

REPORT OF THE DIRECTORS

The Directors present their Report together with the financial statements for the financial year ended 31 March 2016.

1. FINANCIAL RESULTS

₹ in Crores		
Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Sale of Products	8,097.81	7,269.26
Other Operating Revenues	79.01	75.53
Other Income	98.21	87.53
Profit from Operations (PBT before other income, finance costs and exceptional items)	1,044.93	654.23
Profit before exceptional items and tax	1,141.89	740.55
Exceptional Items*	(10.33)	142.06
Profit Before Tax	1,131.56	882.61
Less: Tax Expense	382.47	260.20
Net Profit	749.09	622.41
Add: Profit brought forward	811.07	491.15
Profit available for appropriation	1,560.16	1,113.56
Less: Proposed Dividend	239.95	191.88
Less: Tax on Proposed Dividend	48.85	39.06
Less: Dividend (including tax on dividend) on equity shares issued under ESOS after the year end	0.10	-
Less: Transfer to General Reserve	74.91	62.24
Less: Additional depreciation due to revision in useful life of Fixed Assets as per Companies Act, 2013 (Net of Deferred tax)	-	9.31
Balance carried forward to Balance Sheet	1,196.35	811.07
Net Cash Flow from Operating Activities	877.69	515.33

* Includes Additional bonus provision made as per amendments to the Payment of Bonus Act, 1965 of ₹ 10.33 Crores. (Previous year: Profit on sale of land & building of ₹ 159.92 Crores, provision for diminution in value of investments in Daily Bread Gourmet Foods (India) Private Limited of ₹ 4 Crores and Voluntary Retirement Scheme ("VRS") related cost to all workmen at Delhi factory of ₹ 13.86 Crores.)

2. OVERVIEW OF COMPANY PERFORMANCE

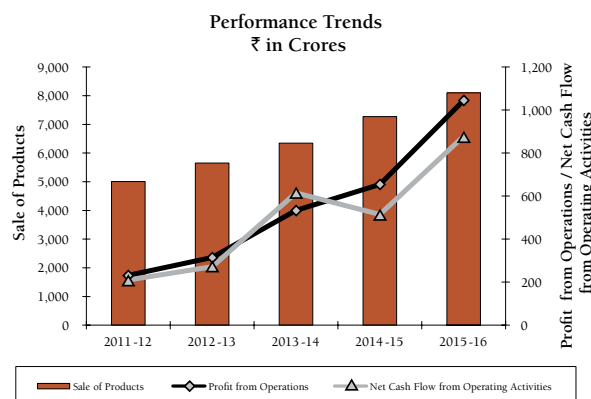
In an economic environment, wherein revenue growth in the FMCG sector has slowed down, your Company achieved a sales growth of 11.4% and added ₹ 828.55 Crores to sales. Your Company focused on profitability, capital productivity and working capital management to generate cash flow from operating activities of ₹ 877.69 Crores compared to ₹ 515.33 Crores in the previous year. Earnings per share (of ₹ 2/- each) increased from ₹ 51.90 to ₹ 62.44.

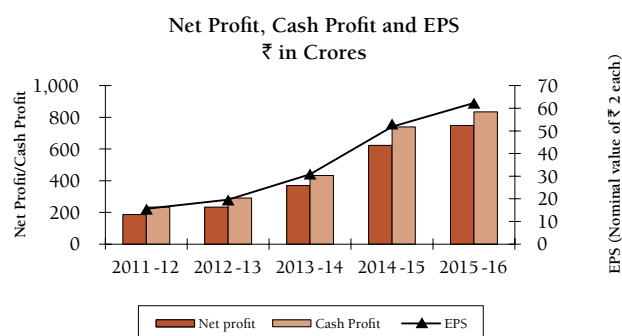
During the year, your Company focused on product innovation, brand building and distribution to grow faster than the market. Your Company's brands have become iconic over time due to the combination of superior product and endearing communication.

Your Company's focus on building new capabilities and a robust pipeline of innovation resulted in new launches in the form of Pure Magic Chocolush, Pure Magic Choco Deuce, Tiger Glucose Chocolate and Tiger Cashew Cookies. Coupled with leading edge go-to-market approaches, these innovations tap new sources of growth and profitable revenue, while building brand differentiation and relevance.

Your Company has been making focused efforts to balance cost, quality and aspiration in its brand for consumer affordability. Cost effectiveness has been a key pillar of your Company's value creation strategy and this was achieved through scale in operations, technology interventions and wastage reduction in the value chain along with efficient management of working capital. Your Company will continue and intensify the thrust on cost effectiveness in the coming year as well.

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





3. DIVIDEND

The Board of Directors are pleased to recommend a dividend of 1000% on the paid up equity share capital of the Company which amounts to ₹ 20/- per share (face value ₹ 2 per share) for consideration and approval by the Members at the Annual General Meeting. The total dividend payout amounts to ₹ 288.80 Crores including dividend distribution tax of ₹ 48.85 Crores.

4. CONSOLIDATED FINANCIAL RESULTS

Your Company has prepared Consolidated Financial Statements in accordance with Accounting Standard 21 - "Consolidated Financial Statements", prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The Consolidated Financial Statements reflect the financial position of the Company and those of its Subsidiaries and Associates. As required by Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (hereinafter referred to as 'SEBI(LODR) Regulations, 2015'), the Audited Consolidated Financial Statements together with the Independent Auditor's Report thereon are annexed and form part of this Annual Report.

Consolidated Sale of Products of your Company for the financial year ended 31 March 2016 was ₹ 8,835.98 Crores compared with ₹ 7,944.18 Crores in the previous year, a growth of 11.2%. Consolidated Net Profit for the year ended 31 March 2016 was ₹ 806.11 Crores compared with ₹ 688.64 Crores in the previous year, a growth of 17.1%.

₹ in Crores

Particulars	Year ended 31 March 2016	Year ended 31 March 2015
Sale of Products	8,835.98	7,944.18
Other Operating Revenues	71.79	83.33
Other Income	99.98	87.96
Profit from Operations (PBT before other income and finance costs)	1,113.12	719.43
Profit before Tax	1,197.90	949.59
Net Profit	806.11	688.64

SUBSIDIARIES & ASSOCIATES

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with the rules made thereunder, a statement containing the salient features of the financial statements of our Subsidiaries and Associates in the Form AOC-1 is annexed and form part of this Report.

The statement provides the details of performance and financial position of each of the Subsidiaries and Associates. Your Company does not have any Material Subsidiary as defined under Regulation 16(1)(c) of SEBI(LODR) Regulations, 2015 as on 31 March 2016.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements, audited accounts of all the subsidiaries and other documents attached thereto are available on our website: www.britannia.co.in.

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

Britannia Dairy Private Limited (BDPL)

The Dairy business of the Company was favourably impacted by softening in milk price during the year. The Company registered a turnover of ₹ 322.25 Crores compared to ₹ 329.48 Crores in the previous year. The business achieved a Net Profit of ₹ 34.02 Crores compared to ₹ 29.47 Crores in the previous year, a growth of 15.4%.

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

Daily Bread is a manufacturer of premium gourmet bakery products, including specialty breads, cakes, pastries and cookies. Its operations are largely confined to Bangalore. The turnover of Daily Bread

was ₹ 9.88 Crores compared to ₹ 15.75 Crores in the previous year. Loss for the year was ₹ 1.96 Crores compared to ₹ 3.50 Crores in the previous year.

During the year under review, the Board of Directors of Daily Bread and Britannia Industries Limited (BIL) have approved the Scheme of Arrangement for Demerger of Manufacturing and Retail Sales Business of Daily Bread into BIL. Both the Companies are in the process of obtaining final approvals from the respective High Courts and other statutory authorities.

Strategic Foods International Co. LLC, Dubai (SFIC)

SFIC sales increased by 21.6% at AED 24.15 Crores (₹ 430.64 Crores) compared with AED 19.86 Crores (₹ 330.65 Crores) for the previous year. SFIC posted a net profit of AED 1.13 Crores (₹ 20.10 Crores) as compared to AED 1.94 Crores (₹ 32.34 Crores) in the previous year.

Al Sallan Food Industries Co. SAOC (ASFI)

ASFI sales are primarily to SFIC and for the year ended 31 March 2016 closed at RO 1.23 Crores (₹ 208.78 Crores) as compared to RO 1.02 Crores (₹ 162.20 Crores) for the previous year. It posted a net profit of RO 3.48 lakhs (₹ 5.92 Crores) against a net profit of RO 0.20 lakhs (₹ 0.32 Crores) in the previous year.

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

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

The combined revenue and loss of holding Companies for the year ended 31 March 2016 was USD 0.06 Crores (₹ 3.80 Crores) and USD 0.004 Crores (₹ 0.26 Crores) compared to USD 0.08 Crores (₹ 5.08 Crores) and USD 0.002 Crores (₹ 0.14 Crores) in the previous year.

Britannia Dairy Holdings Private Limited, Mauritius (BDH)

BDH, a Company formed in Mauritius is a wholly-owned subsidiary of your Company. BDH holds certain trademarks relating to the Dairy business of your Company. BDH is not engaged in any commercial activity.

Investment Companies

Boribunder Finance and Investments Private Limited (Boribunder), Flora Investments Company Private Limited (Flora) and Gilt Edge Finance and Investments Private Limited (Gilt Edge) form the Investment Subsidiaries of your Company. The combined revenue and profit of the Investment Subsidiaries for the financial year ended 31 March 2016 was Nil and ₹ 0.16 Crores respectively.

Further, the following Companies engaged in manufacturing of biscuits at various locations are also Subsidiaries of your Company. The Revenue from Operations / Net Sales and Net Profit of the said Subsidiaries for the financial year ended 31 March 2016 are as under:

₹ in Crores		
Name of Subsidiary	Revenue from Operations / Net Sales	Net Profit / (Loss)
International Bakery Products Limited	34.12	0.76
J B Mangharam Foods Private Limited	35.57	(0.45)
Manna Foods Private Limited	36.53	(1.33)
Ganges Vally Foods Private Limited	19.18	0.07
Sunrise Biscuit Company Private Limited	147.51	0.21

Welfare Companies

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

Besides the above, there are two other Subsidiary Companies namely (i) Vasana Agrex and Herbs Private Limited and (ii) Snacko Bisc Private Limited. They are not engaged in any commercial activity. The financial details of these Companies are forming part of this Report.

There are two Associate Companies namely, (i) Klassik Foods Private Limited and (ii) Nalanda Biscuits Company Limited. The financial details of these Companies are forming part of this Report.

5. RESERVES

Your Company has transferred an amount of ₹ 74.91 Crores to the General Reserve for the financial year ended 31 March 2016.

6. SHARE CAPITAL

During the year under review, your Company has allotted 50,000 equity shares of ₹ 2 each upon exercise of 50,000 options granted under ESOS. Consequently, the paid up equity share capital of the Company has increased from ₹ 23.99 Crores in the previous year to ₹ 24.00 Crores in the current year.

7. PUBLIC DEPOSITS

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

8. THE BRITANNIA PROMISE TO SPREAD DELIGHT

Your Company's oath to deliver a unique and ecstatic experience to its consumers, by maximizing on aspiration-worthiness, cost-effectiveness and quality has continued to be the guiding principle of operations. Guided by the Britannia Promise, the Management of your Company constantly assesses the current state of its products versus the desired state. The rigour and commitment behind product innovations which delivered new-to-market experiences is testimony to the Promise being at the core of our being. This reflects in our performance in the market place as well. Several opportunities are in the pipeline and will be rolled out in the coming year, each delighting consumers and strengthening our brand credentials.

Your Company recognizes that it is only as good as the last product it has delivered to consumers. Keeping this in mind, all employees of your Company continuously challenge themselves to ensure that the products that reach consumers are not only superior to competitors in their design but they also reach them with consistently high quality. Consequently, each employee of your Company maintains market-place-vigilance on a regular basis and is effectively an independent market information source reporting back into a mechanism designed to identify and correct market place deficiencies quickly and comprehensively.

9. BRANDS

Brands are your Company's competitive edge and hence keeping them vibrant, relevant and preferred by consumers is paramount. The year 2015-16 saw a slew of new initiatives - big renovations, innovations, promotions, activations and advertisements which kept your Company's brands salient in the Indian Consumer's minds.

The year 2015-16 saw subdued economic growth for the FMCG Industry, but your Company bucked the FMCG trend by demonstrating fresh thinking on all its brands, therefore bringing the brands closer to consumers than before.

Big strategic shifts were made to the power brands of your Company. Your Company's biggest brand, Good Day underwent a comprehensive relaunch with a differentiated product, new advertising campaign and fresh new packaging. The relaunch was a resounding success with the brand growing substantially in 2015-16. Britannia Milk Bikis, 50-50 and Tiger went through big relaunches which helped strengthen your Company's presence in the market and in consumer's minds. At the same time, a new campaign was released to accelerate the growth of your Company's premium health brand, Britannia Nutrigochoice.

Your Company took huge strides in digital media with large digital activations done by Good Day, 50-50 and Nutrigochoice during the year. Your Company launched Britannia Pure Magic Chocosh, a differentiated offering in the chocolate fills space. Your Company also transformed the category of value cookies, value creams and crackers with significant portfolio shifts in each of the categories.

Your Company created strong presence in the minds of consumers with blockbuster activations, associating with popular properties such as Filmfare, IPL, Asia Cup, The Tamil Movie Pasanga-2 etc. These properties also helped build stature for the Company, setting it apart from the rest of the competition in the category.

Your Company was competitive in the market place by ensuring that consumer value was always protected during the year, at a time, when competition was discounting. Your Company reclaimed market leadership in 2015-16 as a result of the brands winning with consumers across categories.

Your Company will renew its vigour on renovation, innovation, communication, activation and as a result, increase consumer engagement and feels confident that this will continue to hold your Company's growth in good stead in the years to come.

Awards and Recognition

Your Company was rewarded and recognized at many prestigious Marketing Forums in the country. The Good Day relaunch marketing campaign won 2 Gold and 3 Silver at the prestigious Abby Awards which celebrates impactful marketing and advertising.

The Indian Advertisers Association accorded Britannia the 'Marketer of the Year- FMCG- Foods-Award' in the 4th Edition of the IAA Leadership Awards held in Mumbai, in February 2016. The Association awards path-breaking marketing initiatives that strengthen a brand's promise and standing amongst consumers.

Britannia was chosen as one of the 'Top 3 Buzziest Brands in the Food Category' in 11th Edition of AFAQs!- Buzziest Brands Award. AFAQs! is the No 1 website in Asia- Pacific for Advertising, Media & Marketing professionals.

Britannia was chosen in another Industry Forum called the Pitch CMO Summit as a Company that delivered 'Maximum Customer Engagement'. The Awards recognize Best Practises in Marketing to the Indian Consumer in a competitive and dynamic environment.

10. SUPPLY CHAIN AND MANUFACTURING OPERATIONS

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

Your Company increased operating control on capacity with the successful completion of expansion of Jhagadia factory, acquisition of Chennai contract manufacturing unit and commencing production at greenfield project in Perundurai, Tamil Nadu.

The greenfield factory which was under construction at Bidadi, near Bangalore, is scheduled to be commissioned in Q1 2016-17. With the focus on Cake and Rusk business, your Company is setting up its first own Rusk manufacturing factory in Madurai which will leverage synergies in cost with the existing factory. The new Rusk factory is scheduled to be commissioned in FY 2016-17.

All these have helped in creating the right capacity and capability with superior technology to meet the growing demands and rising consumer expectations.

Your Company has successfully commissioned a state-of-the-art biscuit line in Gwalior factory and is in the final stages of commissioning another state-of-the-art innovation product line in its Chennai factory.

To address the challenges in supply chain planning, your Company could manage the spurt in growths in demand by effectively using the SAP-APO capability and by achieving more efficient inventory deployment across the supply nodes. Focus on freshness has helped in reducing stock ageing and returns.

Apart from service excellence to customers with optimal inventory, significant reduction in distance to market was achieved, thereby improving freshness and optimizing space utilization in the entire supply chain network.

11. QUALITY PROGRAMS

Your Company is committed to provide the best quality and safe products complying with all regulatory requirements and continued the journey with winning product design, vendor quality assurance programs for all input materials, manufacturing compliance to design and finally a robust supply chain to deliver products to delight consumers.

Your Company continued excellence in quality and food safety by adopting the best practices and building capability for International Quality Standards.

12. RESEARCH AND DEVELOPMENT (R&D)

You will be glad to know that your company is building futuristic capacity and capability in R&D and has built 55,000 sq ft of state-of-art R&D centre at Bidadi near Bangalore. This centre has world class analytical capability, organoleptic lab, culinary centre and advanced bench top and pilot plant capability. This will steer your company to next phase of growth by delighting consumers with delivery of disruptive innovations, renovating the core product portfolio and value engineering to be cost competitive in the market place.

This year is marked with launch of consumer winning Choco Centre filled product "Pure Magic Chocolush", Tiger Cashew Krunch, Tiger Choco Glucose, Good Day Chunkies and Heavens smaller pack, Festive boxes for Chunkies and Chocolush which received very positive response from the market. Your R&D team also delivered a very differentiated and new to market innovation "Pure Magic Deuce", which is being test marketed in Bangalore city. This product is made using a combination of crispy biscuit and a delightful choco slab. Your Company has also renovated core product range including Good Day Butter and Cashew, Tiger Glucose, Tiger Cream, 50-50 range

of products, Milk Bikis and Bread. The product and packaging value engineering delivery from the team continued this year also and team has built a very robust pipeline for the future.

You will be pleased to know that your Company's R&D team is adopting best practices in innovations and renovation of the products and Quality by design principles are well integrated in our Innovation Process Management.

13. INFORMATION TECHNOLOGY (IT)

IT systems supports timely decisions through conversion of data into actionable information. During FY 2015-16, your Company has moved ahead on mobility front enabling field force MIS on tablets. With enhanced usage of Product Lifecycle Management (PLM) linked to ERP, the compliance levels on recipe are better managed.

As planned your Company has made the first move of procuring the license for HANA (in- memory computing platform). The implementation details are being worked out in line with hardware refresh cycle. This implementation in coming years will enhance analytical capabilities by introducing HANA in areas like sales / marketing and finance which will support real-time operations, smarter decision making and deliver better business results. Your Company is also looking at centralizing / consolidating other activities in line with global trends which will help in increasing flexibility to respond to market changes.

14. ENVIRONMENT AND SAFETY

Environment, Health and Safety (EHS) is considered critical to your Company. Your Company has introduced various accident prevention programs at work place as part of demonstrating continual improvement in the field of health and safety. Your Company has introduced benchmarking system to validate the EHS performance of the business using lead, lag and system-related performance indicators. Employee participation is a vital factor in your Company in strengthening the proactive safety culture through campaigns and competitions. Focused safety measures have been initiated for all on-going green and brown field projects.

As part of continual improvement at work place, your Company also initiated several activities as part of safety management like:

- (a) National safety week celebrations across the business
- (b) Safety KAIZENS
- (c) Tool box talks at work place to strengthen the awareness

- (d) Hazard and risk study
- (e) Incident analysis to identify the root causes
- (f) Work permit system as part of accident prevention
- (g) Plant safety inspection program to capture unsafe conditions
- (h) Plant safety observation program to capture unsafe practices
- (i) Technical safety programs as part of machine safety
- (j) Deployment of suitable controls at work place as part of standard approach with respect to the hierarchy of controls
- (k) Mock drills and fire drills as part of emergency preparedness
- (l) Preparing manufacturing sites for OHSAS 18001:2007 standard certification process

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

For your Company, CSR means Corporate Sustainable Responsibility and this means embedding CSR into its business model. Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company as part of its CSR initiatives has undertaken projects/programs in accordance with the CSR Policy and the details of the CSR activities are given as Annexure 'A' forming part of this Report.

16. PENSION

In the suit filed by the Britannia Industries Limited Pensioners Welfare Association, the Company received a judgement on 21 September 2015 from Hon'ble City Civil Court, Bangalore, in the matter of pension payable to its eligible beneficiaries. The Board of Directors reviewed the judgement and after obtaining legal opinion from eminent lawyers resolved to file an appeal in the higher court against the said judgement. Accordingly, the Company has appealed against the Hon'ble City Civil Court's judgement in the Hon'ble High Court of Karnataka. In response to the appeal filed, the Hon'ble High Court of Karnataka vide its order dated 18 December 2015 referred the matter to Bangalore Mediation Centre for exploring the possibilities of settlement. The Britannia Industries Limited Pensioners Welfare Association through their legal counsel had submitted that they will not precipitate execution before the trial court during mediation. The mediation meetings are currently in progress.

Related matters have been dealt within Note No. 33 of the Standalone Financial Statements and Note No. 34 of the Consolidated Financial Statements, which are self-explanatory.

17. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

18. CORPORATE GOVERNANCE

Pursuant to the provisions of Regulation 34 read with point C & E of Schedule V of SEBI (LODR) Regulations, 2015, a separate Report on Corporate Governance for the financial year ended 31 March 2016 along with the Auditor's Certificate on its compliance is forming part of this Annual Report.

19. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015, the "Business Responsibility Report" (BRR) of the Company for the financial year 2015-16 is forming part of this Annual Report.

20. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Dr. Vijay Kelkar has resigned from the Directorship of the Company w.e.f 31 May 2016. The Board of Directors placed on record their sincere appreciation for the valuable contribution made by Dr. Kelkar during his tenure as Director of the Company.

21. DIRECTORS' RESPONSIBILITY

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31 March 2016 and of the profit of the Company for the year;
- (c) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) The Annual Accounts are prepared on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and these systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultant(s) and the reviews made by the Management and the relevant Board Committees, including the Audit Committee and Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operationally effective during the financial year 2015-16.

22. DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given a declaration that they meet the criteria of independence as laid down under Section 149 (6) of the Companies Act, 2013 read with the rules made thereunder and Regulation 16(1)(b) of SEBI(LODR) Regulations, 2015.

23. BOARD AND COMMITTEE MEETINGS

A calendar of Board and Committee Meetings is circulated in advance to all the Directors. The details of the Board and Committee Meetings held during the year are given in the Clause No. 2 & 3 of the Corporate Governance Report.

24. BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 read with the rules made thereunder and SEBI(LODR) Regulations, 2015, the performance evaluation of individual Directors, Board and its Committees was carried out. The manner in which the evaluation has been carried out is given in the Clause No. 3(b) of the Corporate Governance Report.

25. REMUNERATION POLICY

The details of the Remuneration Policy are covered in the Clause No. 3(b) of the Corporate Governance Report. It is hereby affirmed that the Remuneration paid is as per the Remuneration Policy of the Company.

26. AUDIT COMMITTEE AND RISK MANAGEMENT COMMITTEE

The Board of Directors at their meeting held on 7 November 2015 had re-named and re-constituted Audit Committee as Audit Committee and Risk Management Committee. The composition, powers, role and terms of reference of the Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 and 21 read with Part C of Schedule II of SEBI (LODR) Regulations, 2015.

The details of Committee along with Meetings held during the year are given in the Clause No. 3(a) of the Corporate Governance Report.

27. RELATED PARTY TRANSACTIONS

The Company has formulated a Policy on dealing with Related Party Transactions. The Policy is disclosed on the website of the Company.

Weblink: [http://britannia.co.in/pdfs/statutory disclosures/Britannia%20Industries%20 Limited-Policy%20On%20Related%20Party%20 Transactions.pdf](http://britannia.co.in/pdfs/statutory%20disclosures/Britannia%20Industries%20Limited-Policy%20On%20Related%20Party%20Transactions.pdf)

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015 during the year were in the ordinary course of business and on an arms' length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. However, pursuant to the provisions of Regulation 23 (2) of the SEBI (LODR) Regulations, 2015, prior approval of the Audit Committee and Risk Management Committee was sought for entering into the Related Party Transactions.

During the year, the Company had not entered into any contract / arrangement / transactions with Related Parties which could be considered as material in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015. In accordance with Accounting Standard 18, the Related Party Transactions are disclosed under Note No. 44 of the Standalone Financial Statements.

28. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The details about the adequacy of Internal Financial Controls are covered in the Clause (H) of the Management Discussion and Analysis.

29. PARTICULARS OF EMPLOYEES

The disclosure as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, forms part of this Report. However, as per the provisions of Section 136 of the Companies Act, 2013, the report and accounts are being sent to the Members and others entitled thereto, excluding the disclosure on particulars of employees which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

30. EMPLOYEE STOCK OPTION SCHEME (ESOS)

The disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, erstwhile Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and as per Section 62(1) (b) of the Companies Act, 2013 read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 is given as Annexure 'C' forming part of this Report.

31. STATUTORY AUDITORS

The Members at the 95th Annual General Meeting held on 12 August 2014 had appointed M/s. B S R & Co. LLP, Chartered Accountants, as the Statutory Auditors of the Company pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 to hold office from the conclusion of that Annual General Meeting till the conclusion of the 5th consecutive Annual General Meeting, subject to ratification by the Members at every Annual General Meeting, at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit.

Further, the Members at the 96th Annual General Meeting held on 4 August, 2015 had ratified the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of that Annual General Meeting till the conclusion of the 4th consecutive Annual General Meeting.

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

Accordingly, the Board recommends to the Members for ratification of the appointment of M/s. B S R & Co. LLP, Chartered Accountants as the Statutory Auditors of the Company at the ensuing Annual General Meeting.

32. SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Parikh & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the Financial Year 2015-16. The Secretarial Audit Report is given as Annexure 'D' forming part of this Report.

33. PARTICULARS OF INVESTMENTS, LOANS AND GUARANTEES

The particulars of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 read with the rules made thereunder are given in the Note No. 29, 30 and 31 of the Standalone Financial Statements.

34. RISK MANAGEMENT POLICY

The Company has formulated a Risk Assessment & Management Policy. The details of the same are covered in the Clause No. 5(d) of the Corporate Governance Report.

35. SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

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

36. WHISTLE BLOWER POLICY/VIGIL MECHANISM

The details of the Whistle Blower Policy are covered in the Clause No.5 (c) of the Corporate Governance Report. The Whistle Blower Policy is available on the website of the Company. Weblink: http://britannia.co.in/pdfs/statutory_disclosures/WHISTLE%20BLOWER%20POLICY.pdf

37. PARTICULARS OF REMUNERATION OF DIRECTORS, KMP AND EMPLOYEES

A statement containing the details of the Remuneration of Directors, Key Managerial Personnel (KMP) and Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure 'E' forming part of this Report.

38. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 134 (3) (a) of the Companies Act, 2013, read with the rules made thereunder, an extract of the Annual Return in Form MGT-9 is given as Annexure 'F' forming part of this Report.

39. DISCLOSURE ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has set up an Internal Complaints Committee for providing a redressal mechanism pertaining to sexual harassment of women employees at workplace. There was no case of sexual harassment reported during the year under review.

40. ACKNOWLEDGEMENTS

Your Directors would like to thank all stakeholders, namely customers, shareholders, dealers, suppliers, bankers, employees and all other business associates for the continuous support given by them to the Company and its Management.

On behalf of the Board

Place : Mumbai
Date : 20 May 2016

Nusli N Wadia
Chairman