

Independent Auditor's Report

To the Members of Britannia Employees Educational Welfare Association Private Limited

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of Britannia Employees Educational Welfare Association Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2017, the statement of income and expenditure (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 (hereinafter referred to as "the financial statements").

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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

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

Opinion

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

Report on Other Legal and Regulatory Requirements

1. 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, the cash flow statement, and statement of changes in equity dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - (e) On the basis of the written representations received from the directors as on 31 March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 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;
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer note 20.

for B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

SD/-

Supreet Sachdev

Partner

Membership Number: 205385

Place: Bangalore

Date: 23 May 2017

Annexure A to the Independent Auditor's Report of even date on the financial statements of Britannia Employees Educational Welfare Association Private Limited

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

(i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

for B S R & Co. LLP

Chartered Accountants

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

SD/-

Supreet Sachdev

Partner

Membership Number: 205385

Place: Bangalore

Date: 23 May 2017

Britannia Employees Educational Welfare Association Private Limited
Balance Sheet

Rs. in '000

As at	Note	31 March 2017	31 March 2016	1 April 2015
I Assets				
(1) Non-current assets				
(a) Financial assets				
(i) Investments	4	8,303.96	7,910.74	7,567.04
(b) Income tax assets (net)	12	32.90	40.15	28.50
Total non-current assets		8,336.86	7,950.89	7,595.54
(2) Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	5	61.22	127.70	14.29
(ii) Bank balances other than (i) above	5	1,981.50	1,853.00	1,855.00
(iii) Other financial assets	6	73.20	73.08	150.49
Total current assets		2,115.92	2,053.78	2,019.78
Total assets		10,452.78	10,004.67	9,615.32
II Equity and liabilities				
Equity				
(a) Capital fund	7	1,752.00	1,752.00	1,752.00
(b) Other equity	8	7,153.95	6,779.64	6,451.98
Total equity		8,905.95	8,531.64	8,203.98
Liabilities				
(1) Non-current liabilities				
(a) Deferred tax liabilities (net)	12	1,502.08	1,421.08	1,350.33
Total non-current liabilities		1,502.08	1,421.08	1,350.33
(2) Current liabilities				
(a) Financial liabilities				
(i) Other financial liabilities	9	42.61	51.95	36.95
(b) Current tax liabilities (net)	12	2.14	-	24.06
Total current liabilities		44.75	51.95	61.01
Total equity and liabilities		10,452.78	10,004.67	9,615.32
Significant accounting policies	3			

See accompanying notes to 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

SD/-

Ramamurthy Jayaraman

Director

SD/-

Ritesh Rana

Director

Place : Bangalore

Date: 23 May 2017

Place : Bangalore

Date: 23 May 2017

Place : Bangalore

Date: 23 May 2017

Britannia Employees Educational Welfare Association Private Limited
Statement of profit and loss

Rs. in '000

For the year ended	Note	31 March 2017	31 March 2016
I. Other income	10	<u>536.27</u>	<u>472.18</u>
		536.27	472.18
II. Expenses			
Other expenses	11	<u>53.19</u>	<u>49.30</u>
		53.19	49.30
III. Surplus before tax (I - II)		483.08	422.88
IV. Tax expense:			
(i) Current tax	12	27.77	24.47
(ii) Deferred tax		81.00	70.75
		<u>108.77</u>	<u>95.22</u>
V. Surplus for the year (III - IV)		374.31	327.66
VI. Other comprehensive income			-
VII. Total comprehensive income for the year (V + VI)		374.31	327.66
Significant accounting policies	3		

See accompanying notes to 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: 23 May 2017

SD/-

Ramamurthy Jayaraman

Director

Place : Bangalore

Date: 23 May 2017

SD/-

Ritesh Rana

Director

Place : Bangalore

Date: 23 May 2017

Britannia Employees Educational Welfare Association Private Limited
Statement of cash flow

Rs. in '000

For the year ended	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from operating activities		
Surplus before taxation	483.08	422.88
Adjustments for:		
Interest income	(143.05)	(128.48)
Gain on fair value of investment	(393.22)	(343.70)
Operating cash flows before working capital changes	(53.19)	(49.30)
Increase/ (decrease) in financial liabilities	(9.34)	15.00
Increase/ (decrease) in other bank balances	(128.50)	2.00
Cash flow from operations	(191.03)	(32.30)
Income taxes paid, net of refund	(18.38)	(60.18)
Net cash used in operating activities	(209.41)	(92.48)
Cash flows from investing activities		
Interest received	142.93	205.89
Net cash from investing activities	142.93	205.89
Cash flow from financing activities		
Net cash provided by financing activities	-	-
Net increase in cash and cash equivalents	(66.48)	113.41
Cash and cash equivalent at the beginning of the year	127.70	14.29
Cash and cash equivalent at the end of the year (Refer note below)	61.22	127.70
Note:		
Cash and cash equivalent at the end of the year	61.22	127.70

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: 23 May 2017

Place : Bangalore
Date: 23 May 2017

Place : Bangalore
Date: 23 May 2017

Britannia Employees Educational Welfare Association Private Limited
Statement of changes in equity

Rs. in '000

Particulars	Capital fund		Reserves and surplus		Other equity		Total
			Retained earnings	Equity instruments through OCI	Other comprehensive income	Other Items of OCI	
Balance as at 1 April 2015	1,752.00		6,451.98	-	-	-	8,203.98
Changes in equity for the year ended 31 March 2016							
Surplus for the year			327.66				327.66
Balance as at 31 March 2016	1,752.00		6,779.64				8,531.64

Particulars	Capital fund		Reserves and surplus		Other equity		Total
			Retained earnings	Equity instruments through OCI	Other comprehensive income	Other Items of OCI	
Balance as at 1 April 2016	1,752.00		6,779.64				8,531.64
Changes in equity for the year ended 31 March 2017							
Surplus for the year			374.31				374.31
Balance as at 31 March 2017	1,752.00		7,153.95				8,905.95

See accompanying notes to 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: 23 May 2017

Place : Bangalore
 Date: 23 May 2017

Place : Bangalore
 Date: 23 May 2017

1 Reporting entity

Britannia Employees Educational Welfare Association Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Bangalore. 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.

2 Basis of preparation

A. Statement of compliance

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

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

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 14.

The financial statements were authorised for issue by the Company's Board of Directors on 23 May 2017.

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

B. Functional & presentation currency

The financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities measured at fair value.

D. Use of estimates

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

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

Assumptions and estimation uncertainties

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

- Note 12 - recognition of deferred tax liabilities.

E. Measurement of fair values

Certain accounting policies and disclosures 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.

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, 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 13 - financial instruments

3. Significant accounting policies

(a) Revenue recognition

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.

Dividend income is recognised when the Company's right to receive the payment is established.

(b) General Welfare Expenses

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

Significant accounting policies (continued)

(c) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates 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.

(d) Financial instruments

i. Recognition and initial measurement

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

ii. Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Financial liabilities

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

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cashflows 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 the 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.

Significant accounting policies (continued)
Financial instruments (continued)

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.

(e) 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.

(f) 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.

(g) 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 item 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.

(h) Recent accounting pronouncements

Standards issued but not yet effective:

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

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

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

Note 4 - Non-current investments

Rs. in '000

	Face value per share/unit	Units/Nos.			Value		
		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Carried at fair value through profit and loss							
Investments in equity instruments (fully paid)*							
Flora Investments Company Private Limited - Equity Shares	Rs.10/-	56,384	56,384	56,384	4,327.52	4,122.78	3,940.66
Gilt Edge Finance and Investments Private Limited - Equity Shares	Rs.10/-	44,844	44,844	44,844	3,976.44	3,787.96	3,626.38
Total long-term investments					8,303.96	7,910.74	7,567.04
Aggregate amount of unquoted non-current investments					8,303.96	7,910.74	7,567.04

* There were no purchases/ sales of the shares made during the year. The fair value of investments same has been determined by using intrinsic value and has been categorised as Level 3 fair value based on the inputs to the valuation technique used. [Refer Note 2(E)]

Rs. in '000

As at	31 March 2017	31 March 2016	31 March 2015
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Note 5 - Cash and bank balances

Cash and cash equivalents:

- Current account	61.22	127.70	14.29
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Other bank balances:

- Fixed deposits (having original maturity over 3 months)	1,981.50	1,853.00	1,855.00
	2,042.72	1,980.70	1,869.29

Note 6 - Other financial assets

Interest accrued and due	73.20	73.08	150.49
	73.20	73.08	150.49

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

Rs. in '000

As at	31 March 2017	31 March 2016	1 April 2015
Note 7 - Capital fund			
Capital fund	1,752.00	1,752.00	1,752.00
	<u>1,752.00</u>	<u>1,752.00</u>	<u>1,752.00</u>

Note 8 - Other equity

Particulars	Retained earnings
Balance as at 1 April 2015	6,451.98
Additions:	
Net surplus after tax transferred from the statement of profit and loss	327.66
	<u>6,779.64</u>
Balance as at 31 March 2016	<u>6,779.64</u>

Particulars	Retained earnings
Balance as at 1 April 2016	6,779.64
Additions:	
Net surplus after tax transferred from the statement of profit and loss	374.31
	<u>7,153.95</u>
Balance as at 31 March 2017	<u>7,153.95</u>

As at	31 March 2017	31 March 2016	1 April 2015
Note 9 - Other financial liabilities			
Other liabilities*	42.61	51.95	36.95
	<u>42.61</u>	<u>51.95</u>	<u>36.95</u>

* Includes audit fees payable and fees payable towards various statutory filings.

For the year ended	31 March 2017	31 March 2016
Note 10 - Other income		
Interest income from financial assets carried at amortised cost	143.05	128.48
Net gain on financial asset measured at fair value through profit and loss	393.22	343.70
	<u>536.27</u>	<u>472.18</u>

Note 11 - Other expenses		
Rates and taxes	13.97	23.31
Bank charges	0.63	0.63
Welfare Expenses	8.60	
Professional charges	29.99	25.36
	<u>53.19</u>	<u>49.30</u>

Note 12 - Income tax

(a) Amounts recognised in statement of profit and loss

For the year ended	31 March 2017	31 March 2016
Current tax	27.77	24.47
Deferred tax	81.00	70.75
Tax expense for the year	<u>108.77</u>	<u>95.22</u>

(b) Reconciliation of effective tax rate

For the year ended	31 March 2017		31 March 2016	
Surplus before tax		483.08		422.88
Tax using the Company's domestic tax rate (31 March 2017: 30.90% and 31 March 2016: 30.90%)	30.90%	149.27	30.90%	130.67
Lower tax rate on temporary difference arising out of fair value of investment	-8.38%	(40.50)	-8.38%	(35.45)
	<u>22.52%</u>	<u>108.77</u>	<u>22.52%</u>	<u>95.22</u>

(c) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Deferred tax (assets)		Deferred tax (liabilities)		Net deferred tax (asset) liabilities	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Investments at fair value through profit or loss	-	-	1,502.08	1,421.08	1,502.08	1,421.08
	-	-	<u>1,502.08</u>	<u>1,421.08</u>	<u>1,502.08</u>	<u>1,421.08</u>

(d) Movement in temporary differences

	As at 1 April 2015	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2016
Investment at fair value through profit and loss	(1,350.33)	(70.75)	-	-	-	(1,421.08)
	<u>(1,350.33)</u>	<u>(70.75)</u>	-	-	-	<u>(1,421.08)</u>

	As at 1 April 2016	Recognised in statement of profit and loss	Recognised in OCI	Recognised directly in equity	Others	As at 31 March 2017
Investment at fair value through profit and loss	(1,421.08)	(81.00)	-	-	-	(1,502.08)
	<u>(1,421.08)</u>	<u>(81.00)</u>	-	-	-	<u>(1,502.08)</u>

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

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Income tax assets	32.90	40.15	28.50
Current tax liabilities	2.14	-	24.06
Net current income tax asset / (liability) at the end	<u>30.76</u>	<u>40.15</u>	<u>4.44</u>

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

For the year ended	31 March 2017	31 March 2016
Net current income tax asset / (liability) at the beginning	40.15	4.44
Income tax paid	18.38	60.18
Current income tax expense	(27.77)	(24.47)
Net current income tax asset / (liability) at the end	<u>30.76</u>	<u>40.15</u>

Note 13 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 2017, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount				Total carrying amount	Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in equity instruments	4	8,303.96	-	-	-	8,303.96	-	-	8,303.96	8,303.96
		8,303.96	-	-	-	8,303.96				
Financial assets not measured at fair value*										
Cash and cash equivalents	5	-	-	61.22	-	61.22				
Bank balances	5	-	-	1,981.50	-	1,981.50				
Other financial assets	6	-	-	73.20	-	73.20				
		-	-	2,115.92	-	2,115.92				
Financial liabilities not measured at fair value*										
Other financial liabilities	9	-	-	-	42.61	42.61				
		-	-	-	42.61	42.61				

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

Particulars	Note	Carrying amount				Total carrying amount	Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in equity instruments	4	7,910.74	-	-	-	7,910.74	-	-	7,910.74	7,910.74
		7,910.74	-	-	-	7,910.74				
Financial assets not measured at fair value*										
Cash and cash equivalents	5	-	-	127.70	-	127.70				
Bank balances	5	-	-	1,853.00	-	1,853.00				
Other financial assets	6	-	-	73.08	-	73.08				
		-	-	2,053.78	-	2,053.78				
Financial liabilities not measured at fair value*										
Other financial liabilities	9	-	-	-	51.95	51.95				
		-	-	-	51.95	51.95				

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

Particulars	Note	Carrying amount				Total carrying amount	Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investment in equity instruments	4	7,567.04	-	-	-	7,567.04	-	-	7,567.04	7,567.04
		7,567.04	-	-	-	7,567.04				
Financial assets not measured at fair value*										
Cash and cash equivalents	5	-	-	14.29	-	14.29				
Bank balances	5	-	-	1,855.00	-	1,855.00				
Other financial assets	6	-	-	150.49	-	150.49				
		-	-	2,019.78	-	2,019.78				
Financial liabilities not measured at fair value*										
Other financial liabilities	9	-	-	-	36.95	36.95				
		-	-	-	36.95	36.95				

*The fair value of cash and cash equivalents, bank balances, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments.

Note 14 Explanation of transition to Ind AS

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

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

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

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

Optional exemptions availed and mandatory exceptions

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

A. Optional exemptions availed

- 1 The Company has not availed any optional exemptions.

B. Mandatory exceptions

1 Estimates

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

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

The Company's estimates under Ind AS are consistent with the above requirement.

2 Classification and measurement of financial assets

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

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

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

Note 14 Explanation of transition to Ind AS (continued)

Reconciliation of Equity

	As at date of transition 1 April 2015			As at 31 March 2016			
	Note	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I Assets							
(1) Non-current assets							
(a) Financial assets							
(i) Investments	a	1,012.28	6,554.76	7,567.04	1,012.28	6,898.46	7,910.74
(b) Income tax assets (net)		28.50	-	28.50	40.15	-	40.15
Total non-current assets		1,040.78	6,554.76	7,595.54	1,052.43	6,898.46	7,950.89
(2) Current assets							
(a) Financial assets							
(i) Cash and cash equivalents		14.29	-	14.29	127.70	-	127.70
(ii) Bank balances other than (i) above		1,855.00	-	1,855.00	1,853.00	-	1,853.00
(iii) Other financial assets		150.49	-	150.49	73.08	-	73.08
Total current assets		2,019.78	-	2,019.78	2,053.78	-	2,053.78
Total assets		3,060.56	6,554.76	9,615.32	3,106.21	6,898.46	10,004.67
II Equity and liabilities							
Equity							
(a) Capital fund		1,752.00	-	1,752.00	1,752.00	-	1,752.00
(b) Other equity	b	1,247.55	5,204.43	6,451.98	1,302.26	5,477.38	6,779.64
Total equity		2,999.55	5,204.43	8,203.98	3,054.26	5,477.38	8,531.64
(1) Non-current liabilities							
(a) Deferred tax liabilities (net)	d	-	1,350.33	1,350.33	-	1,421.08	1,421.08
Total non-current liabilities		-	1,350.33	1,350.33	-	1,421.08	1,421.08
(2) Current liabilities							
(a) Financial Liabilities							
(i) Other financial liabilities		36.95	-	36.95	51.95	-	51.95
(b) Current tax liabilities (net)		24.06	-	24.06	-	-	-
Total non-current liabilities		61.01	-	61.01	51.95	-	51.95
Total equity and liabilities		3,060.56	6,554.76	9,615.32	3,106.21	6,898.46	10,004.67

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

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

	Note	Year ended 31 March 2016		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I. Other income	a	128.48	343.70	472.18
		128.48	343.70	472.18
II. Expenses				
Other expenses		49.30	-	49.30
		49.30	-	49.30
III. Surplus before tax (I - II)		79.18	343.70	422.88
IV. Tax expense :				
(i) Current tax		24.47	-	24.47
(ii) Deferred tax	d	-	70.75	70.75
		24.47	70.75	95.22
V. Surplus for the year (III - IV)		54.71	272.95	327.66
VI. Other comprehensive income				-
VII. Total comprehensive income for the year (V + VI)		54.71	272.95	327.66

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

Notes to the reconciliation

a. **Investments:**

Under the previous GAAP, investments in equity shares were classified as non-current investments. Non-current investments were carried at cost less provision for other than temporary decline in the value of such investments. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the statement of profit and loss for the year ended 31 March 2016.

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

As at	Note	1 April 2015	31 March 2016
Total equity as per previous GAAP		2,999.55	3,054.26
Fair valuation of investments	a	6,554.76	6,898.46
Tax effect on the above	d	(1,350.33)	(1,421.08)
Total equity		8,203.98	8,531.64

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

For the year ended	Note	31 March 2016
Surplus after tax as per previous GAAP		54.71
Fair valuation of investments	a	343.70
Tax effects on Ind AS adjustments	d	(70.75)
Total comprehensive income		327.66

d. **Deferred tax liabilities (net)**

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

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

15. The Company has no contingent liabilities and commitments (31 March 2016: Rs Nil, 1 April 2015: Rs Nil).
16. The Company is limited by guarantee having no share capital. Hence the disclosure of earning per share is not applicable.
17. There are no material dues owed by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2017. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 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.

	(Rs. in'000)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
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 along with the amount of the payment made to the supplier beyond the appointed date during the 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 purpose of disallowance as a deductibles expenditure under the MSMED Act, 2006.	-	-

18. The Company was incorporated as a Company limited by guarantee with an objective to provide general welfare to employees and ex-employees of Britannia Industries Limited, hence Companies activities does not expose to financial risks.

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

22. The Company is limited by guarantee with an objective to provide general welfare to employees and ex-employees of Britannia Industries Limited. As the Company operates in a single primary business segment disclosure requirements are not applicable.

As per our report of even date attached

Firm registration number: 101248W/W-100022

SD/-

Supreet Sachdev
Partner

Membership number: 205385

Place: Bangalore
Date: 23 May 2017

SD/-

Ramamurthy Jayaraman
Director

Place: Bangalore
Date: 23 May 2017

SD/-

Ritesh Rana
Director

Place: Bangalore
Date: 23 May 2017