

B S R & Co. LLP

Chartered Accountants

Maruthi Info-Tech Centre
11-12/1 Inner Ring Road
Koramangala
Bangalore 560 071 India

Telephone: + 91 80 3980 6000
Fax: + 91 80 3980 6999

Independent Auditor's Report To the Members of Coffeelab Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Coffeelab Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 judgement, 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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.

Independent Auditor's Report (continued)

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 2015 and its loss and its cash flows for the year ended on that date.

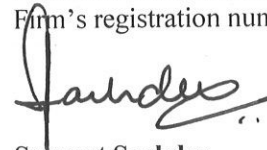
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
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 profit and loss 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 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - (f) 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:
 - a. The Company does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. 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



Supreet Sachdev

Partner

Membership number: 205385

Bangalore

14 July 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were observed on such verification.
- (ii) The Company is a service company, primarily rendering consultancy services relating to production and consumption of coffee. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of fixed assets are for the Company's specialised requirements and similarly certain services rendered are for the specialised requirements of the customers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to rendering of services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income tax, Service tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Wealth tax, Sales-tax, Employees' State Insurance, Value added tax, Customs duty and Excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income tax, Service tax, Cess and other material statutory dues were in arrears, as at 31 March 2015, for a period of more than six months from the date they became payable.




- (b) According to the information and explanations given to us, there are no dues of Income tax, Service tax or Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (c) According to the information and explanations given to us there are no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under by the Company.
- (viii) *The accumulated losses of the Company at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and also in the immediately preceding financial year.*
- (ix) The Company did not have any outstanding dues to financial institutions, banks or debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

for B S R & Co. LLP

Chartered Accountants

Firm registration No. 101248W / W-100022



Supreet Sachdev

Partner

Membership No. 205385

Bangalore

14 July 2015

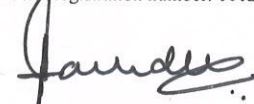
Coffeelab Limited
Balance sheet

	Note	As at 31 March 2015 Rs.	As at 31 March 2014 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	587,000	500,000
Reserves and surplus	4	928,980	(14,175,207)
		<u>1,515,980</u>	<u>(13,675,207)</u>
Non-current liabilities			
Long-term borrowing	5	-	19,147,659
Long-term provision	6	15,074	11,530
		<u>15,074</u>	<u>19,159,189</u>
Current liabilities			
Other current liabilities	7	1,298,285	2,634,003
Short-term provision	8	796,029	732,897
		<u>2,094,314</u>	<u>3,366,900</u>
		<u>3,625,368</u>	<u>8,850,882</u>
ASSETS			
Non-current assets			
Fixed assets			
-Tangible assets	9	607,775	696,317
Long-term loans and advances	10	1,221,881	2,538,046
		<u>1,829,656</u>	<u>3,234,363</u>
Current assets			
Trade receivables	11	1,290,485	4,064,241
Cash and cash equivalents	12	499,534	837,591
Short-term loans and advances	13	5,693	714,687
		<u>1,795,712</u>	<u>5,616,519</u>
		<u>3,625,368</u>	<u>8,850,882</u>
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022



Supreet Sachdev
Partner
Membership No. 205385


Bangalore
Date: 14 July 2015

for and on behalf of the Board of Directors of
Coffeelab Limited



Thomas Mathew
Director
DIN: 01667237

Bangalore
Date: 14 July 2015



Deekshith K M
Director
DIN: 03505388

Coffeelab Limited
Statement of profit and loss

	Note	For the year ended 31 March 2015 Rs.	For the year ended 31 March 2014 Rs.
Income			
Revenue from operations	14	14,382,703	17,064,642
Other income	15	<u>126,015</u>	<u>24,920</u>
		<u>14,508,718</u>	<u>17,089,562</u>
Expenses			
Employee benefits	16	15,907,959	14,292,288
Finance costs	17	-	792
Depreciation	9	135,221	165,563
Other expenses	18	<u>2,984,959</u>	<u>3,721,930</u>
		<u>19,028,139</u>	<u>18,180,573</u>
Loss before tax		(4,519,421)	(1,091,011)
Tax expense:			
- current tax		-	-
Loss after tax		<u>(4,519,421)</u>	<u>(1,091,011)</u>
Loss per share (equity shares, par value of Rs 10 each)			
- Basic and diluted (Rs)	24	(80.90)	(21.82)
Number of shares used in computing basic and diluted loss per share		55,864	50,000

Significant accounting policies

2

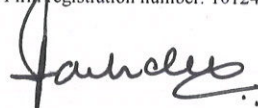
The notes referred to above form an integral part of the financial statements

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



Supreet Sachdev

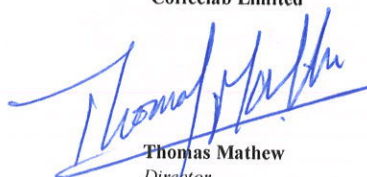
Partner

Membership No. 205385

Bangalore

Date: 14 July 2015

for and on behalf of the Board of Directors of
Coffeelab Limited



Thomas Mathew

Director

DIN: 01667237



Deekshith K M

Director

DIN: 03505388

Bangalore

Date: 14 July 2015

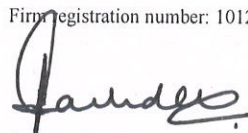
Coffeelab Limited
Cash flow statement

	For the year ended 31 March 2015 Rs.	For the year ended 31 March 2014 Rs.
Cash flows from operating activities		
Loss before tax	(4,519,421)	(1,091,011)
Adjustments:		
- Finance expenses	-	792
- Stock based compensation	483,608	817,242
- Depreciation	135,221	165,563
Operating loss before working capital changes	(3,900,592)	(107,414)
Changes in assets and liabilities		
- Trade receivables and unbilled revenue	3,472,001	(3,303,320)
- Loans and advances	10,749	2,710
- Current liabilities and provisions	(1,269,042)	1,379,779
Cash (used in) operations	(1,686,884)	(2,028,245)
Taxes paid	1,316,169	(577,494)
Net cash (used in) operating activities [A]	(370,715)	(2,605,739)
Cash flows from investing activities:		
Purchase of fixed assets	(46,680)	(69,692)
Net cash used in investing activities [B]	(46,680)	(69,692)
Cash flows from financing activities:		
Issue of share capital (including premium)	19,227,000	-
Repayment of long term borrowings	(19,147,659)	(45,121)
Finance expenses	-	(792)
Net cash used in financing activities [C]	79,341	(45,913)
Net decrease in cash and cash equivalents [A+B+C]	(338,055)	(2,721,346)
Cash and cash equivalents at the beginning of the year	837,591	3,558,935
Cash and cash equivalents at the end of the year (Refer note 12)	499,534	837,591

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

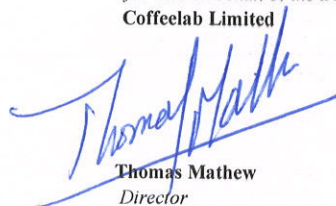
for **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022



Supreet Sachdev
Partner
Membership No. 205385

Bangalore
Date: 14 July 2015

for and on behalf of the Board of Directors of
Coffeelab Limited



Thomas Mathew
Director
DIN: 01667237

Bangalore
Date: 14 July 2015



Deckshith K M
Director
DIN: 03505388

Coffeelab Limited

Notes to the accounts

1 Company overview

Coffeelab Limited ('the Company') was originally incorporated as "Coffeelab Private Limited" on 28 February 1996. The Company was converted into a public limited company on 9 September 2002 under the Companies Act, 1956. The registered office of the Company is located at Bangalore. The Company is a subsidiary of Amalgamated Holdings Limited ('AHL', the holding company). The ultimate holding company is Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*).

The Company is engaged in the business of rendering consultancy services relating to production and consumption of coffee.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified and applicable), other pronouncements of the Institute of Chartered Accountants of India ('ICAI'). The financial statements are prepared in Rupees unless otherwise stated.

2.2 Going Concern

As explained in note 31, the financial statements have been prepared on a going concern basis, notwithstanding significant erosion of net worth and past unabsorbed losses.

2.3 Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India ('Indian GAAP') requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



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A handwritten signature in blue ink, consisting of stylized letters.

Coffeelab Limited

Notes to the accounts

2.4 Fixed assets and depreciation

Depreciation on fixed assets has been provided on written down value method (WDV) over the useful lives of assets estimated by the Management. Depreciation for assets purchased/ sold during a period is proportionately charged. The management estimates the useful lives for the fixed assets as follows:

Asset category	Estimated useful life (in years)
Office equipment ⁽¹⁾	6
Computers (including software) ⁽¹⁾	2
Furniture and fixtures ⁽¹⁾	8
Vehicles ⁽¹⁾	6
Plant and machinery ⁽¹⁾	8

⁽¹⁾ For these classes of assets, based on internal assessment, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Depreciation and amortization methods, useful lives and residual values are reviewed periodically, including at each financial year end.

2.5 Employee benefits

Gratuity, which is a defined benefit, is accrued based on an actuarial valuation, carried out by an independent actuary. Actuarial gains and losses are recognized in the statement of profit and loss.

Contributions payable to the recognized provident fund, which is a defined contribution, is charged to the statement of profit and loss.

As per the policy of the Company, privilege and sick leave standing to the credit of an employee at the end of the financial year will lapse. Further, an employee is not eligible to en-cash any privilege and sick leave. Accordingly, there is no accrual for compensated absence at the year end.

2.6 Revenue recognition

The Company derives its income from the business of rendering consultancy services relating to production and consumption of coffee.

Revenue is recognised as the related services are performed.

Unearned revenue included in current liabilities represent the billings in excess of revenue recognized as at the balance sheet date. Advances received for services are reported as liabilities until all conditions for revenue recognition are met.

Unbilled revenue represents value of services rendered in excess of amounts billed to the client as at the balance sheet date.

Revenue is recognised net of service tax and trade discounts wherever applicable. Excise duty is not applicable to the activities of the Company.

2.7 Foreign currency

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions during the year are recognised in the statement of profit and loss.



Coffeelab Limited

Notes to the accounts

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the exchange rates on that date. The resultant exchange differences are recognised in the statement of profit and loss.

2.8 Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is an unabsorbed depreciation or carry-forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at the balance sheet date and written down or written-up to reflect the amount that is reasonably/ virtually certain, as the case may be, to be realised.

The Company off sets on a year on year basis, current tax assets and liabilities where it has a legally enforceable rights to set off and where the Management intends to settle such assets and liabilities on a net basis.

2.9 Provisions and contingent liabilities

Provision is recognised when, as a result of obligating events, there is a present obligation that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

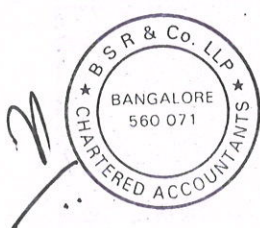
The disclosure of contingent liability is made when, as a result of obligating events, there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

No provision or disclosure is made when, as a result of obligating events, there is a possible obligation or a present obligation where the likelihood of an outflow of resources is remote.

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 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.

2.10 Impairment of assets

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash-generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. For an asset or group of assets that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost. An impairment loss is reversed only to the extent that the carrying amount of asset does not exceed the net book value that would have been determined; if no impairment loss had been recognised.



Coffeelab Limited

Notes to the accounts

2.11 Earnings/ (loss) per Share

The basic (loss)/ earnings per share is computed by dividing the net (loss)/ profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive equity shares outstanding during the year.

2.12 Cash flow statement

Cash flows are reported using the indirect method, whereby net (loss)/ profit 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 operating, investing and financing activities of the Company are segregated.

2.13 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise balance in banks in current accounts. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalent.

2.14 Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the asset or the present value of the minimum lease payments at the inception of the lease, whichever is lower.

Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

2.15 Stock based compensation

The Company accounts for stock based compensation based on intrinsic value method. The Company has adopted the pro-forma disclosures as required by the Guidance Note on "Accounting for Employee Share-based Payments" issued by ICAI.

In accordance with the said Guidance Note, the necessary accounting and disclosures have been made for the year for grants made on or after 1 April 2005, the date from which the aforesaid guidance note is effective.



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3 Share capital

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Authorized		
59,000 (Previous year: 50,000) equity shares of Rs 10 each	590,000	500,000
	590,000	500,000
Issued, subscribed and fully paid up		
58,700 (Previous year: 50,000) equity shares of par value of Rs 10 each, fully paid up	587,000	500,000
	587,000	500,000

(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year is as given below:

Particulars	As at 31 March 2015		As at 31 March 2014	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning of the year	50,000	500,000	50,000	500,000
Add: Shares issued during the year	8,700	87,000	-	-
Number of shares outstanding at the end of the year	58,700	587,000	50,000	500,000

(c) The rights, preferences and restrictions attaching to equity shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each shareholder is entitled to one vote per share held.

In event of liquidation of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Equity shareholders holding more than 5% of equity shares:

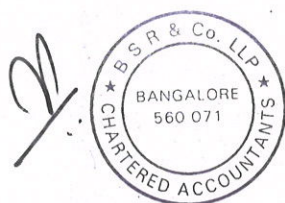
Name of the share holder	As at 31 March 2015		As at 31 March 2014	
	No. of shares	% holding	No. of shares	% holding
Amalgamated Holdings Limited	58,694	99.99%	49,994	99.99%

(e) The Company has not issued any bonus shares, bought back shares or issued shares for consideration other than cash for a period of 5 years immediately preceding the balance sheet date.

4 Reserves and surplus

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Capital reserves		
At the commencement of the year	3,324,392	2,507,150
Add: Additions during the year on account of stock option [Refer note 29]	483,608	817,242
At the close of the year	3,808,000	3,324,392
Security premium		
At the commencement of the year	-	-
Add: Premium received on allotment of equity shares*	19,140,000	-
At the close of the year	19,140,000	-
(Deficit) in statement of profit and loss		
Opening balance	(17,499,599)	(16,408,588)
Add: loss for the year	(4,519,421)	(1,091,011)
	(22,019,020)	(17,499,599)
	928,980	(14,175,207)

* During the year, the Company had issued 8,700 equity shares to Amalgamated Holdings Limited at a premium of 2,200 per share based on the price determined by an external Chartered Accountant



Coffeelab Limited
Notes to financial statements

5 Long term borrowings

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured</i>		
Interest-free loan from the holding company*	-	19,147,659
	-	19,147,659

* The Company has prepaid the loan amount outstanding during the year.

6 Long term provision

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Provision for employee benefit		
- Gratuity [refer to note 28]	15,074	11,530
	15,074	11,530

7 Other current liabilities

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Book overdraft	-	730,403
Other payables		
- accrued salaries and benefits*	692,109	983,360
- statutory dues	307,743	612,271
- provision for expenses	298,433	307,969
	1,298,285	2,634,003

* Includes amount payable to related party aggregating to Rs. 539,632 (Previous year - Rs. 886,979)

8 Short-term provision

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Provision for employee benefit		
- Gratuity [refer to note 28]	796,029	732,897
	796,029	732,897



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Coffeelab Limited
Notes to financial statements

9 Fixed assets

Description	Gross block		Accumulated depreciation			Net block		Rs.
	As at 1 April 2014	Additions during the year	As at 31 March 2015	Charge for the year	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014	
Tangibles assets (Owned)								
Plant and machinery	825,440	-	825,440	39,187	593,118	232,322	271,509	
Computers	510,394	8,083	518,477	18,383	488,975	29,502	39,802	
Vehicles	615,628	-	615,628	48,381	477,139	138,489	186,870	
Furniture and fittings	104,140	9,000	113,140	1,288	97,534	15,606	7,894	
Office equipment	337,887	29,597	367,484	27,982	175,628	191,856	190,242	
Total	2,393,489	46,680	2,440,169	135,221	1,832,394	607,775	696,317	
Previous year	2,323,797	69,692	2,393,489	165,563	1,697,173	696,317		



Coffeelab Limited
Notes to financial statements

10 Long-term loans and advances

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured, considered good</i>		
Advance tax and tax deducted at source, net of provision for tax	971,881	2,288,046
Security deposit	250,000	250,000
	1,221,881	2,538,046

11 Trade receivables

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured, considered good</i>		
Receivables outstanding for a period exceeding six months from the date they became due for payment	-	-
Other debts	1,290,485	4,064,241
	1,290,485	4,064,241

12 Cash and cash equivalents

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
Balances with banks		
- in current accounts	499,534	837,591
	499,534	837,591

13 Short-term loans and advances

Particulars	Rs.	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured, considered good</i>		
Unbilled revenues	-	698,245
Prepaid expenses	5,693	16,442
	5,693	714,687



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Coffeelab Limited
Notes to financial statements

14 Revenue from operations

	Rs.	
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Sale of services		
- Income from research and development and related activities	14,382,703	17,064,642
	14,382,703	17,064,642

15 Other income

	Rs.	
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest on income tax refund	126,015	24,920
	126,015	24,920

16 Employee benefits expense

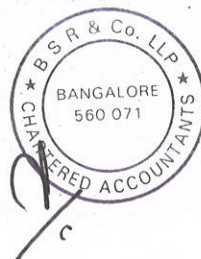
	Rs.	
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Salaries, wages and bonus	14,663,893	12,739,483
Stock based compensation [Refer note 29]	483,608	817,242
Contribution to provident and other funds	620,318	608,168
Staff welfare	140,140	127,395
	15,907,959	14,292,288

17 Finance costs

	Rs.	
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest expense	-	792
	-	792

18 Other expenses

	Rs.	
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Travel and conveyance	1,147,630	1,050,679
Rent (Refer note 23)	571,704	564,972
Professional and consultancy charges	367,526	279,837
Business promotion	248,884	831,385
Repairs and maintenance	210,956	309,014
Communication	106,707	196,484
Printing and stationery	71,720	38,679
Membership fees	66,980	46,627
Foreign exchange loss, net	66,642	164,080
Power and fuel	62,605	87,439
Office maintenance and utilities	40,904	127,342
Bank charges	22,701	25,392
	2,984,959	3,721,930



Coffeelab Limited
Notes to financial statements

19 Commitments and contingencies

There are no contingent liabilities and there are no contracts remaining to be executed on capital account and not provided for as at the balance sheet date (Previous year: Rs Nil). Further, there are no commitments

20 Earnings in foreign currency

	Rs.	
Particulars	For the year ended 31 Mar 2015	For the year ended 31 March 2014
Income from research and development and related activities	5,073,567	4,527,606
	5,073,567	4,527,606

21 Expenditure in foreign currency

	Rs.	
Particulars	For the year ended 31 Mar 2015	For the year ended 31 March 2014
Traveling and conveyance	972,742	796,987
	972,742	796,987

22 Payments to auditors

	Rs.	
Particulars	For the year ended 31 Mar 2015	For the year ended 31 March 2014
Audit fees*	150,000	150,000
	150,000	150,000

* Excluding Service tax

23 Leases

The Company leases office and residential spaces under cancelable operating lease arrangements. The Company intends to renew such leases in the normal course of business. The rental expense under cancelable operating lease amounted to Rs. 571,704 for the year ended 31 March 2015 (Previous year: Rs.564,972).

24 Earnings per share

Computation of earnings per share is as follows –

	Rs.	
Particulars	For the year ended 31 Mar 2015	For the year ended 31 March 2014
Loss after taxation as per statement of profit and loss	(4,519,421)	(1,091,011)
Net loss for basic / diluted earnings per share	(4,519,421)	(1,091,011)

Reconciliation of basic and diluted shares used in computing earnings per share –

Particulars	For the year ended 31 Mar 2015	For the year ended 31 March 2014
Number of equity shares at the beginning of the year	50,000	50,000
Add: Weighted average number of equity shares issued during the year	5,864	-
Number of weighted average equity shares considered for calculation of basic earnings per share	55,864	50,000

Loss per share:

Basic and diluted*	(80.90)	(21.82)
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*The Company has no potential dilutive equity shares

25 Deferred taxes

In accordance with AS 22 - "Accounting for taxes on income" the management believes that there is no virtual certainty supported by convincing evidence for recognising deferred tax asset on business losses incurred during the current as well as earlier years'.



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26 Segment reporting

The Company's operations solely relate to research and development and related activities relating to production and consumption of coffee. Since the relevant information is available from the balance sheet and the statement of profit and loss itself, the Company is not required to disclose segment information as per AS 17 ('Segment Reporting').

Secondary segment reporting is carried on the basis of the geographical location of clients. Client relationships are driven based on the location of the respective client. The geographical segments include Europe, India and Rest of the World.

All the fixed assets of the Company are located in India.

The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue in individual segments.

Secondary segment information for revenues

Region	Rs.	
	For the year ended 31 Mar 2015	For the year ended 31 March 2014
India	9,309,136	12,212,792
Europe	4,367,014	3,790,596
Rest of the World	706,553	1,061,254
	14,382,703	17,064,642

Carrying amount of segment assets by geographical location of customers

Region	Rs.	
	For the year ended 31 Mar 2015	For the year ended 31 March 2014
India	3,625,368	5,458,256
Outside India	-	3,392,626
	3,625,368	8,850,882



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27 Related parties disclosures

A. Enterprises where control exists

- ☐ Amalgamated Holdings Limited ("AHL") – Holding company
- ☐ Coffee Day Global Limited (erstwhile Amalgamated Bean Coffee Trading Company Limited) – Intermediate Holding Company
- ☐ Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Private Limited) – Ultimate holding company

B. Key management personnel

- ☐ Sunalini Menon

C. The following is a summary of related party transactions.

Particulars	For the year ended 31 Mar 2015	For the year ended 31 March 2014
Repayment of long-term loan -		
Unsecured loans- AHL	19,147,659	-
Remuneration to key management personnel -		
Payment of salaries and other employee benefits to Sunalini Menon	12,960,485	10,852,909
Stock based compensation	483,608	817,242

D. The following is a summary of balances receivable from and payable to related parties:

Particulars	As at 31 March 2015	As at 31 March 2014
Balances with entities where control exists -		
Unsecured loans - AHL	-	19,147,659
Balance payable to KMP:		
Accrued salaries and benefits - Sunalini Menon	539,632	866,979

28 Gratuity plan

The following table sets out the status of the unfunded gratuity plan as required under revised AS 15 'Employee benefits'.

Reconciliation of the projected benefit obligations

Particulars	As at 31 March 2015	As at 31 March 2014
Change in projected benefit obligations		
Obligations at the beginning of the year	744,427	582,858
Service cost	29,080	118,536
Interest cost	65,137	103,342
Benefits paid	-	-
Actuarial gain	(27,541)	(60,309)
Obligations at year end	811,103	744,427
Current portion	796,029	732,897
Non- current portion	15,074	11,530
The Company does not have any planned asset		

Particulars	For the year ended 31 Mar 2015	For the year ended 31 March 2014
Gratuity cost for the year		
Service cost	29,080	118,536
Interest cost	65,137	103,342
Actuarial gain	(27,541)	(60,309)
Net gratuity cost	66,676	161,569

Assumptions

Interest rate	7.80%	8.75%
Salary increase	3.00%	3.00%
Attrition rate	20.00%	20.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

The estimate of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.



29 Stock based compensation

The chairman of the ultimate holding company and the immediate holding Company, V G Siddhartha has reserved 6,200,000 equity shares of Coffee Day Global Limited (erstwhile Amalgamated Bean Coffee Trading Company Limited) held by him with CDGL Employees' Welfare Trust ('the Trust') for issuance to eligible employees of the ultimate holding company and its subsidiaries including step subsidiaries, under the plan. These shares have been transferred solely by V G Siddhartha and the ultimate holding company has not transferred or reserved any shares for issuance of Employee Stock Options ('ESOP').

The Plan is administered by an ESOP Advisory Committee ('the Committee') constituted by the Board of the intermediate holding company. Under the plan, the options will be issued to employees of the Company at an exercise price, which would be decided by the committee from time to time. The equity shares covered under these options vest over a period of thirty six months from the date of grant. The exercise period of the options is in the range of 3 months to 6 years from the date of vesting.

The Company applies the intrinsic value-based method of accounting, as specified in the guidance note, to account for stock options. Under this method, compensation expense is recorded over the vesting period of the underlying stock based on the intrinsic value, as estimated by an independent valuer, in excess of the exercise price on the date of grant.

The movements in the options under the plan during the year ended 31 March 2015 and 31 March 2014 is set out below:

Particulars	For the Year ended 31 March 2015		For the Year ended 31 March 2014	
	Shares arising out of options	Weighted average exercise price	Shares arising out of options	Weighted average exercise price
Outstanding at the beginning of the year	50,000	0.10	75,000	0.10
Granted during the year	-	-	-	-
Forfeitures during the year	-	-	-	-
Exercised during the year	50,000	0.10	25,000	0.10
Outstanding at the end of the year	-	-	50,000	0.10
Exercisable at the end of the year	-	-	-	-

The options outstanding as at 31 March 2015 had an exercise price of Rs Nil (Previous year: Rs. 0.10) and weighted average remaining contractual life Nil years (Previous year: 0.63 years).

Had compensation cost for the stock options been determined in a manner consistent with the fair value approach described in the guidance note, the Company's net loss and basic/ diluted loss per share as reported would have reduced to the proforma amounts indicated below.

Particulars	Rs	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Net loss as reported	(4,519,421)	(1,091,011)
Add: Stock based employee compensation expense determined under the intrinsic value method	483,608	817,242
Less: Stock based employee compensation expense determined under the fair value method	(483,482)	(817,639)
Pro-forma net loss for pro-forma basic loss per share	(4,519,295)	(1,091,408)

Particulars	Rs	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Loss per share: Basic and Diluted		
As reported	(80.90)	(21.82)
Pro-forma	(80.90)	(21.83)

30 Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.



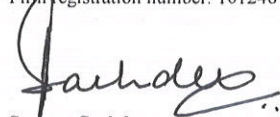
31 Going concern

These financial statements have been prepared on a going concern basis notwithstanding significant past unabsorbed losses.

The Company has received a letter of financial support from Coffee Day Global Limited (erstwhile Amalgamated Bean Coffee Trading Company Limited), the intermediate holding company, which undertakes to provide financial and operational assistance as is necessary to enable the Company to operate as a going concern and meet its obligations as and when they fall due upto a period of one year from the balance sheet date i.e. 31 March 2016.

These financials statements, therefore, do not include any adjustments relating to recoverability and classification of recorded asset amount or amounts or to amounts and classification of liabilities that may be necessary if the Company was unable to continue as a going concern.

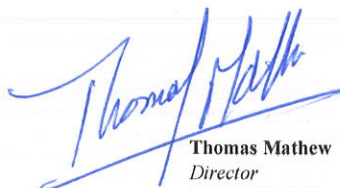
As per our report of even date attached
for **BSR & Co. LLP**
Chartered Accountants
Firm registration number: 101248W/W-100022



Supreet Sachdev
Partner
Membership No. 205385

Bangalore
Date: 14 July 2015

for and on behalf of the Board of Directors of
Coffeelab Limited



Thomas Mathew
Director
DIN: 01667237

Bangalore
Date: 14 July 2015



Deekshith K M
Director
DIN: 03505388