



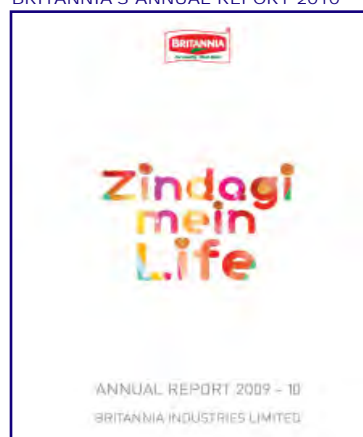
Britannia Industries

BSE SENSEX
18,180S&P CNX
5,462

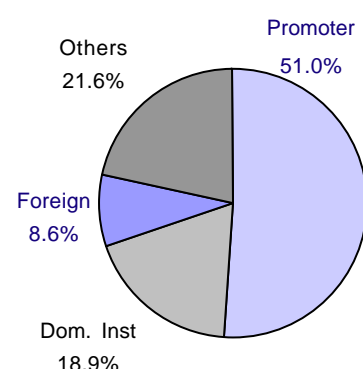
Rs2,014

Buy

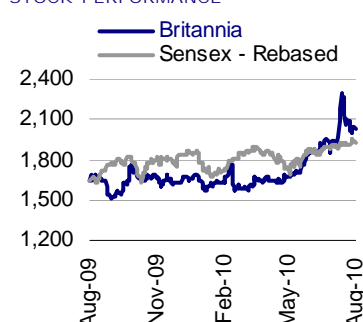
BRITANNIA'S ANNUAL REPORT 2010



SHAREHOLDING PATTERN % (JUN-10)



STOCK PERFORMANCE



| | |
|-----------------------|-------------|
| Bloomberg | BRITIN |
| Reuters | BRIT.BO |
| Equity Shares (m) | 23.9 |
| 52-Week Range (Rs) | 2,380/1,497 |
| 1,6,12 Rel. Perf. (%) | 3/11/3 |
| M.Cap. (Rs b) | 48.1 |
| M.Cap. (US\$ b) | 1.0 |

High commodity prices, stiff competition impact margins

We analyzed Britannia Industries' FY10 annual report. The key takeaways:

- Britannia's biscuit volumes grew 0.2% in FY10 as tough competition and inflationary pressure impacted volume growth. But "pillar brands" rebounded with a strong 17% sales growth in 2HFY10.
- In FY10, sugar prices rose 58% and wheat flour prices rose 8%, pushing down gross margins by 230bp and EBITDA margins by 370bp to 28.1% and 5.2% respectively.
- Britannia sharpened focus on the Rs5 price-point. Sales of such packs increased 100% and accounted for more than 10% of Britannia's sales.
- The innovation funnel strengthened in FY10 with new launches such as cookies, *Treat Choco Decker*, *Britannia Top*, *Nutri Choice* and *Nature Spice*.
- Britannia Dairy posted FY10 sales and adjusted PAT of Rs1.9b and Rs101m respectively.

Volume growth rebounds, sales post 23% CAGR in past six months: Britannia's volume growth rebounded in the past couple of quarters. We estimate volumes grew 15% YoY in the past two quarters and the success of low priced packs and improved consumer sentiment will drive volume growth in the coming quarters. But we expect competition to stay stiff due to the likely resurgence of local players and the entry of new global players. We factor in 13.5% volume growth in FY11 and 9.5% in FY12.

Price increase, lower commodity costs to benefit; worst behind us: Britannia has increased product prices by 5-10% and reduced grammage in the *Glucose* segment. We estimate this to enable 6.7% realization growth in FY11. Sugar prices are lower by 38% from their peak; we factor in 6% fall in sugar prices in FY11 and 6% increase in wheat prices. Recovery has begun as 1QFY11 margins increased 570bp QoQ to 4.2%. We estimate margin expansion of 240bp in FY11 and 80bp in FY12.

Cutting FY12 estimates by 5%; 25% PAT CAGR over FY10-12; maintain Buy: We factor in 18% sales growth and 320bp EBITDA margin expansion over FY10-12. Strong volumes and lower input costs will help Britannia post 25% PAT CAGR over FY10-12. We are raising FY11 tax estimates to 20% (18% earlier) and 24% in FY12 (23% earlier). We are cutting FY12 EPS estimates by 5% mainly due to lower margin expansion in the face of competition. Our revised FY11 EPS is Rs88.5 (earlier Rs88.4) and Rs110.7 (earlier Rs116.8) in FY12. The stock trades at 22.8x FY11E EPS and 18.2x FY12E EPS. Maintain **Buy**.

Financial and valuation summary

| YEAR | NET SALES | PAT | EPS | EPS | P/E | P/BV | ROE | ROCE | EV/ | EV/ |
|--------|-----------|--------|-------|------------|------|------|------|------|-------|--------|
| END | (RS M) | (RS M) | (RS) | GROWTH (%) | (X) | (X) | (%) | (%) | SALES | EBITDA |
| 03/09A | 31,271 | 2,011 | 84.2 | 9.7 | 23.9 | 5.8 | 24.4 | 34.6 | 1.4 | 15.8 |
| 03/10A | 34,014 | 1,634 | 70.9 | -15.8 | 28.4 | 12.1 | 42.7 | 27.0 | 1.4 | 26.5 |
| 03/11E | 41,301 | 2,114 | 88.5 | 24.8 | 22.8 | 9.2 | 40.5 | 35.6 | 1.1 | 14.9 |
| 03/12E | 47,259 | 2,645 | 110.7 | 25.1 | 18.2 | 7.2 | 39.5 | 38.9 | 1.0 | 11.4 |

High commodity prices, stiff competition impact margins

We analyzed Britannia Industries' FY10 annual report. Here are the key takeaways:

- Britannia's biscuit volumes grew 0.2% in FY10 as tough competition and inflationary pressure impacted volume growth. But "pillar brands" rebounded with 17% sales growth in 2HFY10.
- In FY10 sugar prices rose 58%, wheat flour prices rose 8% and the lack of pricing power dented the industry's profitability. Britannia posted a 230bp fall in gross margins and 370bp fall in EBITDA margins to 28.1% and 5.2% respectively.
- Britannia cut costs by Rs700m by optimizing production and cutting complexity and wastage. It is taking initiatives that will double savings in coming years.
- Britannia sharpened focus on the Rs5 price-point, targeting "in-home" and "out-of-home" consumption. Sales of such packs increased 100% and accounted for more than 10% of the company's sales.
- The innovation funnel strengthened in FY10 with new launches such as cookies, *Treat Choco Decker*, *Britannia Top*, *Nutri Choice* and *Nature Spice*.
- Britannia Dairy's FY10 sales and adjusted PAT were Rs1.9b and Rs101m respectively.

Key MDA takeaways

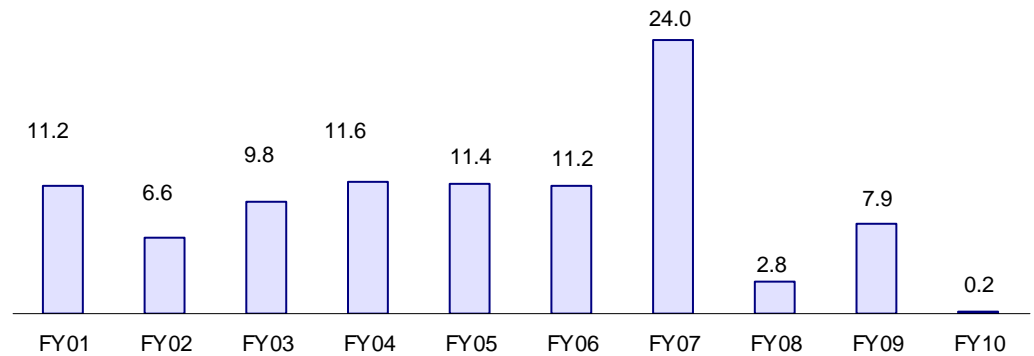
| | |
|--|--|
| Industry structure <ul style="list-style-type: none"> ■ Consumer upgrades at accessible prices are a key growth driver. ■ Competition is widening with biscuits competing with chocolate, confectionery, snacks, beverages and health drinks. Local and foreign players are investing in competing categories. ■ Commodity prices will be a key challenge. Stabilization in commodity prices will result in resurgence of local players. | Outlook <ul style="list-style-type: none"> ■ The biscuit industry will maintain double-digit sales growth. ■ Rising disposable income will widen the food basket and provide new opportunities. ■ Bakery growth will be a function of differentiated products at right price points, ensuring tight costs across the value chain. ■ The growth of the dairy business will be led by a consumer shift to branded products in yogurt and milk and value-added differentiated products will benefit. |
| Company strategy <ul style="list-style-type: none"> ■ Cost competitiveness will drive profit growth. ■ Higher margin differentiated products, mix improvement key factors. ■ Company to offer more value to consumers at affordable price points. ■ Focus on trade marketing, activation, advertising to push sales at points of purchase. | Opportunities <ul style="list-style-type: none"> ■ Domestic demand to stay buoyant, Britannia is on the cusp of a big change that offers a large, enduring opportunity. ■ Changing demographics, rising health awareness and new affluent generation are enlarging the opportunity. ■ New consumption moments such as out of home consumption, and new consumers and needs due to lifestyle changes are growing the market. |

Inflationary pressure, competition impact FY10 off-take...

Britannia had its worst year of operation in a decade with 0.2% volume growth and 10-year low margins of 5.2%. Competition intensified as players like ITC and Parle expanded product ranges in line with Britannia. Besides, United Biscuits and Unibic entered the market. We estimate Britannia lost 200bp market share in FY10, with much of the incremental share being lost to ITC and regional players. Gammage reduction in *Glucose* and cream variants led to lower tonnage growth as consumers buy by pack and not by grams.

DECADE LOW VOLUME GROWTH IN BISCUITS (VOLUME GROWTH, %) ...

Ten-year low volume growth of 0.2%



Source: Company/MOSL

...AS SHARP PRICE HIKES IMPACT CATEGORY GROWTH, CONSUMER UP-TRADE

Product prices increased by 5-10%

| BRANDS | AUG-09 | | AUG-10 | | YOY INC. (%) |
|----------------------|---------|-----|---------|-----|--------------|
| | WT (GM) | MRP | WT (GM) | MRP | |
| Tiger Plain | 82 | 4 | 69 | 4 | 18.8 |
| Tiger Cream | 80 | 5 | 71 | 5 | 12.7 |
| Good Day Butter | 90 | 10 | 90 | 11 | 10.0 |
| Good Day Cashew | 90 | 12 | 90 | 13 | 8.3 |
| Good Day Pista Badam | 90 | 15 | 90 | 16 | 6.7 |
| Marie Gold | 69 | 5 | 69 | 5 | 0.0 |
| Vita Marie Gold | 68 | 8 | 68 | 8 | 0.0 |

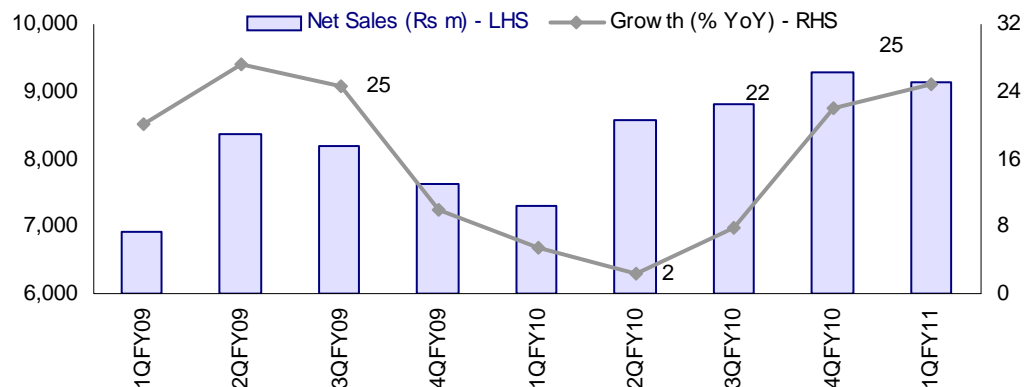
Source: Company/MOSL

...sales rebound sharply over the past six months

Britannia's volume growth rebounded strongly over the past couple of quarters. We estimate volumes grew in excess of 15% YoY over the past two quarters. The success of new low priced packs and pressure on the unorganized sector were key volume drivers over the past six months. We believe FY11 will be a better year for Britannia due to subsiding inflation, which would have a dual impact. It would boost consumer uptrading and lower input costs, necessitating fewer price increases. We factor in FY11 volume growth of 13.5% (partly aided by a low base) and realization growth of 6.7% (6.8% in FY10).

FLAT VOLUMES IMPACT SALES GROWTH; REBOUND IN THE PAST TWO QUARTERS

Volume growth of over 15% in the past six months

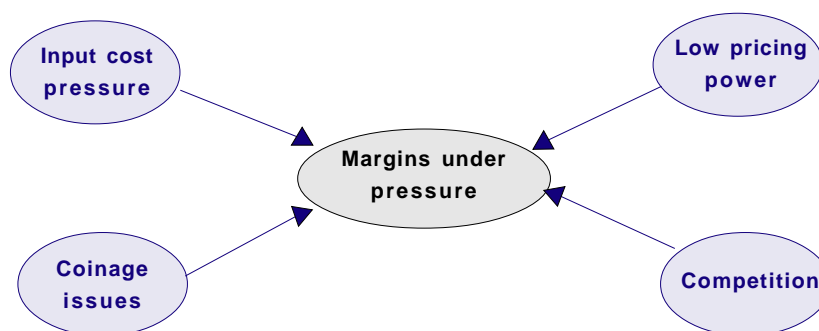


Source: Company/MOSL

Input cost pressure overshadows price increase/mix benefit

There has been margin contraction in the biscuit industry over the past 12 months, led by multiple factors such as spiraling input costs, rising competition, coinage issues and increased market fragmentation.

MULTIPLE FACTORS PRESSURIZE MARGINS

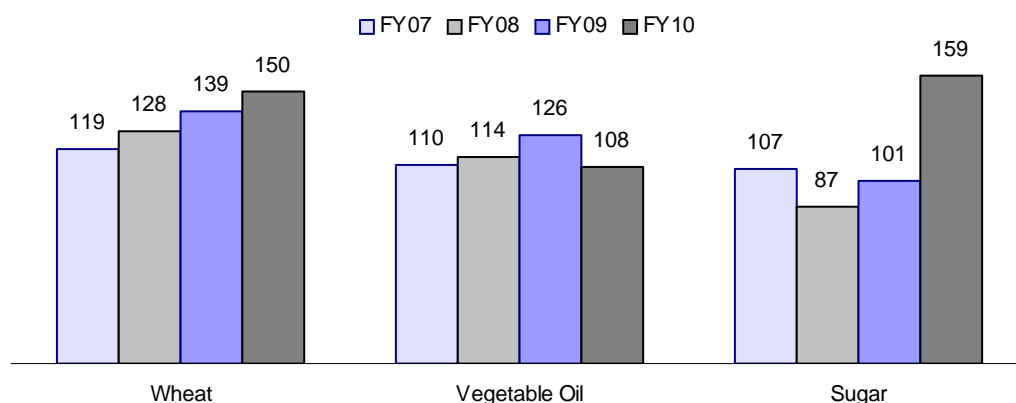


Source: Company/MOSL

Sugar prices up 58%, wheat prices up 8% in FY10

Despite a price increase of 5-10% across key brands in FY10 and a mix benefit (due to value-added biscuits growing faster), gross margins fell to a 10-year low of 28.1%. Key inputs like sugar (up 58% YoY) and wheat (up 8% YoY) led the pressure, though lower prices of vegetable oil and packaging material (both crude-led) provided some solace.

MAJOR COST PUSH DUE TO SUGAR PRICES (FY06 PRICE = 100)



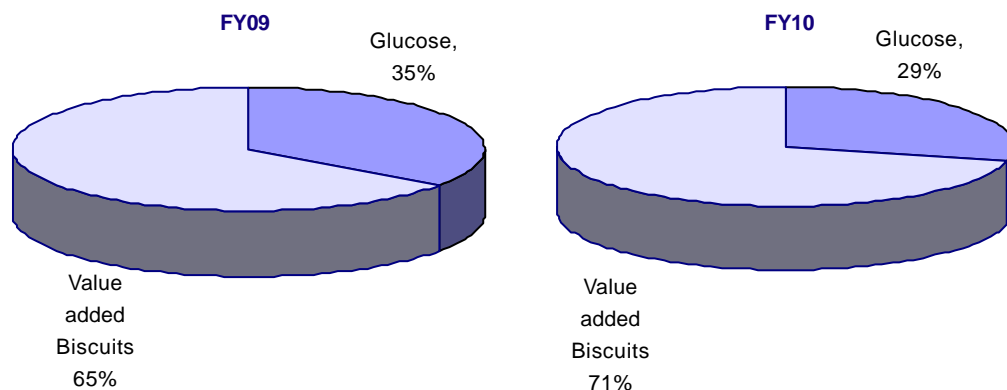
Source: Company/MOSL

Low pricing power in base Glucose segment, focus shifts to premium segments

With intense competition, price hikes from crucial price points (Rs5, Rs10) is getting increasingly difficult, more so in entry-level segments. The industry has been reducing grammage to stick to vital price points of Rs2 and Rs4. Besides, there has been an all-round effort to promote premium biscuits in small packs with a view to increased realizations and improved margins. Leading players such as Britannia, ITC and Parle launched Rs5 packs in cookies and creams over the past year. This has resulted in a sharp increase in sales in the premium segment and a consequent decline in the share of entry level Glucose biscuits. Over the past 12 months the share of Glucose biscuits has fallen in the total

biscuits segment from ~35% to 29%. Britannia posted a 100% increase in sales for biscuits at the Rs5 price point and it accounts for 10% of its sales.

SHARE OF GLUCOSE FALLS -6PP OVER THE PAST 12 MONTHS



Source: Company/MOSL

Rising competition

Over the past couple of years there has been stiff competition in the biscuits segment. The market had well defined niches for each player with Parle focusing on *Glucose*, *Hide & Seek* and *Monaco*. Britannia's focus was creams and cookies and *Marie*. ITC's focus was on new variants and flavors in creams. But in the past 12-18 months, ITC and Parle moved into new segments. Parle entered creams and cookies and ITC expanded into cookies. This resulted in fragmentation and increased competition. Competition is likely to stay stiff as players like United Biscuits and Kraft are likely to stake claim in the premium segment, and softening input costs could lead to resurgence of local competition.

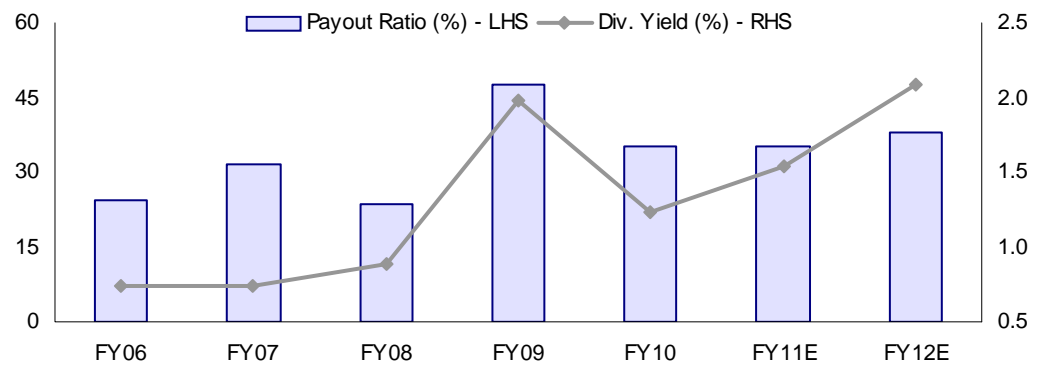
Balance sheet highlights

- Britannia incurred capex of Rs363m largely for maintenance purposes.
- Britannia's issue of 8.25% redeemable bonus debentures of Rs4.06b increased its debt equity ratio to 1.1 and it will result in annual interest outgo of ~Rs350m.
- Investment in its subsidiaries increased to Rs1.37b from Rs472m. Investment in Daily Bread increased Rs548m, Britannia and Asso (Mauritius) rose Rs550m.
- Working capital requirement fell Rs1.7b due to a cut in inventory turnover days from 40 to 33 (lower raw material inventory at the year end), and creditor days increased to 33 from 30. The working capital cycle improved from 10 to 1.3 days.
- Exceptional items for the year included VRS amortization costs (Rs329m), diminution in value of investments in subsidiaries (Rs390m in Daily Bread and Rs57.6m in Britannia Lanka), and claims on corporate guarantee (Rs142m in Britannia Lanka). Britannia closed its Sri Lanka operations.

Investment in its subsidiaries increased to Rs1.37b from Rs472m

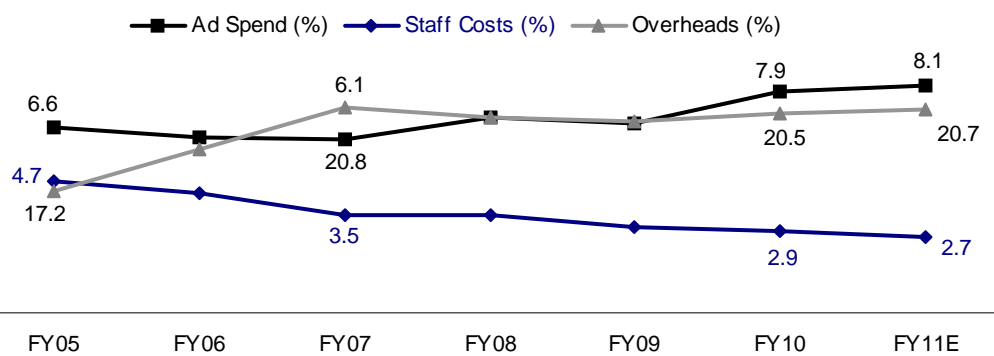
PAYOUT RATIO FALL TO 35% IN FY10

*Profit setback retards
payout ratio*



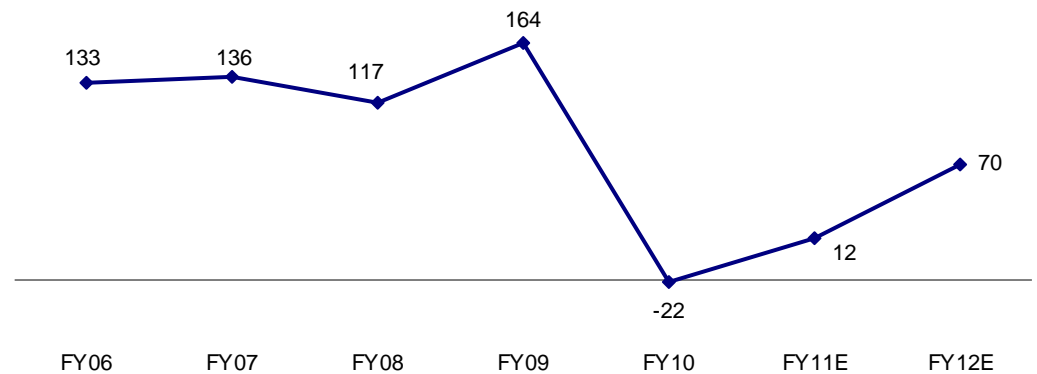
LOWER STAFF COSTS (DOWN 20BP) PARTLY OFFSET INCREASE IN AD-SPEND (UP 20BP) AND OVERHEADS (UP 20BP)

*Ad-spends have entered
a new zone*



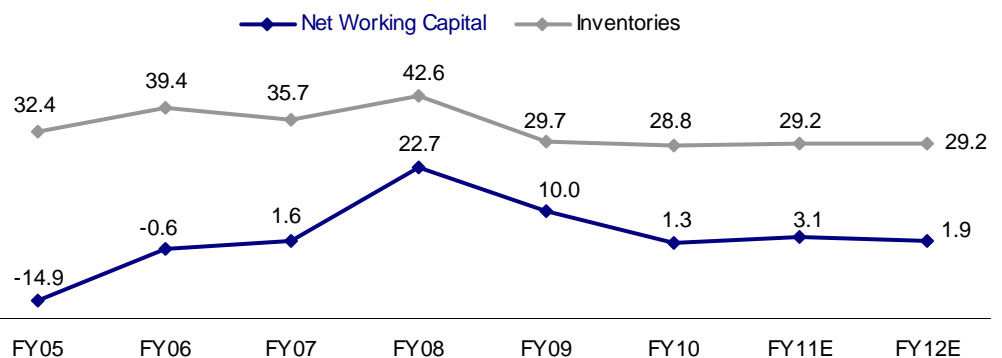
ISSUE OF BONUS DEBENTURE TAKE NET CASH TO NEGATIVE (RS /SHARE)

*Issue of bonus debenture to
result in interest burden of
Rs350m per annum*



WORKING CAPITAL DAYS IMPROVE FROM 10 TO 1.3

*Reduction in RM inventory
reduces working
capital days*



Source: Company/MOSL

Britannia reinstates focus on premium segments, enters new segments

Britannia has been under significant pressure across segments but it has been able to hold its own in the premium segment, helped by the aggressive entry of ITC and Parle, which expanded the market for premium products. The management believes it leads the value added biscuit space, which offers better pricing power. Britannia's brands span two broad areas: (1) delight and lifestyle (comprising brands like *GoodDay*, *Treat*, *50-50* and *Pure Magic*), and (2) health and nutrition (comprising *Tiger*, *Milk Bikis*, *Marie Gold* and *Nutrigo*). Britannia devised a multi-pronged strategy that aims at cost cuts at one end and creating consumption opportunities and product variants at the other.

BRITANNIA'S NEW LAUNCHES ON THE HEALTH AND WELLNESS PLATFORM



Source: Company/MOSL

- Britannia launched biscuits like *Nutrigo*, *Nature Spice Cracker*, *Britannia Cookies* and *Britannia Top*.
- It has entered a milk-based product segment like *Tiger Zor Choco Milk* and *ActiMind* (Britannia Dairy).
- *Treat Choco Decker*, a mix of jam, chocolate and biscuit, is targeted at children.
- Britannia also offers vegetarian cakes and breads.
- Britannia is promoting Rs5 packs of cookies and premium products like *Good Day*, *Treat* and *Marie*.

*Rs5 SKU now accounts
for 10% of sales*

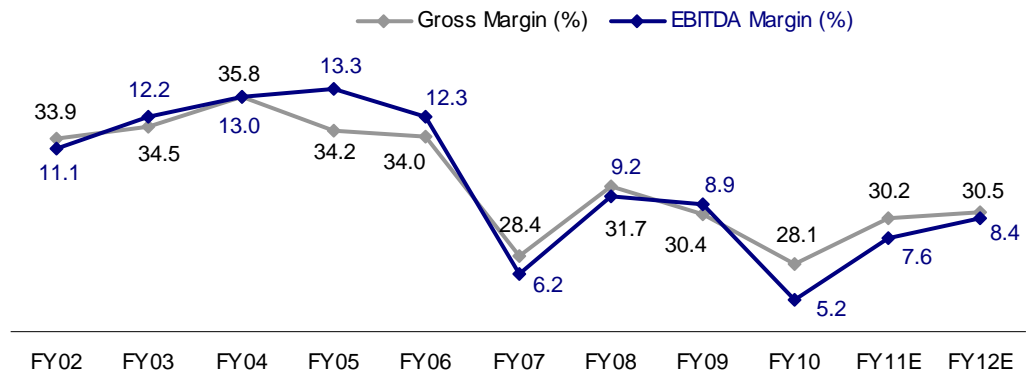
We believe the focus on premium variants and “on-the-go” consumption (over 10% of Britannia's sales) would result in continuing mix improvement in the biscuit industry over the next few years. This would benefit Britannia as it has a strong presence in value-added segments. We estimate margins in value added sub-segments like cookies, cream and *Marie* are 1.5-2x EBITDA margins of the base *Glucose* variant.

Worst seems to be over as sequential margin recovery begins

Britannia posted its lowest EBITDA margins in the recent past and an EBITDA loss in 4QFY10. But with sugar prices declining by 38% from their peaks and wheat prices relatively benign, margin recovery is underway. EBITDA margins rose 570bp sequentially

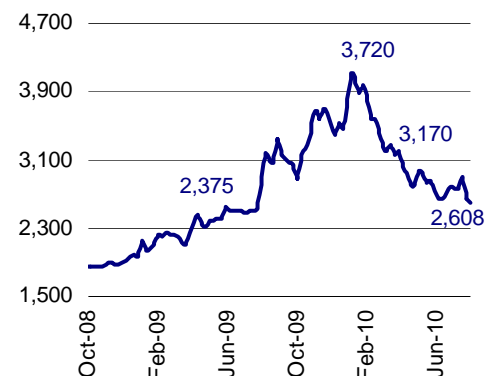
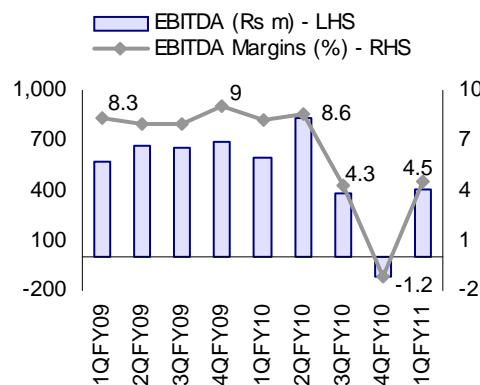
to 4.5% in 1QFY11. Price increases and lower input costs will result in a sequential increase in profit margins in the coming quarters. We model a 6% increase in wheat costs and a 6% decline in sugar prices for the current year. We estimate a 240bp increase in margins in FY11 and 80bp increase in FY12.

WORST BEHIND US; MARGINS TO IMPROVE 320BP OVER FY10-12



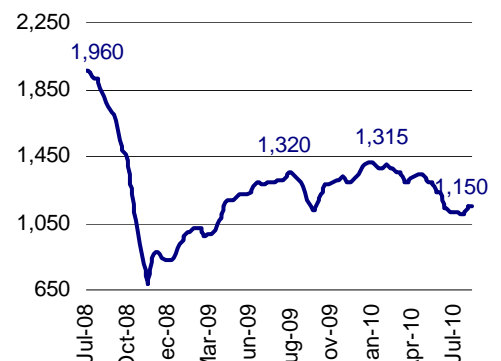
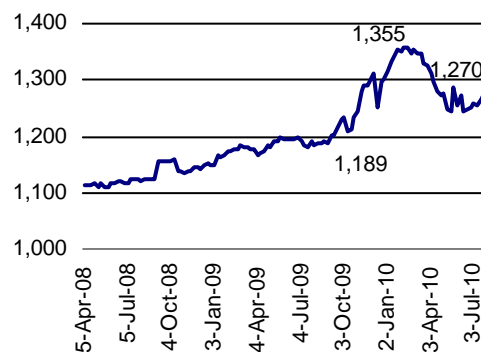
EBITDA MARGIN UP 520BP QOQ

... LED BY 38% DECLINE IN SUGAR PRICES (INR/QTL)



WHEAT PRICES RULING SOFT (RS/QUINTAL)

HDPE PRICE DOWN 10% YOY (USD/MT)



Source: Company/MOSL

We believe that in the biscuit industry there has been a structural decline in margin profile from 12-13% until FY05 to 8-9% currently. We don't expect the industry to return to double digit EBITDA margins in the near term due to (1) stiff competition, (2) the entry of new players, and (3) category fragmentation.

Britannia Dairy posts adjusted PAT of Rs101m; tipped to be next growth driver

Subsidiary losses declined from Rs621m in FY09 to Rs213m in FY10

Britannia acquired stake held by Fonterra Brands in Britannia New Zealand Foods and renamed this venture as Britannia Dairy Products. This company posted a 16.7% increase in sales to Rs1.9b and adjusted PAT of Rs101m (before the write-off of intangibles aggregating Rs445m) against a loss of Rs35m in FY09. The company plans to launch differentiated products in coming years. It has a presence in cheese, UHT milk and yogurt. It recently launched *ActiMind*, a nutritive, milk-based beverage for children. We believe dairy products will be an important growth driver for Britannia.

PERFORMANCE OF SUBSIDIARIES (RS M)

| | STAKE (%) | FY10 | | FY09 | |
|----------------------------------|--------------|--------------|-------------|--------------|-------------|
| | | SALES | NET PROFIT | SALES | NET PROFIT |
| Britannia Dairy Products | 100 | 1,888 | 101 | 1,619 | -35 |
| Daily Bread | 100 | 145 | -46 | 163 | -248 |
| Strategic Food International Inc | 100 | 1,280 | -185 | 1,578 | -269 |
| Al-Sallan | 66 | 924 | -83 | 730 | -69 |
| Total | | 4,237 | -213 | 4,090 | -621 |

Source: Company/MOSL

Daily Bread, which operates only in Bangalore, posted sales of Rs145m and a loss of Rs46m (EBITDA break-even). It is working as an incubation venture to arrive at a business model for roll-out in other cities.

In FY10, Britannia acquired the complete beneficial interest in Strategic Food International, Dubai. The subsidiary markets Britannia's products in the Middle East and ended the year with sales of Rs1.6b and a loss of Rs185m for the 15 months to 31 March 2010. The company launched *Nutro* biscuits and entered Kuwait and Saudi Arabia through distributors.

Cutting FY12 estimates by 5%; 25% PAT CAGR over FY10-12; maintain Buy

We factor in 18% sales growth and 320bp EBITDA margin expansion over FY10-12. Strong volumes and the benefit of lower input costs will enable Britannia to post 25% PAT CAGR over FY10-12. We are increasing FY11 tax estimates to 20% (earlier 18%) and 24% for FY12 (earlier 23%). We are cutting FY12 EPS estimates by 5% mainly due to lower margin expansion in the face of stiff competition. Our revised EPS is Rs88.5 (earlier Rs88.4) for FY11 and Rs110.7 (Rs116.8) for FY12. The stock trades at 22.8x FY11E EPS and 18.2x FY12E EPS. Maintain **Buy**.

REVISION IN ESTIMATES: 5% DOWNGRADE FOR FY12 (RS M)

| | EARLIER ESTIMATES | | NEW ESTIMATES | | CHANGE (%) | |
|-------------------|-------------------|--------|---------------|--------|------------|-------|
| | FY11E | FY12E | FY11E | FY12E | FY11E | FY12E |
| Sales | 38,993 | 44,626 | 41,158 | 47,106 | 5.6 | 5.6 |
| EBITDA | 2,884 | 3,924 | 2,978 | 3,794 | 3.3 | -3.3 |
| EBITDA Margin (%) | 7.7 | 9.1 | 7.6 | 8.4 | | |
| Interest | 382 | 383 | 409 | 410 | 7.0 | 7.0 |
| PBT | 2,575 | 3,625 | 2,642 | 3,480 | 2.6 | -4.0 |
| PAT | 2,112 | 2,791 | 2,114 | 2,645 | 0.1 | -5.2 |
| PAT Growth (%) | 28.4 | 32.2 | 24.8 | 25.1 | | |
| EPS (Rs) | 88.4 | 116.8 | 88.5 | 110.7 | 0.1 | -5.2 |

Source: Company/MOSL

Financials and Valuation

| INCOME STATEMENT | | | | | | (RS MILLION) | | | | | |
|---------------------------|--------|--------|--------|--------|--------|----------------------------|--------------|--------|--------|-------|--------|
| Y/E MARCH | 2008 | 2009 | 2010 | 2011E | 2012E | Y/E MARCH | 2008 | 2009 | 2010 | 2011E | 2012E |
| Net Revenues | 25,913 | 31,271 | 34,166 | 41,301 | 47,259 | Basic (Rs) | | | | | |
| Change (%) | 17.8 | 20.7 | 9.3 | 20.9 | 14.4 | EPS | 76.7 | 84.2 | 70.9 | 88.5 | 110.7 |
| Raw Material Cost | 17,702 | 21,766 | 24,573 | 28,837 | 32,831 | BV/Share | 316.4 | 345.1 | 165.9 | 218.4 | 280.5 |
| Gross Profit | 8,211 | 9,504 | 9,592 | 12,465 | 14,429 | DPS | 18.0 | 40.0 | 25.0 | 31.2 | 42.3 |
| Margin (%) | 31.7 | 30.4 | 28.1 | 30.2 | 30.5 | Payout (%) | 23.5 | 47.5 | 35.3 | 35.3 | 38.2 |
| Advertising | 1,798 | 2,112 | 2,688 | 3,334 | 3,863 | Valuation (x) | | | | | |
| % of Sales | 6.9 | 6.8 | 7.9 | 8.1 | 8.2 | P/E | 26.3 | 23.9 | 28.4 | 22.8 | 18.2 |
| Other Expenditure | 4,031 | 4,616 | 5,120 | 6,009 | 6,618 | EV/Sales | 1.7 | 1.4 | 1.4 | 1.1 | 1.0 |
| EBITDA | 2,383 | 2,776 | 1,784 | 3,122 | 3,947 | EV/EBITDA | 18.9 | 15.8 | 26.5 | 14.9 | 11.4 |
| Change (%) | 73.0 | 16.5 | -35.7 | 75.0 | 26.4 | P/BV | 6.4 | 5.8 | 12.1 | 9.2 | 7.2 |
| Margin (%) | 9.2 | 8.9 | 5.2 | 7.6 | 8.4 | Dividend Yield | 0.9 | 2.0 | 1.2 | 1.6 | 2.1 |
| Depreciation | 291 | 335 | 375 | 410 | 453 | Return Ratios (%) | | | | | |
| Int. and Fin. Charges | 97 | 160 | 82 | 409 | 410 | RoE | 24.2 | 24.4 | 42.7 | 40.5 | 39.5 |
| Financial Other Income | 250 | 250 | 409 | 339 | 395 | RoCE | 30.1 | 34.6 | 27.0 | 35.6 | 38.9 |
| PBT | 2,245 | 2,532 | 1,736 | 2,642 | 3,480 | Working Capital Ratios | | | | | |
| Change (%) | 80.2 | 12.8 | -31.4 | 52.2 | 31.7 | Debtor (Days) | 7 | 6 | 4 | 5 | 5 |
| Margin (%) | 8.7 | 8.1 | 5.1 | 6.4 | 7.4 | Asset Turnover (x) | 3.0 | 3.7 | 4.1 | 4.3 | 4.3 |
| Tax | 424 | 398 | 208 | 581 | 905 | Leverage Ratio | | | | | |
| Deferred Tax | -11 | 123 | -165 | -53 | -70 | Debt/Equity (x) | 0.1 | 0.0 | 1.1 | 0.8 | 0.6 |
| Tax Rate (%) | 18.4 | 20.6 | 2.5 | 20.0 | 24.0 | | | | | | |
| PAT | 1,833 | 2,011 | 1,693 | 2,114 | 2,645 | CASH FLOW STATEMENT | (RS MILLION) | | | | |
| Change (%) | 61.0 | 9.7 | -15.8 | 24.8 | 25.1 | Y/E MARCH | 2008 | 2009 | 2010 | 2011E | 2012E |
| Margin (%) | 7.1 | 6.4 | 5.0 | 5.1 | 5.6 | OP Profit | 2,383 | 2,776 | 1,784 | 3,122 | 3,947 |
| Non-rec. (Exp.)/Income | 78 | -206 | -529 | 0 | 0 | Financial Other Income | 250 | 250 | 409 | 339 | 395 |
| Reported PAT | 1,911 | 1,804 | 1,165 | 2,114 | 2,645 | Interest Paid | 97 | 160 | 82 | 409 | 410 |
| | | | | | | Direct Taxes Paid | 424 | 398 | 208 | 581 | 905 |
| | | | | | | Inc in W/C | 1,513 | -758 | -731 | 228 | -104 |
| | | | | | | CF from Operations | 599 | 3,226 | 2,635 | 2,243 | 3,132 |
| | | | | | | Extraordinary Items | | | | | |
| | | | | | | (Inc)/Dec in FA | 547 | 547 | 419 | 564 | 600 |
| | | | | | | (Pur.)/Sale of Investments | 608 | 423 | 675 | 563 | 1,195 |
| | | | | | | Other Non Rec Exp | -78 | 206 | 529 | 0 | 0 |
| | | | | | | CF from Investments | 1,077 | 1,175 | 1,624 | 1,126 | 1,795 |
| | | | | | | Issue of Shares | 0 | 0 | 0 | 0 | 0 |
| | | | | | | Inc in Debt | 1,013 | -809 | -17 | 11 | 11 |
| | | | | | | Dividend Paid | 419 | 503 | 1,727 | 696 | 858 |
| | | | | | | Other Item | 164 | 768 | -559 | 162 | 304 |
| | | | | | | CF from Fin. Activity | 430 | -2,080 | -1,185 | -848 | -1,151 |
| | | | | | | Inc/Dec of Cash | -48 | -30 | -174 | 269 | 186 |
| | | | | | | Add: Beginning Balance | 486 | 438 | 408 | 234 | 503 |
| | | | | | | Closing Balance | 438 | 408 | 234 | 502 | 689 |
| | | | | | | | | | | | |
| BALANCE SHEET | | | | | | (RS MILLION) | | | | | |
| Y/E MARCH | 2008 | 2009 | 2010 | 2011E | 2012E | | | | | | |
| Share Capital | 239 | 239 | 239 | 239 | 239 | | | | | | |
| Reserves | 7,319 | 8,007 | 3,724 | 4,979 | 6,462 | | | | | | |
| Networth | 7,558 | 8,245 | 3,963 | 5,218 | 6,701 | | | | | | |
| Loans | 1,061 | 252 | 4,296 | 4,307 | 4,318 | | | | | | |
| Capital Employed | 8,619 | 8,497 | 8,259 | 9,525 | 11,020 | | | | | | |
| Gross Block | 4,532 | 5,115 | 5,478 | 6,078 | 6,678 | | | | | | |
| Less: Accum. Depn. | -2,122 | -2,337 | -2,663 | -3,074 | -3,526 | | | | | | |
| Net Fixed Assets | 2,410 | 2,778 | 2,815 | 3,005 | 3,152 | | | | | | |
| Capital WIP | 97 | 60 | 116 | 80 | 80 | | | | | | |
| Investments | 3,808 | 4,231 | 4,906 | 5,469 | 6,664 | | | | | | |
| Deferred Liability | 24 | -99 | 66 | 119 | 188 | | | | | | |
| Currents Assets | 5,525 | 5,393 | 5,210 | 6,431 | 7,404 | | | | | | |
| Inventory | 3,015 | 2,536 | 2,683 | 3,293 | 3,768 | | | | | | |
| Account Receivables | 463 | 496 | 395 | 553 | 695 | | | | | | |
| Cash and Bank Balance | 438 | 408 | 234 | 503 | 689 | | | | | | |
| Others | 1,608 | 1,953 | 1,898 | 2,083 | 2,252 | | | | | | |
| Curr. Liab. & Prov. | 3,477 | 4,133 | 4,855 | 5,579 | 6,469 | | | | | | |
| Account Payables | 2,418 | 2,601 | 3,117 | 3,674 | 4,167 | | | | | | |
| Other Liabilities | 555 | 414 | 971 | 1,047 | 1,140 | | | | | | |
| Provisions | 503 | 1,118 | 767 | 858 | 1,162 | | | | | | |
| Net Current Assets | 2,048 | 1,261 | 355 | 853 | 935 | | | | | | |
| Misc Expenditure not w/of | 232 | 266 | 0 | 0 | 0 | | | | | | |
| Net Assets | 8,619 | 8,497 | 8,259 | 9,525 | 11,020 | | | | | | |

N O T E S



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Disclosure of Interest Statement

Britannia Industries

- | | |
|---|----|
| 1. Analyst ownership of the stock | No |
| 2. Group/Directors ownership of the stock | No |
| 3. Broking relationship with company covered | No |
| 4. Investment Banking relationship with company covered | No |

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