

Independent Auditor's Report

To the Members of Britannia Employees Medical Welfare Association Private Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Britannia Employees Medical Welfare Association Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2016, the statement of income and expenditure, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its surplus and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. This report does not include a statement on the matters as required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of income and expenditure, and the cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act,
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses, and
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

SD/-

Supreet Sachdev

Partner

Membership number: 205385

Place: Bangalore

Date: 18 May 2016

Britannia Employees Medical Welfare Association Private Limited
Balance sheet

Rs. in '000

Particulars	Note No.	As at	
		31 March 2016	31 March 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Capital fund	2	1,800.00	1,800.00
(b) Reserves and surplus	3	914.19	877.75
		<u>2,714.19</u>	<u>2,677.75</u>
(2) Current liabilities			
(a) Other current liabilities	4	50.40	35.41
(b) Short-term provisions	5	-	24.79
		<u>50.40</u>	<u>60.20</u>
		<u>2,764.59</u>	<u>2,737.95</u>
II. ASSETS			
(1) Non-current assets			
(a) Non-current investments	6	1,011.70	1,011.70
(b) Long-term loans and advances	7	32.69	30.72
		<u>1,044.39</u>	<u>1,042.42</u>
(2) Current assets			
(a) Current investments	8	39.60	39.60
(b) Cash and bank balances	9	1,623.40	1,532.21
(c) Other current assets	10	57.20	123.72
		<u>1,720.20</u>	<u>1,695.53</u>
		<u>2,764.59</u>	<u>2,737.95</u>
Significant accounting policies	1		

See accompanying notes to the financial statements.

As per our report of even date attached

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

Chartered Accountants

Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

sd-

Supreet Sachdev

Partner

Membership number: 205385

sd-

Ramamurthy Jayaraman

Director

sd-

Ritesh Rana

Director

Place : Bangalore

Date: 18 May 2016

Place : Bangalore

Date: 18 May 2016

Britannia Employees Medical Welfare Association Private Limited**Statement of income and expenditure**

Rs. in '000

Particulars	Note No.	For the year ended 31 March 2016	For the year ended 31 March 2015
I Income			
Interest on deposits		102.43	140.48
		<u>102.43</u>	<u>140.48</u>
II Expenditure			
Other expenses	11	49.69	41.06
		<u>49.69</u>	<u>41.06</u>
III Excess of Income over Expenditure		52.74	99.42
Current tax		16.30	30.72
IV Surplus for the year		<u>36.44</u>	<u>68.70</u>
Significant accounting policies	1		

See accompanying notes to the financial statements.

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors

sd-

Supreet Sachdev

Partner

Membership number: 205385

Place : Bangalore

Date: 18 May 2016

sd-

Ramamurthy Jayaraman

Director

Place : Bangalore

Date: 18 May 2016

sd-

Ritesh Rana

Director

Britannia Employees Medical Welfare Association Private Limited
Notes to financial statements

1. Significant accounting policies

a. Background

Britannia Employees Medical Welfare Association Private Limited ('the Company') was incorporated on 20 November 1985 as a company limited by guarantee with an objective to provide general welfare to employees and ex-employees of Britannia Industries Limited. The registered office of the Company is situated in Bangalore.

b. Basis for preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting. The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards ('AS') prescribed by under Section 133 of the Companies Act, 2013 ('the Act'), read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act and the Companies Act, 1956 to the extent relevant. The financial statements are presented in Indian rupees and rounded off to the nearest Rupee.

c. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the results of operations during the reporting period end. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

d. Revenue recognition

Interest on investments is booked on a time-proportion basis taking into account the amounts invested and the rate of interest.

Dividend income is accounted for in the year in which the right to receive the same is established.

e. Investments

Long term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long term investments.

Current investments are stated at lower of cost and fair value for each investment individually.

f. Medical welfare expenses

Medical welfare expenses are accounted when they are claimed by the beneficiaries.

g. Taxation

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Britannia Employees Medical Welfare Association Private Limited
Notes to financial statements (continued)

h. Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of an obligating event that probably will require an outflow of resources to settle the obligation, and in respect of which a reliable estimate can be made. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources, in case of a possible obligation or a present obligation is remote no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized 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.

i. 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. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

j. Cash and cash equivalents

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

Britannia Employees Medical Welfare Association Private Limited**Cash flow statement**

Rs. in '000

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Cash flows from operating activities		
Profit/ (loss) before taxation	52.74	99.42
Adjustments for:		
Interest income	(102.43)	(140.48)
Operating cash flows before working capital changes	(49.69)	(41.06)
Increase/ (decrease) in Trade payables, other current liabilities and provisions	14.99	(1.55)
Cash flow from operations	(34.70)	(42.61)
Income taxes paid, net of refund	(43.06)	(31.66)
Net cash (used in) / provided by operating activities	(77.76)	(74.27)
Cash flows used in investing activities		
Interest received	168.95	134.79
Net cash used in investing activities	168.95	134.79
Cash flow from financing activities		
Net (decrease)/ increase in cash and cash equivalents	91.19	60.52
Cash and cash equivalent at the beginning of the year	1,532.21	1,471.69
Cash and cash equivalent at the end of the year (Refer note below)	1,623.40	1,532.21
Note:		
Cash and cash equivalent at the end of the year	1,623.40	1,532.21

As per our report of even date attached

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

Chartered Accountants

Firm registration number: 101248W/ W-100022

for and on behalf of the Board of Directors

sd-

Supreet Sachdev

Partner

Membership number: 104315

sd-

Ramamurthy Jayaraman

Director

sd-

Ritesh Rana

Director

Place : Bangalore

Date: 18 May 2016

Place : Bangalore

Date: 18 May 2016

As at	31 March 2016	31 March 2015
Note 2 - Capital fund		
Capital fund	1,800.00	1,800.00
	<u>1,800.00</u>	<u>1,800.00</u>
Note 3 - Reserves and surplus		
Balance at the beginning of the year	877.75	809.05
Additions:		
Surplus for the year	36.44	68.70
Balance at the end of the year	<u>914.19</u>	<u>877.75</u>
Note 4 - Other current liabilities		
Other liabilities	50.40	35.41
	<u>50.40</u>	<u>35.41</u>
Note 5 - Short-term provisions		
Provision for income tax	-	24.79
	<u>-</u>	<u>24.79</u>

Note 6 - Non-current investments

Other investments

Non-trade, Unquoted

Investments in equity instruments (fully paid) - (At cost)

Flora Investments Company Private Limited - Equity Shares
Gilt Edge Finance and Investments Private Limited - Equity Shares

Total long-term investments

Total unquoted non-current investments*

Aggregate value of long-term investments*

Face value per share/unit	Units/Nos.		Value	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Rs.10/-	56,350	56,350	563.50	563.50
Rs.10/-	44,820	44,820	448.20	448.20
			<u>1,011.70</u>	<u>1,011.70</u>
			1,011.70	1,011.70
			<u>1,011.70</u>	<u>1,011.70</u>

* There were no purchases/ sales of the shares made during the year.

Note 7 - Long-term loans and advances

Unsecured

Considered good:

- Advance tax and tax deducted at source

32.69 30.72

32.69 30.72

Note 8 - Current investments

Non-trade, Unquoted

Investments in bonds

6.75% Tax free US 64 Bonds

Total current investments

Total unquoted current investments

Aggregate value of current investments

* There were no purchases/ sales of the shares made during the year.

Face value per share/unit	Units/Nos.		Value	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Rs. 100	396	396	39.60	39.60
			39.60	39.60
			39.60	39.60
			39.60	39.60

Note 9 - Cash and bank balances

Cash and cash equivalents:

Balances with bank - Current account

Other bank balances:

Fixed deposits *

* Deposits with more than 12 months maturity amounting to Rs. Nil (previous year: Rs. Nil)

Note 10 - Other current assets

Unsecured

Considered good:

Interest accrued and due

	173.40	7.21
	1,450.00	1,525.00
	1,623.40	1,532.21

	57.20	123.72
	57.20	123.72

Britannia Employees Medical Welfare Association Private Limited
Notes to financial statements (continued)

Rs. in '000

	For the year ended 31 March 2016	For the year ended 31 March 2015
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Note 11 - Other expenses

Rates and taxes	23.31	13.93
Bank charges	1.34	2.03
Professional charges	25.04	25.10
	49.69	41.06

Britannia Employees Medical Welfare Association Private Limited
Notes to the financial statements (continued)

11. The Company has no contingent liabilities and commitments (previous year Rs Nil).
12. The Company is limited by guarantee having no share capital. Hence the disclosure of earning per share is not applicable.
13. There are no material dues by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2016. 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.

	(Amount in '000)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
The principal remaining unpaid to micro and small suppliers as at the end of the year		
Principal:	-	-
Interest:	-	-
The amount of interest paid by the buyer as per the MSMED Act, 2006.	-	-
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 this Act;	-	-
The amount of interest accrued and remaining unpaid at the end of the 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 purpose of disallowance as a deductibles expenditure under the MSMED Act, 2006.	-	-

14. The Company has not incurred any expenditure in foreign currency during the year (previous year: Rs Nil).
15. The Company has not earned any income in foreign currency during the year (previous year: Rs Nil).

Britannia Employees Medical Welfare Association Private Limited
Notes to the financial statements (continued)

16. Auditors' remuneration (included in professional charges)*

	(Amount in '000)	
	For the year ended 31 March 2016	For the year ended 31 March 2015
Audit fees	20.00	20.00
Out of pocket expenses	1.00	1.00
	21.00	21.00

* Excludes service tax

17. The Company does not have any imports during the year (previous year: Rs Nil).

As per our report of even date attached

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

for and on behalf of Board of Directors

sd
Supreet Sachdev
Partner
Membership number: 205385

sd
Ramamurthy Jayaraman
Director

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Ritesh Rana
Director

Place: Bangalore
Date: 18 May 2016

Place: Bangalore
Date: 18 May 2016