances from the customer. Contract liabilities are recognised as revenue as the Company performs under the contract.

Particulars	31 March 2021	31 March 2020
Contract liabilities at the beginning of the year	6.06	7.34
Advance received/(adjusted) from customers during the year, net	(2.18)	(1.28)
Contract liabilities at the end of the year	3.88	6.06

Note 40 Previous year's figures have been regrouped / reclassified as per the current year's presentation for the purpose of comparability.

Note 41 During the year ended 31 March 2021, no material foreseeable loss was incurred for any long-term contract including derivative contracts.


Note 42 No adjusting or significant non-adjusting events have occurred between 31 March 2021 and date of authorisation of these financial statements.

As per our report of even date attached

for Walker Chandio & Co LLP

Chartered Accountants

ICAI Firm registration number: 001076N/N500013


Aasheesh Arjun Singh
Partner
Membership number: 210122
Place : Bengaluru
Date : 26 April 2021



for and on behalf of the Board of Directors


Britannia Dairy Private Limited


CIN: U15201WB2002PTC191511


Venkataraghavan Satarajan
Director
DIN: 05220857


Piyush Bhandari
Chief Financial Officer

Place : Bengaluru
Date : 26 April 2021


Gunjan Shah
Director
DIN: 08525366


Sona Rajora
Company Secretary
Membership Number: A35468

Place : Bengaluru
Date : 26 April 2021