

Coffee Day Global Limited
Standalone Financial Statement
For the year ended 31 March 2018

BSR & Co. LLP

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B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Coffee Day Global Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Coffee Day Global Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended, and summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Independent Auditor's Report (continued)

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 2018, its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.



Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order'), issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order.
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 including other comprehensive income, statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; 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:
 - a. The Company has disclosed the impact of pending litigations on it's financial position in it's financial statements - Refer note 32 to the standalone Ind AS financial statements;
 - 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; and



Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

- d. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the year ended 31 March 2017 have been disclosed - Refer note 40 to the standalone Ind AS financial statements

for B S R & Co. LLP

Chartered Accountants

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



Supreet Sachdev

Partner

Membership number: 205385

Bangalore

17 May 2018

Annexure A to the Independent Auditor's Report

As per the Annexure referred to in the Independent Auditor's Report to the Members of the Company on the standalone Ind AS financial statement for the year ended 31 March 2018, 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 fixed assets are verified in a phased manner over a period of three years. In accordance with the programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies identified on physical verification of inventories between physical stocks and book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to the companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and securities given.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of processing of coffee beans and are of the opinion that, prima facie, the prescribed accounts and books have been made and maintained. However, we have not made a detailed examination of the records.



Annexure A to the Independent Auditor's Report (continued)

(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, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, except for income tax which has not been paid regularly.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, goods and service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except for income-tax dues amounting to Rs 175.55 million.

- b. According to the information and explanations given to us, there are no dues of provident fund, employees' state insurance, sales-tax, duty of customs, duty of excise, goods and service tax and cess which have not been deposited with the appropriate authorities on account of any dispute. The Company, however, disputes the following income-tax, service tax and value added tax which are as follows:

Name of the Statute			Nature of the dues	Amount (Rs in million)	Period to which the amount relates	Forum where dispute is pending
Income Act, 1961	Tax	Tax and interest		66.13	AY 2010 – 11	Income Tax Appellate Tribunal
				*(34.45)		
Income Act, 1961	Tax	Tax and interest		15.92	AY 2011-12	Commissioner of Income Taxes (Appeals), Bangalore
				*(4.00)		
Income Act, 1961	Tax	Tax and interest		29.92	AY 2012-13	Commissioner of Income Taxes (Appeals), Bangalore
				*(6.00)		
Income Act, 1961	Tax	Tax and interest		151.44	AY 2013-14	Commissioner of Income Taxes (Appeals), Bangalore
				*(20.00)		



Annexure A to the Independent Auditor's Report (continued)

Name of the Statute	Nature of the dues	Amount (Rs in million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest	189.00	AY 2014-15	Commissioner of Income Taxes (Appeals), Bangalore
The Finance Act, 1994	Tax, Interest and Penalty	16.03 *(0.70)	April 2008 to September 2010	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
The Finance Act, 1994	Tax, Interest and Penalty	172.69 *(7.22)	October 2008 to March 2013	Customs, Excise and Service Tax Appellate Tribunal, Bangalore
The Finance Act, 1994	Tax, Interest and Penalty	21.01 *(1.58)	April 2013 to September 2014	Commissioner of Service tax
The Finance Act, 1994	Tax	38.57	October 2014 to March 2016	Commissioner of Service tax
Uttar Pradesh Value Added Tax Act, 2008	Tax	1.57 *(0.91)	2008-09 and 2011-12	Joint Commissioner of Commercial taxes
Kerala Value Added Tax Act, 2003	Penalty	2.63 *(2.63)	2006-07 to 2013-14 (up to January 2014)	Deputy Commissioner (Appeals)
Rajasthan Value Added Tax Act, 2003	Tax	0.41	April 2013 to October 2013	Deputy Commissioner (Appeals)
Kerala Value Added Tax Act, 2003	Tax and Penalty	6.26	April 2014 to March 2015	Deputy Commissioner (Appeals)

* Amounts mentioned in parenthesis represent payments made under protest.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers, debenture holders and financial institution. The Company did not have any outstanding dues to the government during the year.



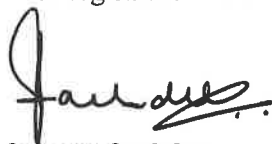
Annexure A to the Independent Auditor's Report (continued)

- (ix) According to the information and explanations given to us, the Company did not raised any money by way of initial public issue or further public offer (including debt instruments) during the year. Further, according to the information and explanations given to us, the term loans taken by the Company were applied for the purposes for which they were raised.
- (x) According to the information and explanations given to us, no material fraud on the Company by its officers or employees, or a fraud by the Company has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022



Supreet Sachdev

Partner

Membership number: 205385

Bangalore

17 May 2018

Annexure B to the Independent Auditor's Report

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 with reference to financial statements of Coffee Day Global Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS 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 with reference to financial statements 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 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.



Annexure B to the Independent Auditor's Report (continued)

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

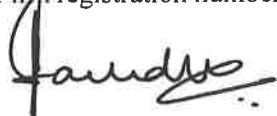
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022



Supreet Sachdev

Partner

Membership number: 205385

Bangalore

17 May 2018

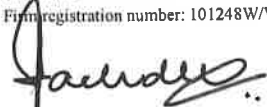
Coffee Day Global Limited
Balance sheet

		Rs in million	
		As at	As at
	Note	31 March 2018	31 March 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,453.32	9,340.92
Capital work-in-progress	4	781.95	535.72
Intangible assets	5	104.90	85.25
Investments	6	700.09	642.27
Financial assets			
- Loans	7-A	861.54	913.81
- Other financial assets	8-A	9.00	84.18
Deferred tax asset, (net)	31-D	204.00	91.29
Other tax assets		42.60	42.60
Other assets	9-A	845.45	745.04
Total non-current assets		13,002.85	12,481.08
Current assets			
Inventories	10	812.78	1,182.84
Financial assets			
- Trade receivables	11	2,127.98	1,542.47
- Cash and cash equivalents	12	3,834.15	2,153.99
- Bank balances other than cash and cash equivalents	13	74.12	60.01
- Loans	7-B	26.70	65.96
- Other financial assets	8-B	74.83	88.95
Other assets	9-B	721.19	810.01
Total current assets		7,671.75	5,904.23
Total assets		20,674.60	18,385.31
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	171.14	169.91
Compulsorily convertible debentures	15	4,100.00	4,100.00
Other equity	16	9,651.73	9,119.18
Total equity		13,922.87	13,389.09
Non-current liabilities			
Financial liabilities			
- Borrowings	17-A	2,114.52	1,190.66
- Other financial liabilities	18-A	419.60	372.75
Provisions	19-A	31.86	22.57
Other liabilities	20-A	82.57	60.09
Total non-current liabilities		2,648.55	1,646.07
Current liabilities			
Financial liabilities			
- Borrowings	17-B	1,866.68	1,009.60
- Trade payables	21	-	-
Total outstanding dues to micro enterprises and small enterprises		280.60	272.83
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,350.71	1,414.53
- Other financial liabilities	18-B	17.45	15.32
Provisions	19-B	172.86	223.05
Current tax liabilities (net)	22	414.88	414.82
Other liabilities	20-B	4,103.18	3,350.15
Total current liabilities		6,751.73	4,996.22
Total liabilities		20,674.60	18,385.31

Significant accounting policies

The notes referred to above form an integral part of these standalone 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
Place: Bangalore
Date: 17 May 2018


for and on behalf of the Board of Directors of
Coffee Day Global Limited



V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524


Jayraj C. Hubli
CFO/ Director
DIN: 00073670
Place: Bangalore
Date: 17 May 2018


Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 17 May 2018

Coffee Day Global Limited
Statement of profit and loss

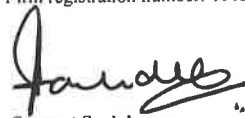
			Rs in million
	Note	For the year ended 31 March 2018	For the year ended 31 March 2017
Income			
Revenue from operations	23	17,560.28	15,140.98
Other income	24	205.21	277.60
Total income		17,765.49	15,418.58
Expenses			
Cost of materials consumed	25	8,104.20	7,188.01
Changes in inventories of finished goods and work-in-progress	26	46.51	23.65
Employee benefits expense	27	2,326.17	1,979.24
Finance costs	28	679.42	471.77
Depreciation and amortisation expense	29	1,727.64	1,621.00
Other expenses	30 A	4,325.52	3,581.72
Total expenses		17,209.46	14,865.39
Profit before income tax		556.03	553.19
Current tax		308.92	274.57
Deferred tax		(112.74)	(44.07)
Income tax expense	31	196.18	230.50
Profit for the year		359.85	322.69
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plan actuarial gains/ (losses)		5.98	0.32
Income tax relating to items that will not be reclassified to profit or loss		(2.07)	(0.05)
Net other comprehensive income not to be reclassified subsequently to profit or loss		3.91	0.27
Items that will be reclassified subsequently to profit or loss			
Effective portion of gains on hedging instruments in cash flow hedges		0.40	7.31
Income tax relating to items that will be reclassified to profit or loss		(0.14)	(2.53)
Net other comprehensive income to be reclassified subsequently to profit or loss		0.26	4.78
Other comprehensive income for the year, net of income tax		4.17	5.05
Total comprehensive income for the year		364.02	327.74
Earnings per equity share:			
Equity shares of par value Re. 1 each	33		
- Basic earnings per share (Rs.)		2.11	1.91
- Diluted earnings per share (Rs.)		1.89	1.71

The notes referred to above form an integral part of these standalone 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

Place: Bangalore

Date: 17 May 2018

for and on behalf of the Board of Directors of
Coffee Day Global Limited



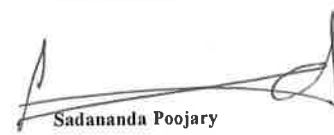
V. G. Siddhartha
Managing Director
DIN: 00063987



Malavika Hegde
Director
DIN: 00136524



Jayraj C Hubli
CFO/ Director
DIN: 00073670
Place: Bangalore
Date: 17 May 2018



Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 17 May 2018

Coffee Day Global Limited
Statement of changes in equity

A. Equity share capital

Particulars	Rs in million Amount
<i>Equity shares of Re 1 each issued, subscribed and fully paid</i>	
Balance as at 1 April 2016	168.68
Changes in equity share capital during 2016-17	1.23
Balance as at 31 March 2017	169.91
Changes in equity share capital during 2017-18	1.23
Balance as at 31 March 2018	171.14

B. Instruments entirely equity in nature
Compulsorily convertible debentures

Particulars	Rs in million Amount
<i>Compulsorily convertible debentures of Rs 100 each</i>	
Balance as at 1 April 2016	-
Changes in compulsorily convertible debentures during 2016-17	4,100.00
Balance as at 31 March 2017	4,100.00
Changes in compulsorily convertible debentures during 2017-18	-
Balance as at 31 March 2018	4,100.00

C. Other equity

Particulars	Rs in millions					
	Reserves and surplus			Total equity		
	Securities premium	Share options outstanding account	Debt redemption reserve	Capital reserve	General reserve	Retained earnings
Balance as at 1 April 2016	7,468.59	46.57	125.04	-	33.10	1,011.99
Reserve taken over pursuant to Scheme of Amalgamation (refer note 42)	-	-	-	(44.76)	-	(21.56)
Total comprehensive income for the year ended 31 March 2017:						
Net profit during the year	-	-	-	-	-	322.69
Effective portion of gains and losses on hedging	-	-	-	-	-	4.78
Remeasurement of actuarial gain or losses	-	-	-	-	-	0.27
Total comprehensive income	7,468.59	46.57	125.04	(44.76)	33.10	1,313.39
Contributions by and distributions to owners						
Dividends	-	-	-	-	-	(3.75)
Transferred from retained earnings	-	-	(125.04)	-	-	125.04
Conversion of compulsorily convertible debentures to equity shares	168.55	-	-	-	-	-
Share-based payment	-	12.71	-	-	-	-
Total contributions by and distributions to owners	168.55	12.71	(125.04)	-	-	121.29
Balance as at 31 March 2017	7,637.14	59.28	-	(44.76)	33.10	1,434.68
Balance as at 31 March 2018						9,119.18



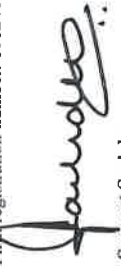
Coffee Day Global Limited
Statement of changes in equity

C. Other equity (continued)


Particulars	Reserves and surplus					Rs in millions	
						Other comprehensive income	Total equity
	Securities premium	Share options outstanding account	Debt redemption reserve	Capital reserve	General reserve	Retained earnings	
Balance as at 1 April 2017	7,637.14	59.28	-	(44.76)	33.10	1,434.68	9,119.18
Total comprehensive income for the year ended 31 March 2018:							
Net profit during the year	-	-	-	-	-	359.85	359.85
Effective portion of gains and losses on hedging	-	-	-	-	-	0.26	0.26
Remeasurement of actuarial gain or losses	-	-	-	-	-	3.91	3.91
Total comprehensive income	7,637.14	59.28	-	(44.76)	33.10	1,798.44	9,483.20
Contributions by and distributions to owners							
Transfer to general reserve	-	(59.28)	-	-	59.28	-	-
Conversion of compulsorily convertible debentures to equity shares	168.53	-	-	-	-	-	168.53
Total contributions by and distributions to owners	168.53	(59.28)	-	-	-	-	168.53
Balance as at 31 March 2018	7,805.67	-	-	(44.76)	92.38	1,798.44	9,651.73


The notes referred to above form an integral part of these standalone 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
Place: Bangalore
Date: 17 May 2018

for and on behalf of the Board of Directors of
Coffee Day Global Limited

* 
V. G. Siddhartha
Managing Director
DIN: 00063987


Malavika Hegde
Director
DIN: 00136524


Jayraj C Hubli
CFO Director
DIN: 00073670


Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 17 May 2018

Place: Bangalore
Date: 17 May 2018

Coffee Day Global Limited
Statement of cash flows

	For the year ended 31 March 2018	Rs in million For the year ended 31 March 2017
Cash flows from operating activities		
Profit before tax for the year	556.03	553.19
Adjustments:		
- Interest income (including fair value change in financial instruments)	(186.20)	(243.44)
- Provision for doubtful debts	-	20.00
- Provision for diminution in value of investments	150.00	19.77
- Loss on sale of property, plant and equipment	-	3.01
- Commission income on guarantees given to group companies	(3.78)	(6.58)
- Loss / (gain) from forex hedging	6.93	(1.05)
- Interest expense (including fair value change in financial instruments)	679.42	474.58
- Share based payments	-	12.71
- Rental expense (due to fair value change in financial instruments)	73.59	63.73
- Depreciation and amortization	1,727.64	1,621.00
Operating cash flow before working capital changes	3,003.63	2,516.92
Changes in working capital		
- Trade receivables	(585.51)	(276.56)
- Current and non-current loans	(29.64)	(118.40)
- Current and non-current financial assets	2.18	38.87
- Current and non-current assets	81.50	(320.44)
- Inventories	370.06	(124.37)
- Trade payables	7.77	(95.74)
- Current and non-current financial liabilities	90.40	61.67
- Current and non-current provisions	17.40	14.19
- Current and non-current liabilities	26.32	292.54
Cash generated from operations	2,984.11	1,988.68
Income taxes paid	(359.11)	(200.15)
Cash generated from operations [A]	2,625.00	1,788.53
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,208.71)	(2,034.08)
Investment in subsidiaries, associates and joint ventures	(59.93)	(206.43)
Withdrawal of fixed deposits	127.59	1,552.67
Interest received	138.60	200.69
Net cash used in investing activities [B]	(2,002.45)	(487.15)
Cash flows from financing activities		
Repayment of long term and short term borrowings	(7,204.05)	(5,778.43)
Proceeds from long term and short term borrowings	8,525.28	4,219.26
Interest paid	(709.44)	(522.27)
Investment in / (redemption of) deposit placed as security for loans availed, net	(73.07)	127.68
Net cash generated / (used) in financing activities [C]	538.72	(1,953.76)
Increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	1,840.95	2,493.33
Movement in cash and cash equivalents during the year [A+B+C]	1,161.27	(652.38)
Cash and cash equivalents at the end of the year	3,002.22	1,840.95



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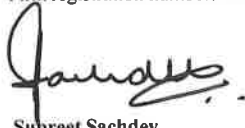
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Coffee Day Global Limited
Statement of cash flows

	As at 31 March 2018	Rs in millions As at 31 March 2017
Components of cash and cash equivalents (refer note 12, 17-B and 18-B)		
Balances with banks:		
- in current accounts	324.17	479.67
- in escrow account	9.64	5.94
- in fixed deposits	3,450.00	1,613.88
Cash on hand	50.34	54.50
Book overdraft	(40.73)	(11.04)
Bank overdraft	(791.20)	(302.00)
Cash and cash equivalents at the end of the year	3,002.22	1,840.95

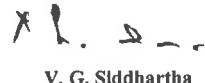

The notes referred to above form an integral part of these standalone financial statements
As per our report of even date attached

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



Supreet Sachdev
Partner
Membership no.: 205385
Place: Bangalore
Date: 17 May 2018

for and on behalf of the Board of Directors of
Coffee Day Global Limited

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524



Jayraj C Hubli
CFO/ Director
DIN: 00073670
Place: Bangalore
Date: 17 May 2018



Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 17 May 2018

Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018

1 Company background

Coffee Day Global Limited ('CDGL' or 'the Company') was originally incorporated as "Amalgamated Bean Coffee Trading Company Private Limited" on 6 December 1993 under the Companies Act, 1956. On 3 February 1997, the status of the Company was changed to a public company and the Company deleted the word "Private" from its name. Subsequently, the Company has changed its name to Coffee Day Global Limited with effect from 20 March 2015.

The registered office of the Company is located in Chikmagalur, Karnataka. The Company is a subsidiary of Coffee Day Enterprises Limited.

The Company is engaged in the business of retailing of coffee and other products through its chain of outlets under the Cafe and Xpress kiosks formats, under the brand name 'Coffee Day' and retailing of various blends of freshly roasted and grounded coffee powder under the brand name 'Fresh n Ground'. The Company also derives its revenue from retail operations from the sale of coffee beans and other related products and services in respect of coffee vending machines. It is also engaged in selling coffee to domestic and overseas customers.

The financial statements are approved for issue by the Company's Board of Directors on 17 May 2018.

2 Basis of preparation

A Statement of compliance

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

Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

B Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in Indian rupee has been rounded to the nearest million unless otherwise indicated.

C Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following:

Items	Measurement basis
Certain financial assets and liabilities (refer accounting policy regarding financial instrument)	Fair value
Derivative financial instrument	Fair value
Share-based payment arrangements	Fair value
Net defined benefit (asset)/ liability less present value of defined obligations	Fair value of plan assets less present value of defined benefit plan

D Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realised within twelve months after the reporting period or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
- All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



2 Basis of preparation (continued)

E Use of estimates and judgements

The preparation of the financial statements in conformity with Ind ASs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- note 15 (b) and 17 (v): Classification of an item as equity or liability;
- note 3(l): lease classification and straight lining of lease rentals.

Assumptions and estimation uncertainties

Information about judgements, assumptions and estimations uncertainties in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- note 4 and 5: depreciation and amortisation method and useful life of items of property, plant and equipment;
- note 6: impairment of investments;
- note 32: provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources;
- note 37: measurement of defined benefit obligation - key actuarial assumptions.

F Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Company has an established control framework with respect to the measurement of fair values. The Company engages with external valuers for measurement of fair values in the absence of quoted prices in active markets.

Significant valuation issues are reported to the Company's audit committee. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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, the 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 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. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Financial instruments (note 41)
- Disclosures for valuation methods, significant estimates and assumptions (note 41)
- Quantitative disclosures of fair value measurement hierarchy (note 41)
- Financial instruments (including those carried at amortised cost) (note 41)



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3 Significant accounting policies

a Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, inclusive of excise duty and net of taxes or duties collected on behalf of the government. The company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT)/ Goods and service tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This *inter alia* involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

Sale of goods – customer loyalty programme (deferred revenue)

For customer loyalty programmes, the fair value of the consideration received or receivable in respect of the initial sale is allocated between the award credits and the other components of the sale. The amount allocated to award credits is deferred and is recognised as revenue when the award credits are redeemed and the Company has fulfilled its obligations to supply the discounted products under the terms of the programme or when it is no longer probable that the award credits will be redeemed.

Sale of services

Service revenues are recognized as the services are performed. Services provided pursuant to a contract are either recognized over the contract period or upon completion of the elements specified in the contract depending on the terms of the contract. Operating revenues from the distribution and maintenance of vending machines are recognized when the services are rendered. Revenues include unbilled as well as billed amounts.

Sale of import entitlement

Import entitlements, which are primarily provided for shipping a specified cumulative volume or shipping to/from specific locations, are recorded on accrual basis based on actual export revenue for the year and pro-rated based on actual or projected realization of the entitlement. When using realisation, we rely on historic trends as well as economic and other indicators to estimate the recorded revenue for import entitlements.

Franchisee revenue

Revenue from franchisee arrangement consists of sale of coffee products and other related products as well as royalties paid by franchisees to use the 'Coffee Day' brand. Sales of coffee products and other related products are recognized on transfer of all significant risks and rewards of ownership to franchisee. Royalty revenues are recognized based upon a percentage of reported revenues by the franchisee in accordance with the terms of the relevant arrangement unless significant future contingencies exist

Advertisement income

Income from advertising is recognised ratably over the period of the contract and in accordance with the terms and conditions of the contract.

Commodity trading

Gain/ loss from commodity future transactions is settled on a net basis and recognized on accrual basis in the statement of profit and loss.

Other income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Interest income or expense is recognised using the effective interest method.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.



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3 Significant accounting policies (continued)**b Property, plant and equipment****1. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

2. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful lives	Useful life as per Schedule II
Building	30 – 60 years	30 – 60 years
Leasehold improvements	Lease term or estimated useful life of 9 years, whichever is lower	Lease term or estimated useful life, whichever is lower
Plant and machinery	12 years	15 years
Office equipment	5 years	5 years
Furniture and fixtures	8 - 10 years	10 years
Computers	3 years	3 years
Vehicles	8 years	8 years
Coffee vending machines	7 - 9 years	15 years
Leasehold land	Lease term	Lease term

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

4. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs,

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.



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3 Significant accounting policies (continued)

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

The Company only has software as an intangible asset having a useful life of 3 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

c Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

d Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Short-term employee benefit

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.



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3 Significant accounting policies (continued)

e Foreign currency transactions

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the following items which are recognised in OCI:

- equity investments at fair value through OCI (FVOCI);
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective
- qualifying cash flow hedges to the extent that the hedges are effective.

f Income taxes

Income tax comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

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.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in Other Comprehensive Income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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 assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

g Provisions and contingent liabilities

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.



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3 Significant accounting policies (continued)

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

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.

h Impairment

Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for one year or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is one year or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

Presentation of allowance for expected credit losses in the balance sheet.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.
For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.



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3 Significant accounting policies (continued)

Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

i Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to owner's of the company for the year by the weighted average number of equity shares outstanding during reporting period.

Diluted Earnings Per Share amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduces earnings per share or increase loss per share are included.

j Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprises of cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

k Cash flow statement

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

l Leases

1. As a lessee

Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets. Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's balance sheet.

Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2. As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

m Government grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

Since the grant compensates the Company for expenses incurred, it is recognised in profit or loss as a reduction from the respective expenses on a systematic basis in the periods in which such expenses are recognised.

n Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



3 Significant accounting policies (continued)

o Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets 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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset 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.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at an individual asset level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.



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3 Significant accounting policies (continued)**Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, refer note 3(o)(v) for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

The Company does not have financial assets measured at FVTPL or FVOCI

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 41 for financial liabilities designated as hedging 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 rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset 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 it 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.

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 the new financial liability with modified terms is recognised in profit or 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 to realise the asset and settle the liability.

v. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss. The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in interest rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.



3 Significant accounting policies (continued)

vi. Compound financial instruments

Compound financial instruments are those instruments which contains both a financial liability component and an equity component. The option to convert the financial instrument into equity shares of the Company would be with the holder of the instrument.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

Interest related to the financial liability is recognised in profit or loss (unless it qualifies for inclusion in the cost of an asset). In case of conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

p Recent accounting pronouncements

Notification of 'Ind AS 115 - Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly. The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its standalone financial statements. The quantitative impact of adoption of Ind AS 115 on the standalone financial statements in the period of initial application is not reasonably estimable as at present.

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Amendment to Ind AS 21 The Effects of Changes in Foreign Exchange Rates

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21.

• Appendix B to Ind AS 21 applies when:

- a. Pays or receives consideration denominated or priced in a foreign currency and
 - b. Recognises a non-monetary prepayment asset or deferred income liability – e.g. non-refundable advance consideration before recognising the related item at a later date.
- Date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.
- If there are multiple payments or receipts in advance, the entity should determine a date of the transaction for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Amendment to Ind AS 12 Income tax

- Decreases below cost in the carrying amount of a fixed-rate debt instrument measured at fair value for which the tax base remains at cost give rise to a deductible temporary difference. This applies irrespective of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use, i.e. continuing to hold it, or whether it is probable that the issuer will pay all the contractual cash flows.
- The amendment explains that determining temporary differences and estimating probable future taxable profit against which deductible temporary differences are assessed for utilisation are two separate steps.
- Carrying amount of an asset is relevant only to determining temporary differences. It does not limit the estimation of probable future taxable profit.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.



Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

4 Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount for the year ended 31 March 2018 and 31 March 2017:

Particulars	Owned							Leased Leasehold land (refer note iii)	Total (A)	Capital work-in- progress (refer note ii) (B)	Total (A+B)
	Freehold land	Buildings (refer note i)	Leasehold improvements	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Coffee vending machines		
Cost or deemed cost:											
Balance as at 1 April 2016	205.10	1,544.01	2,625.32	1,834.14	16.87	773.14	29.14	3.10	2,780.20	366.58	11,136.90
Assets taken over pursuant to Scheme of Amalgamation (refer note 42)	11.34	20.62	192.80	117.08	1.97	0.98	0.99	0.76	-	1.11	347.65
Additions	0.99	1.19	339.16	187.47	0.49	255.53	3.30	-	973.26	1,558.69	3,320.08
Disposals / capitalisation	-	-	29.60	-	-	-	-	-	-	1,390.66	1,420.26
Balance as at 31 March 2017	217.43	1,565.82	3,127.68	2,138.69	19.33	1,029.65	33.43	3.86	3,753.46	535.72	13,384.37
Balance as at 1 April 2017	217.43	1,565.82	3,127.68	2,138.69	19.33	1,029.65	33.43	3.86	3,753.46	535.72	13,384.37
Additions	0.43	0.10	359.25	199.15	0.70	207.27	14.57	-	1,018.91	2,042.24	3,842.62
Disposals / capitalisation	-	-	-	-	-	-	-	-	-	1,796.01	1,796.01
Balance as at 31 March 2018	217.86	1,565.92	3,486.93	2,337.84	20.03	1,236.92	48.00	3.86	4,772.37	781.95	15,430.98
Accumulated depreciation:											
Balance as at 1 April 2016	-	89.20	522.60	491.03	14.71	198.14	27.05	0.95	390.89	-	1,734.57
Assets taken over pursuant to Scheme of Amalgamation (refer note 42)	-	13.26	85.30	78.52	1.40	0.69	0.87	0.73	-	-	180.77
Depreciation for the year	-	80.81	583.16	333.42	1.10	158.43	1.52	0.41	460.13	-	1,618.98
Disposals	-	-	26.59	-	-	-	-	-	-	-	26.59
Balance as at 31 March 2017	-	183.27	1,164.47	902.97	17.21	357.26	29.44	2.09	851.02	-	3,507.73
Balance as at 1 April 2017	-	183.27	1,164.47	902.97	17.21	357.26	29.44	2.09	851.02	-	3,507.73
Depreciation for the year	-	80.03	549.62	293.23	0.87	174.50	3.18	0.38	586.17	-	1,687.98
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2018	-	263.30	1,714.09	1,196.20	18.08	531.76	32.62	2.47	1,437.19	-	5,195.71
Carrying amounts (net):											
As at 31 March 2017	217.43	1,382.55	1,963.21	1,235.72	2.12	672.39	3.99	1.77	2,902.44	535.72	9,876.64
As at 31 March 2018	217.86	1,302.62	1,772.84	1,141.64	1.95	705.16	15.38	1.39	3,335.18	781.95	10,235.27

Notes:

i) Includes building constructed on leasehold land.



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

4 Property, plant and equipment and capital work-in-progress (continued)

Notes:

ii) Capital work in progress

Capital work in progress mainly comprises of upcoming cafes and roasting unit under construction.

iii) Finance leases

The carrying value of land held under finance leases as at 31 March 2018 was Rs 959.30 million (31 March 2017: Rs 959.30 million). The Company has taken land admeasuring 10.05 acres in Chickamangalur on lease for a period of 99 years on 1 April 1995. The Company has classified the lease as a finance lease since it has an option to purchase the land at the end of the lease period.

iv) Security

Property, plant and equipment amounting to Rs 7,443.90 million as at 31 March 2018 (31 March 2017: Rs 7,135.73 million) has been pledged as security by the Company against loans taken from banks and financial institutions.

v) Significant estimates

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.



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Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

5 Intangible assets

Reconciliation of carrying amount for the year ended 31 March 2018 and 31 March 2017:

Particulars	Rs in million Software, owned
Cost or deemed cost:	
Balance as at 1 April 2016	9.16
Additions	80.98
Disposals	-
Balance as at 31 March 2017	90.14
Balance as at 1 April 2017	90.14
Additions	59.31
Disposals	-
Balance as at 31 March 2018	149.45
Accumulated amortisation	
Balance as at 1 April 2016	2.87
Amortisation for the year	2.02
Disposals	-
Balance as at 31 March 2017	4.89
Balance as at 1 April 2017	4.89
Amortisation for the year	39.66
Disposals	-
Balance as at 31 March 2018	44.55
Carrying amounts (net):	
<i>As at 31 March 2017</i>	85.25
<i>As at 31 March 2018</i>	104.90



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

6 Non-current investments

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
<i>Unquoted equity shares</i>		
<i>Investment in Equity instruments:</i>		
(i) <i>Investment in subsidiaries at cost (fully paid):</i>		
0.06 million (31 March 2017: 0.06 million) equity shares of Coffeelab Limited of Rs 10 each	19.77	19.77
0.0047 million (31 March 2017: 0.0039 million) equity shares of A.N Coffeeday International Limited of EUR 1.71 each	622.97	547.88
(ii) <i>Investment in Joint venture at cost (fully paid):</i>		
0.69 million (31 March 2017: 0.69 million) equity shares of Coffee Day Schaerer Technologies Private Limited of Rs 10 each	6.86	6.86
(iii) <i>Investment in capital of partnership firm :</i>		
Classic Coffee Curing Works*	34.70	34.70
(iv) <i>Other investments, at cost</i>		
Share application money pending allotment in A.N Coffeeday International Limited	172.88	52.92
Share application money pending allotment in ONS Ventures SDN. BHD	12.77	-
	869.95	662.13
Impairment in the value of investments**	(169.86)	(19.86)
	700.09	642.27
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate value of unquoted investments	869.95	662.13
Aggregate amount of impairment in value of investments	169.86	19.86

*The names of all partners and share of each partner as at the balance sheet date are as follows -

- Coffee Day Global Limited - 99% (31 March 2017: 99%)

- Coffeelab Limited - 1% (31 March 2017: 1%)

The total capital of the partnership firm is Rs 34.70 million (31 March 2017: Rs 34.70 million)

** The provision made for diminution in the value of investment pertains to investment in A.N Coffeeday International Limited and Coffeelab Limited.

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in note 41.

7 Loans

A. Non-current loans

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
<i>Unsecured, considered good</i>		
Security deposit	860.45	780.29
Loans to related parties:		
- subsidiary* (refer note 36)	-	132.91
- partnership firm (refer note 36)	1.09	0.61
	861.54	913.81

*During the year, the Company has given an unsecured loan of Nil (31 March 2017: Euro 2 million) to A.N. Coffeeday International Limited. The loan is repayable on demand.

B. Current loans

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
<i>Unsecured, considered good</i>		
Security deposit	5.77	11.18
Staff advances	20.93	39.32
Loans to related parties:		
- joint venture (refer note 36)	-	15.46
	26.70	65.96



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
8 Other financial assets
A. Other non-current financial assets

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Derivatives instruments measured at fair value through OCI		
<i>Cash flow hedges</i>		
- Interest rate swaps	-	6.55
Others		
Fixed deposit accounts with banks*	-	75.50
Margin money deposits with banks	9.00	2.13
	9.00	84.18

*includes Rs Nil (31 March 2017: Rs 75.70 million) given as security for loan availed by the Company. These fixed deposits cannot be withdrawn by the Company within 12 months of balance sheet date.

B. Other current financial assets

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Others		
Export benefit receivable	44.06	31.07
Interest accrued but not due	1.04	12.98
Other advances	29.73	44.90
	74.83	88.95

9 Other assets
A. Other non-current assets

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Capital advances	564.45	444.33
Advances other than capital advances:		
- deposit with government authorities	0.80	1.56
- taxes paid under protest	77.99	77.99
- supplier advance	16.04	13.23
- deferred rent expense	186.17	207.93
	845.45	745.04

B. Other current assets

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Supplier advance	590.28	706.59
Balances with government authorities	66.41	29.53
Deferred rent expense	51.53	56.80
Prepaid expenses	8.89	16.58
Others	4.08	0.51
	721.19	810.01

10 Inventories

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Stock of raw coffee and packing material	89.62	445.05
Stock of perishables, consumables and merchandise	536.67	504.79
Finished goods of clean and roasted coffee	139.09	154.04
Work-in-progress	47.40	78.96
	812.78	1,182.84
Carrying amount of inventories (included in above) pledged as securities for borrowings (refer note 17)	276.11	678.05



11 Trade receivables

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Trade receivables		
Unsecured, considered good	2,127.98	1,542.47
Doubtful	40.00	40.00
	<u>2,167.98</u>	<u>1,582.47</u>
Loss allowance		
Unsecured, considered good	-	-
Doubtful	(40.00)	(40.00)
	<u>(40.00)</u>	<u>(40.00)</u>
Net trade receivables	2,127.98	1,542.47

All trade receivables are 'current'.

Of the above, trade receivables from related parties are as below:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Trade receivables from related parties (refer note 36)	9.40	7.08
Loss allowance	-	-
Net trade receivables	9.40	7.08

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables is disclosed in note 41.

12 Cash and cash equivalents

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Balances with banks		
- in current accounts	324.17	479.67
- in escrow accounts	9.64	5.94
- in fixed deposit accounts (original maturity less than 3 months)	3,450.00	1,613.88
Cash on hand	50.34	54.50
	<u>3,834.15</u>	<u>2,153.99</u>

13 Bank balances other than cash and cash equivalents

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Fixed deposit accounts with banks*	-	52.09
Margin money deposits with banks	74.12	7.92
	<u>74.12</u>	<u>60.01</u>

*includes Rs Nil million (31 March 2017: Rs 49.31 million) given as security for loan and overdraft facility availed by the Company and having a maturity of less than 12 months from the balance sheet date.



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

14 Equity share capital

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Authorised 2,354,860,635 (31 March 2017: 2,354,860,635) equity shares of Re 1 each	2,354.86	2,354.86
	2,354.86	2,354.86
Issued, subscribed and fully paid up 171,137,567 (31 March 2017: 169,906,657) equity shares of Re 1 each	171.14	169.91
	171.14	169.91

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	Rs in million (except share data)			
	As at 31 March 2018		As at 31 March 2017	
	No of shares	Amount	No of shares	Amount
Number of shares outstanding at the beginning of the year	169,906,657	169.91	168,675,747	168.68
Add: Shares issued against convertible debentures	1,230,910	1.23	1,230,910	1.23
Number of shares outstanding at the end of the year	171,137,567	171.14	169,906,657	169.91

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

The Company has one class of equity shares having a par value of Re 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

(c) Equity shareholders holding more than 5% of equity shares along with the number of equity shares held at the beginning and at the end of the year is as given below:

Name of the shareholder	As at 31 March 2018		As at 31 March 2017	
	% of holding	No of shares	% of holding	No of shares
Coffee Day Enterprises Limited, holding company	89.62%	153,371,342	86.63%	147,192,442
V.G Siddhartha	5.57%	9,539,371	4.89%	8,308,461

(d) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

(e) Particulars of each class of shares held by the ultimate holding company:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Coffee Day Enterprises Limited, holding company	153.38	147.19

(f) Shares reserved for issue under options and contracts/ commitments for sale of shares:

Particulars	Rs in million			
	As at 31 March 2018		As at 31 March 2017	
	No of shares	Amount	No of shares	Amount
For compulsorily convertible debentures of Rs 100 each*	19,755,822	19.76	19,755,822	19.76

* Refer note 15 (b)



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15 Compulsorily convertible debentures

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
41,000,000 (31 March 2017: 41,000,000) compulsorily convertible debentures of Rs 100 each fully paid up	4,100.00	4,100.00
	4,100.00	4,100.00

(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting year:

Particulars	Rs in million (except share data)			
	As at 31 March 2018		As at 31 March 2017	
	No of debentures	Amount	No of debentures	Amount
Number of compulsorily convertible debentures outstanding at the beginning and end of the year	41,000,000	4,100.00	41,000,000	4,100.00

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Coffee Day Enterprises Limited, holding company including restrictions if any:

The Company has one class of compulsorily convertible debentures of Rs 100 per debenture. These debentures are unsecured and carry interest rate of 0.01% p.a. payable annually. The debentures shall be converted into 19,755,822 equity shares having a par value of Re 1 each after 4 years 9 months of issue date.

(c) Particulars of convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Coffee Day Enterprises Limited, holding company	4,100.00	4,100.00

(d) Debenture holders holding more than 5% of convertible debentures along with the number of debentures held at the beginning and at the end of the year is as given below:

Name of the debenture holder	As at 31 March 2018		As at 31 March 2017	
	% of holding	No of debentures	% of holding	No of debentures
Coffee Day Enterprises Limited, holding company	100.00%	41,000,000	100.00%	41,000,000



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16 Other equity

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Capital Reserve		
At the commencement and end of the year	(44.76)	(44.76)
Share options outstanding account		
At the commencement of the year	59.28	46.57
Add: Additions during the year on account of share-based payments	-	12.71
Less: Transferred to general reserve	(59.28)	-
At the end of the year	-	59.28
Securities premium		
At the commencement of the year	7,637.14	7,468.59
Add: Additions during the year on conversion compulsorily convertible debentures to equity shares	168.53	168.55
At the end of the year	7,805.67	7,637.14
Debenture redemption reserve		
At the commencement of the year	-	125.04
Less: Transferred to retained earnings	-	(125.04)
At the end of the year	-	-
General reserve		
At the commencement and end of the year	33.10	33.10
Add: Transfer from share options outstanding account	59.28	-
At the end of the year	92.38	33.10
Retained earnings		
At the commencement of the year	1,434.68	990.43
Add: Net profit for the year	359.85	322.69
Add: Remeasurements of defined benefit plan	3.91	0.27
Add: Transfer from debenture redemption reserve	-	125.04
Less: Dividends	-	(3.75)
At the end of the year	1,798.44	1,434.68
Other comprehensive income:		
Effective portion of cash flow hedge		
At the commencement of the year	(0.26)	(5.04)
Add: Movement during the year	0.26	4.78
At the end of the year	-	(0.26)
	9,651.73	9,119.18

Nature and purpose of other reserves:

Capital reserve:

Capital reserve of a corporate enterprise is not available for distribution as dividend.

Share options outstanding account:

The share options outstanding account is used to recognise the grant date fair value of options issued to employees under stock option plan.

Securities premium:

Securities premium reserve is used to record the premium received on issue of shares by the Company. The reserve can be utilised in accordance with the provision of section 52(2) of Companies Act, 2013.

General reserve:

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

Cash flow hedges reserve:

The effective portion of cash flow hedge represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedges reserve will be reclassified to profit and loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Retained earnings:

The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.



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17 Borrowings

A. Non-current borrowings

Particulars	Rs in million	
	As at	As at
	31 March 2018	31 March 2017
<i>Secured:</i>		
Term loans		
- from banks		
- Rabobank International [refer note 17 (i)]	613.60	900.20
- from other parties		
- Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG') [refer note 17 (iv)]	1,416.04	-
<i>Unsecured:</i>		
2,546,358 (31 March 2017: 4,243,930) Compulsorily convertible debentures issued to FMO [refer note 17 (v)]	84.88	290.46
	2,114.52	1,190.66

B. Current borrowings

Particulars	Rs in million	
	As at	As at
	31 March 2018	31 March 2017
<i>Secured:</i>		
Loan repayable on demand		
- from banks		
- bank overdraft		
- Kamataka Bank Limited [refer note 17 (viii)]	-	0.83
- Oriental Bank of Commerce [refer note 17 (ix)]	-	3.34
- HSBC [refer note 17 (x)]	100.00	100.00
- Vijaya Bank [refer note 17 (xi)]	-	49.88
- Kotak Mahindra Bank Limited [refer note 17 (xii)]	142.98	142.79
- Rathnakar Bank Limited [refer note 17 (xiii)]	540.45	-
- Yes Bank Limited [refer note 17 (xiv)]	7.77	5.16
- packing credit loan from banks		
- Kamataka Bank Limited [refer note 17 (viii)]	341.43	165.93
- Oriental Bank of Commerce [refer note 17 (ix)]	-	207.10
- bill discounting facility from banks		
- Kamataka Bank Limited [refer note 17 (viii)]	370.41	210.88
- Oriental Bank of Commerce [refer note 17 (ix)]	363.64	123.69
	1,866.68	1,009.60

Information about Company's exposure to interest rate, foreign currency and liquidity risks is included in note 41.

Notes:

- (i) **From Rabobank International, Hong Kong - amounting to: Rs 916.32 million (31 March 2017: Rs 1,170.64 million) - including current maturities of non-current borrowings**

Secured by

- ☐ Personal guarantee of the V. G. Siddhartha;
- ☐ Charge on specific movable assets of the Company; and
- ☐ First ranking equitable mortgages on the following immovable properties-
 - o Land and building located in Hassan, owned by the Company; and
 - o Land located in Palace Road, Bangalore owned by the Company with a carrying amount of Rs 79.00 million as at 31 March 2018 (31 March 2017: 79.00 million).
- ☐ Second ranking equitable mortgage on the land and buildings of the Corporate Headquarters of the Company located at Vittal Mallya Road, Bangalore with a carrying amount of Rs 1,239.26 million as at 31 March 2018 (31 March 2017: 1,314.12 million)

Loan from Rabobank International, Hong Kong carries a floating interest rate of LIBOR plus 3.5% margin p.a and is repayable in 8 biannual installments commencing from February 2017.



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Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

17 Borrowings (continued)

(ii) From Standard Chartered Bank - amounting to: Nil (31 March 2017: Rs 191.91 million)

Secured by

- ☐ Charge on all movable assets of the Company;
- ☐ Charge over all cash deposits with landlords for cafes and future cafes starting with Standard Chartered Bank facility;
- ☐ First exclusive charge and irrecoverable rights of lien and set-off on the property, plant and equipment with Standard Chartered Bank with a carrying value of Rs Nil (31 March 2017: Nil).

The loan carries a floating interest rate of 3 months LIBOR plus 2.75% margin p.a. which is repayable in 17 equal quarterly installments with effect from August 2013. The loan is denominated in foreign currency. The Company has entered into an interest rate swap to pay fixed rate of interest of 4.46% (31 March 2017: 4.46%) and receive floating LIBOR rate. The Company had repaid the loan during the year.

(iii) Vehicles loan - amounting to: Rs 0.03 million (31 March 2017: Rs 0.36 million) - including current maturities of non-current borrowings

Secured by hypothecation of vehicles.

This loan carries an interest rate within a range of 11.10% p.a. to 11.75% p.a. The principal amount has to be repaid in equal installments over the period of loan in respect of each vehicle.

(iv) From Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG') - amounting to: Rs 1,416.04 (31 March 2017: Nil)

Secured by

- ☐ Personal guarantee of the V. G. Siddhartha;
- ☐ First ranking mortgage on the following immovable properties-
 - o Land located in Hassan, owned by the Company;
 - o Land located in Palace Road, Bangalore owned by the Company; and
 - o Charge on all movable assets of the Company.

Loan from DEG carries a floating interest rate of 6 months EURIBOR plus 2.97% margin p.a and is repayable in 12 biannual installments with effect from November 2019.

(v) Compulsorily convertible debentures issued to FMO - amounting to: Rs 276.62 million (31 March 2017: Rs 478.62 million) - including current maturities of non-current borrowings

These debentures carry interest rate of 14.5% p.a. payable bi-annually.

The debentures shall be converted into equity shares on earlier of the following dates:

- Mandatory conversion date i.e. date falling 10 years after the issue of debentures (i.e., 30 March 2010);
- Optional conversion date i.e. dates falling 66 months, 72 months, 78 months, 84 months, 90 months, 96 months, 102 months and 108 months from the closing date (i.e. 30 March 2010);
- In the event of IPO, the latest permissible date up to which the debentures can remain outstanding under local laws; and
- At the investors option upon the occurrence of an event of default.

The number of equity shares arising upon conversion will result in 2.85% of total issued and paid up equity share capital of the Company on a fully diluted basis on the date of issue of debentures.

During the year, the holders sold 1,697,572 (31 March 2017: 1,697,572) Compulsorily Convertible Debentures (CCDs) to the promoter V.G. Siddhartha, subsequent to which the CCDs were converted to 1,230,910 (31 March 2017: 1,230,910) equity shares of Re 1 each as per the original terms of agreement.

(vi) Compulsorily convertible debentures in descending order of conversion/ redemption:

Particulars	Convertible into	Conversion/ maturity	Earliest date of conversion/ redemption
Compulsorily convertible debentures issued to FMO	Equity shares	Conversion	Refer (v) above.

Reconciliation of movements of liabilities to cash flows arising from financing activities

		Rs in million
Particulars		Liabilities
Balance at 1 April 2017		2,549.88
Changes from financing cash flows		
Proceeds from loans and borrowings		8,525.28
Repayment of borrowings		(7,204.05)
Interest expense		585.52
Interest paid		(772.14)
Balance at 31 March 2018		3,684.49



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Coffee Day Global Limited**Notes to the standalone financial statements for the year ended 31 March 2018 (continued)****17 Borrowings (continued)**

- (vii) The aggregate amount of long-term borrowings including current maturities secured by personal guarantee of Managing Director and relatives of Managing Director amounts to Rs 2,600.00 million as at 31 March 2018 (31 March 2017: 1,170.00 million).
- (viii) **From Karnataka Bank Limited (includes bank overdraft, bills discounting and packing credit loan account) –**
Secured by
☐ Hypothecation of stocks of coffee beans located at Chikmagalur and advance paid to planters;
☐ Hypothecation of goods covered under export bills;
☐ Further, the loan is collaterally secured by -
 - Deposit of title deeds of a property belonging to a relative of Promoter;
 - Personal guarantee of Promoter and relatives of Promoter; and
 - Promissory note provided by the Company and the Promoter.
- (ix) **From Oriental Bank of Commerce (includes bank overdraft, bills discounting and packing credit loan account)**
Secured by
☐ Foreign documentary demand/ usance bill having maximum usance of 270 days accompanied by Airways bills/ Bill of Lading and drawn under irrevocable letter of credit/ confirmed orders only towards bills purchased;
☐ Hypothecation of stock of coffee at Hassan earmarked for export and advance paid to planters;
☐ Equitable/ Registered mortgage of non agricultural industrial land in the name of Classic Coffee Curing Works at Chikmagalur; and
☐ Personal guarantee of the Managing Director and relatives of the Managing Director.
- (x) **From HSBC (bank overdraft)**
Secured by
☐ Exclusive charge over movable assets, both present and future of the Company's outlets (café's) with asset cover of 1.75x.
☐ Personal Guarantee of Managing Director.
- (xi) **From Vijaya bank (bank overdraft)**
Secured by
☐ Hypothecation of stocks and receivables pertaining to vending division.
- (xii) **From Kotak Mahindra Bank Limited (bank overdraft)**
Secured by
☐ Exclusive charge over movable fixed assets of 474 xpress kiosk.
- (xiii) **From Rathnakar Bank Limited**
Secured by
☐ First pari passu charge on current assets of vending division
☐ Personal guarantee of V. G. Siddhartha
- (xiii) **From Yes Bank Limited**
Secured by
☐ Charge on all current assets of vending division (minimum cover of 1x)
☐ Personal guarantee of V. G. Siddhartha
- (xv) The aggregate amount of current borrowings secured by personal guarantee of Managing Director and relatives of Managing Director amounts to Rs 1,860.00 million as at 31 March 2018 (31 March 2017: 1,002.22 million).
- (xvi) There are no default in the repayment of the principal and interest amounts with respect to these loans as on balance sheet date.

18 Other financial liabilities**A. Other non-current financial liabilities**

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Deposits from customers	419.60	372.75
	419.60	372.75



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B. Other current financial liabilities

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Current maturities of long-term debt		
- debentures		
- Compulsorily convertible debentures issued to FMO [refer note 17(v)]	191.74	188.16
- from banks		
- Rabobank International	302.72	270.44
- Standard Chartered Bank [refer note 17(ii)]	-	192.66
- Vehicle loans from banks [refer note 17(iii)]	0.03	0.36
Others:		
- accrued salaries and benefits	155.13	128.28
- creditors for capital goods	105.57	85.50
- creditors for expenses	156.57	150.32
- book overdraft	40.73	11.04
- deposits from customers	398.22	387.77
	1,350.71	1,414.53

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Provisions**A. Non-current provisions**

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
- gratuity (refer note 37)	31.86	22.57
	31.86	22.57

B. Current provisions

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Provision for employee benefits		
- compensated absences	17.45	15.32
	17.45	15.32

Movements in provision:

Particulars	Rs in million	
	Gratuity	Compensated absences
Balance at 1 April 2017	22.57	15.32
Additional provision recognised	20.50	2.13
Reduction arising from payments	(11.21)	-
Balance at 31 March 2018	31.86	17.45



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

20 Other liabilities

A. Other non-current liabilities

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Others		
- rent equalisation reserve	82.54	56.28
- financial guarantee obligation	0.03	3.81
	82.57	60.09

B. Other current liabilities

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Statutory dues	71.32	114.41
Rent equalisation reserve	7.01	10.83
Others		
- advance payments towards unexpired gift vouchers	12.60	6.13
- advance from customers	320.44	283.45
- subsidy advance (refer note 35)	3.51	-
	414.88	414.82

21 Trade payables

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Trade payables to related parties (refer note 36)	3.44	145.66
Other trade payables	277.16	127.17
	280.60	272.83

All trade payables are 'current'.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 41.

Dues to Micro, small and medium enterprises

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2018 (31 March 2017: Nil) has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the said Act. 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.

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;		
(a) (i) Principal	-	-
(ii) Interest	-	-
(b) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year*;		
(i) Interest	-	-
(ii) Payment	-	-
(c) 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 the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

* No interest has been paid by the Company during the year.



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Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

22 Current tax liabilities, net

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Opening balance	223.05	148.63
Add: Current tax payable for the year	308.92	274.57
Less: Tax paid during the year	359.11	200.15
Closing balance	172.86	223.05



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
23 Revenue from operations

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of products		
- Sale of coffee beans	4,771.04	4,049.44
- Sale of food, beverages and other items	12,771.22	11,524.42
- Sale of merchandise items	629.54	624.16
Service income	954.44	806.57
Other operating revenue		
- Advertisement income	646.32	300.09
- Sale of import entitlements	160.15	104.76
- (Loss)/ Gain from commodity futures, net	(12.78)	50.08
Less: quality claims	(11.61)	(3.81)
Less: sales tax	(1,343.00)	(1,145.39)
Less: service tax	(152.01)	(464.52)
Less: trade discounts	(853.03)	(704.82)
	17,560.28	15,140.98

24 Other income

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income under effective interest method	186.20	240.36
Rental income	8.44	22.36
Gain from forex hedging	-	1.05
Commission income	3.78	6.58
Others	6.79	7.25
	205.21	277.60

25 Cost of materials consumed

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Opening stock of raw coffee, packing materials, perishables, consumables and merchandise	949.84	850.45
Purchase of raw materials and packing materials		
- Purchase of raw coffee	4,313.43	3,525.93
- Purchase of perishables, consumables and packing materials	3,252.16	3,504.85
- Purchase of merchandise items	215.06	256.62
Closing stock of raw coffee, packing materials, perishables, consumables and merchandise	(626.29)	(949.84)
	8,104.20	7,188.01

26 Changes in inventories of finished goods and work-in-progress

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Opening stock		
Finished goods	154.04	175.37
Work-in-progress	78.96	81.28
	233.00	256.65
(b) Closing stock		
Finished goods	139.09	154.04
Work-in-progress	47.40	78.96
	186.49	233.00
	46.51	23.65



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

27 Employee benefits expense

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries and wages	2,069.76	1,733.04
Contribution to provident and other funds	228.51	190.22
Share-based payments to employees	-	12.71
Staff welfare expenses	27.90	43.27
	2,326.17	1,979.24

28 Finance costs

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense	648.23	439.86
Other borrowing costs	31.19	31.91
	679.42	471.77

29 Depreciation and amortization expense

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipment (refer note 4)	1,687.98	1,618.98
Amortization of intangible assets (refer note 5)	39.66	2.02
	1,727.64	1,621.00

30 A: Other expenses

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent (refer note 34)	2,139.39	1,864.02
Transportation, traveling and conveyance	735.68	594.94
Power and fuel	291.88	254.59
Café housekeeping and maintenance	168.63	150.95
Subcontracting charges	150.18	132.56
Brokerage and commission	146.63	116.71
Grinding and curing charges	74.50	80.16
Advertising and sales promotion	71.15	48.10
Repairs and maintenance		
- buildings	0.83	0.99
- machinery	87.86	48.26
- others	28.97	17.61
Legal and professional fees (refer note 30-B)	44.86	41.89
Freight and handling charges	42.94	40.20
Communication expenses	33.42	33.01
Office maintenance and utilities	22.84	21.05
Rates and taxes	20.82	36.33
Insurance	16.54	13.64
Printing and stationery	13.23	11.11
Loss on sale of assets, net	-	3.01
Impairment in value of investment	150.00	19.77
Forex exchange loss, net	49.82	-
Provision for doubtful debts	-	20.00
Expenditure on corporate social responsibility (refer note 30-C)	5.40	2.60
Miscellaneous	29.95	30.22
	4,325.52	3,581.72



3

30 B: Auditor's remuneration (Included in legal and professional fees and excludes goods and service tax)

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
As auditor		
- for statutory audit	6.83	6.83
Reimbursement of expenses	0.92	0.77
	7.75	7.60

30 C: Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through out the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	Rs in million	
	As at and for the year ended 31 March 2018	As at and for the year ended 31 March 2017
(a) Amount required to be spent by the Company during the year	5.40	2.55
(b) Amount spent during the year for:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	5.40	2.60



31 Income tax**A. Amounts recognised in statement of profit and loss**

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Current income tax:		
Current income tax charge	308.92	250.14
Adjustments in respect of current income tax of previous years	-	24.43
	308.92	274.57
Deferred tax:		
Attributable to -		
Origination and reversal of temporary differences	(112.74)	(44.07)
	(112.74)	(44.07)
Income tax expense reported in the statement of profit or loss	196.18	230.50

B. Income tax recognised in other comprehensive income

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Effective portion of gains and losses on hedging	(0.14)	(2.53)
Net gain on remeasurement of defined benefit liability	(2.07)	(0.05)
Income tax charged to OCI	(2.21)	(2.58)

C. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Accounting profit before income tax	556.03	553.19
At India's statutory tax rate of 34.608% (31 March 2017: 34.608%)	192.43	191.45
Impact non-deductible expenses for tax purposes	19.24	14.62
Tax incentives	(2.75)	-
Change in unrecognised temporary differences	(3.36)	-
Recognition of previously unrecognised tax losses	(9.38)	-
Adjustments in respect of current income tax of previous years	-	24.43
Income tax expense	196.18	230.50

D. Deferred tax

Deferred tax relates to the following:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Deferred tax assets/ (liabilities)		
Excess of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	50.41	14.62
Borrowings	(0.06)	9.99
Security deposit	23.21	15.92
Employee benefits	6.04	13.55
Rent straight lining	30.99	23.22
Provision for doubtful debts	13.84	13.84
Effective portion of gains on hedging instruments in cash flow hedges	-	0.15
Impairment in the value of investments	79.57	-
Deferred tax assets/ (liability)	204.00	91.29



32 Contingent liabilities and commitments (to the extent not provided for)

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Contingent		
Claims against the Company not acknowledged as debt in respect to income tax matter, service tax and value added tax matters (refer note i and ii)	650.35	655.30
Commitments:		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (refer note iii)	119.43	69.51

Notes:

i) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. Based on the advice from the Company's legal counsel, management does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

iii) As at 31 March 2018, the Company is committed to spend Rs 14.23 million (31 March 2017: Rs 23.23 million) under a contract to purchase property, plant and equipment.

33 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the compulsorily convertible debentures) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

(i) Reconciliation of earnings used in calculating earnings per share:

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
<i>From continuing operations:</i>		
Profit for the year as per statement of profit and loss	359.85	322.69
Net profit for basic earnings per share	359.85	322.69
Net profit for diluted earnings per share	359.85	322.69

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

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Number of equity shares at the beginning of the year	169,906,657	168,675,747
<i>Add: Weighted average number of equity shares issued during the year:</i>		
- Due to conversion of debentures	627,258	628,944
Number of weighted average equity shares considered for calculation of basic earnings per share	170,533,915	169,304,691
<i>Add: Dilutive effect of convertible debentures</i>	19,755,822	19,755,822
Number of weighted average equity shares considered for calculation of diluted earnings per share	190,289,737	189,060,513

For the year ended 31 March 2018, 2,546,358 (March 2017: 4,243,930) compulsorily convertible debentures issued to FMO which are convertible into 1,846,365 (31 March 2017: 3,077,275) equity shares were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

(iii) Earnings per share:

- Basic	2.11	1.91
- Diluted	1.89	1.71



Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
34 Leases
Operating lease
Assets given on operating lease:

The Company earns its facility rental income from premises sub-leased under operating lease which is recognized in the statement of profit and loss on a straight-line basis over the term of the lease. Total lease rental income recognised in the statement of profit and loss for the year is:

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Non-cancellable	8.44	22.36
	8.44	22.36

Assets taken on operating lease:

The Company has taken on lease a number cafe outlets, office premises and warehouses under operating lease agreements. The lease typically runs for a period of six to nine years, with an option to renew the lease after that period. The Company intends to renew such leases in the normal course of its business. Total rental expense under operating leases was Rs 2,139.39 million and Rs 1,864.02 million for the year ended 31 March 2018 and 31 March 2017 respectively.

Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating leases as on 31 March 2018 and 31 March 2017 are as follows:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Payable in less than one year	533.94	592.43
Payable between one and five years	1,300.69	1,613.96
Payable after five years	490.95	713.48

Certain leases provide for additional payments that are contingent on revenue earned by the respective café outlets. Contingent rents included in profit or loss amounted to Rs 248.48 million (March 2017: 158.49 million).

35 Government grant

The Company is entitled to receive grant from various State Governments under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (erstwhile Aajeevika Skills Development Programme) launched by the Ministry of Rural Development (MoRD), Government of India, towards providing training facilities. As at 31 March 2018, the Company has received cumulatively, total grant of Rs 96.27 million (31 March 2017: Rs 77.05 million).

The Company has incurred a cost of Rs 23.03 million (Previous year: Rs 49.52 million) under various expense heads. The said expenses has been reduced from the proceeds of this grant.

The unutilised amount of of the total grant received as at 31 March 2018 is Rs. 3.51 million (31 March 2017: Nil).

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Rates and taxes	8.11	-
Rent	7.87	18.32
Staff welfare expenses	5.37	23.04
Printing and stationery	0.79	0.57
Transportation, traveling and conveyance	0.38	3.54
Power and fuel	0.38	0.72
Legal and professional fees	0.09	2.05
Repairs and maintenance - buildings	0.04	1.28
	23.03	49.52



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Coffee Day Global Limited**Notes to the standalone financial statements for the year ended 31 March 2018 (continued)****36 Related party disclosures****A. Details of related parties:****I. Parent entity**

- Coffee Day Enterprises Limited

II. Subsidiaries

- Amalgamated Holdings Limited (refer note 42)
- Ganga Coffee Curing Works Limited (refer note 42)
- Coffee Day Properties (India) Private Limited (refer note 42)
- A.N Coffeeday International Limited
- Coffee Day Gastronomie Und Kaffeehandles GmbH
- Coffee Day CZ a.s.
- CoffeeLab Limited
- Classic Coffee Curing Works

III. Joint Venture

- Coffee Day Schaefer Technologies Private Limited

IV. Entities under common control, and associates of holding company with whom transactions have taken place:

- Tanglin Developments Limited
- Mysore Amalgamated Coffee Estates Limited
- Kesar Marbles and Granites Limited
- Dark Forest Furniture Company Private Limited
- Mindtree Limited
- SICAL Logistics Limited
- Tanglin Retail Reality Developments Private Limited
- Coffee Day Hotels and Resorts Private Limited
- Wilderness Resorts Private Limited
- Karnataka Wildlife Resorts Private Limited

V. Key management personnel of the entity

- V.G. Siddhartha, Managing Director
- Malavika Hegde
- Jayraj Hubli, Chief Financial Officer
- Venu Madhav
- S V Ranganath
- Sanjay Nayar
- K P Balaraj
- Sadananda Poojary - Company Secretary

B. Transactions with related parties:

Particulars	Rs In million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
I. Parent entity: Coffee Day Enterprises Limited		
Reimbursable expenses incurred by the Company	0.10	0.10
Dividend	-	3.75
Sale of consumables	0.57	0.80
II. Subsidiaries		
Sale of coffee		
- Coffee Day Gastronomie Und Kaffeehandles GmbH	1.60	0.35
- Coffee Day CZ a.s.	3.14	5.90



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Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

36 Related party disclosures (continued)

B. Transactions with related parties (continued):

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Loans and advance given to		
- A.N Coffeeday International Limited	-	132.91
- Classic Coffee Curing Works	0.58	0.23
Share application money paid to		
- A.N Coffeeday International Limited	195.04	53.04
Investment in		
- Coffee Day Schaerer Technologies Private Limited	-	4.90
- A.N Coffeeday International Limited	75.09	79.32
Repayment of advances from		
- A N Coffee Day International	132.91	-
Reimbursable expenses on behalf of the Company		
- Classic Coffee Curing Works	0.11	0.11
III. Joint Venture		
Purchases of coffee vending machines		
- Coffee Day Schaerer Technologies Private Limited	26.53	18.73
Reimbursable expenses incurred by the Company on behalf of		
- Coffee Day Schaerer Technologies Private Limited	9.48	8.77
IV. Entities under common control, associates of holding company with whom transactions have taken place:		
Commission Income received		
- Tanglin Retail Reality Developments Private Limited	1.55	2.37
- Wilderness Resorts Private Limited	2.23	1.29
- Karnataka Wildlife Resorts Private Limited	-	0.13
- Coffee Day Hotels and Resorts Private Limited	-	0.29
- Tanglin Developments Limited	-	2.50
Transportation and subcontracting charges paid		
- SICAL Logistics Limited	628.31	515.92
Sale of coffee and service income		
- Mindtree Limited	28.68	24.40
- Coffee Day Hotels and Resorts Private Limited	1.48	3.14
- Karnataka Wild Life Resorts Private Limited	0.47	0.99
Purchase of clean and raw coffee		
- Mysore Amalgamated Coffee Estates Limited	392.34	440.46
Purchase of fixed assets		
- Dark Forest Furniture Company Private Limited	209.29	344.70
Purchase of Software		
- Mindtree Limited	25.62	50.89



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Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

36 Related party disclosures (continued)

B. Transactions with related parties (continued):

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Advance paid to		
- Dark Forest Furniture Company Private Limited	410.60	220.08
- Mysore Amalgamated Coffee Estates Limited	3,650.10	3,385.60
Interest paid on advances received from		
- Mysore Amalgamated Coffee Estates Limited	3.74	5.52
Reimbursable expenses incurred by the Company on behalf of		
- Tanglin Developments Limited	3.83	3.53
Repayment of advances from		
- Kesar Marble & Granites Limited	-	0.58
- Mysore Amalgamated Coffee Estates Limited	3,219.40	3,385.60
Guarantee given/ (closed)		
- Tanglin Retail Reality Developments Private Limited	(950.00)	-
- Wilderness Resorts Private Limited	(300.00)	250.00
- Karnataka Wildlife Resorts Private Limited	-	(300.00)
- Coffee Day Hotels and Resorts Private Limited	-	(700.00)
- Tanglin Developments Limited	-	(500.00)
V. Key management personnel of the entity		
Key management personnel compensation (refer note 37 D)		
- Jayraj Hubli	11.39	7.52
- Sadananda Poojary	6.63	3.80
- Venu Madhav A	10.87	8.65
Guarantee given/ (closed)		
- V. G. Siddhartha	2,287.78	(956.90)

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

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
I. Parent entity: Coffee Day Enterprises Limited		
- Compulsorily convertible debentures	4,100.00	4,100.00
- Other payables	0.37	0.37
II. Subsidiaries		
Trade receivables		
- Coffee Day CZ a.s.	-	1.46
- Coffee Day Gastronomie Und Kaffehandles GmbH	0.29	-
Advance from customers		
- Coffee Day Gastronomie Und Kaffehandles GmbH	-	0.95
- Coffee Day CZ a.s.	0.11	-
Supplier advance		
- Mysore Amalgamated Coffee Estates Limited	34.62	-
- Sical Logistics Limited	90.26	-
Non-current loans to subsidiaries and partnership firm		
- A.N Coffeeday International Limited	-	132.91
- Classic Coffee Curing Works	1.09	0.61



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Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

36 Related party disclosures (continued)

C. The following is a summary of balances receivable from and payable to related parties (continued):

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
III. Joint Venture		
Current loans		
- Coffee Day Schaerer Technologies Private Limited	-	15.46
Creditors for capital goods		
- Coffee Day Schaerer Technologies Private Limited	31.41	11.69
IV. Entities with common control, associates of holding company:		
Trade receivables		
- Mindtree Limited	8.15	5.62
- Coffee Day Hotels and Resorts Private Limited	0.96	-
Creditors for capital goods		
- Mindtree Limited	30.53	37.41
- Dark Forest Furniture Company Private Limited	305.94	105.33
Trade payables		
- SICAL Logistics Limited	-	145.66
- Dark Forest Furniture Company Private Limited	3.44	-
Other receivables		
- Tanglin Developments Limited	1.50	1.50
Corporate Guarantees given		
- Tanglin Retail Reality Developments Private Limited	-	950.00
- Wilderness Resorts Private Limited	250.00	550.00
V. Key management personnel of the Company:		
Personal guarantee received for loans taken		
- V. G. Siddhartha	4,460.00	2,172.22

D. Compensation of key management personnel of the Company:

The remuneration of directors and other members of key management personnel during the year was as follows:

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Short-term employee benefits	28.89	19.97
	28.89	19.97

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Post employment benefit comprising gratuity and compensated absences are not disclosed as these are determined for the Company as a whole.

E. Terms and conditions

All transactions and outstanding balances with these related parties are priced on an arm's length basis and are to be settled within the credit period allowed as per the policy. None of the balances are secured.



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37 Employee benefits obligations**A Defined contribution plan**

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The same is maintained by the LIC New Group Gratuity Cash Accumulation Plan and Kotak Gratuity Group Plan.

B Reconciliation of the projected benefit obligations

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Change in projected benefit obligation:		
Obligations at the beginning of the year	127.63	104.91
Service cost	25.86	22.69
Interest cost	7.42	6.72
Actuarial (gains) losses recognised in other comprehensive income:		
- due to changes in financial assumptions	(16.96)	3.03
- due to experience adjustments	20.23	(4.39)
Benefits settled	(11.21)	(5.33)
Obligations at year end	152.97	127.63

Change in plan assets:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Plans assets at the beginning of the year, at fair value	105.06	83.38
Expected return on plan assets	6.95	6.04
Actuarial (loss)/gain	(2.71)	(1.68)
Contributions	23.02	22.65
Benefits settled	(11.21)	(5.33)
Plans assets at year end, at fair value	121.11	105.06

Reconciliation of present value of obligation and fair value of plan assets:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Net defined benefit assets	121.11	105.06
Total employee benefit assets (non-current)	121.11	105.06
Net defined benefit liability	152.97	127.63
Total employee benefit liabilities	152.97	127.63
Net liability:	31.86	22.57
Non-current	31.86	22.57
Current	-	-
	31.86	22.57

C (i) Expense recognised in statement of profit and loss:

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Current service cost	25.86	22.69
Interest cost	7.42	6.72
Interest income	(6.95)	(6.04)
Net gratuity cost	26.33	23.37



37 Employee benefits obligations (continued)

(ii) Remeasurements recognised in other comprehensive income:

Particulars	Rs in million	
	For the year ended 31 March 2018	For the year ended 31 March 2017
Actuarial (gains) / losses	3.27	(1.36)
(Return)/ loss on plan assets excluding interest income	2.71	1.68
	5.98	0.32

D Plan assets comprise of the funds amounting to Rs 121.11 million (31 March 2017: Rs. 105.06 million).

E Defined benefit obligation

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest rate	7.60%	6.65%
Salary increase	4.00%	4.00%
Attrition rate	10.00%	25.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

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

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Increase	Decrease	Increase	Decrease
	Rs in million			
Discount rate (100 basis points movement)	144.93	163.86	124.29	132.21
Future salary growth (100 basis points movement)	163.35	145.25	132.29	124.16

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

38 Details of inter- corporate loans given

(a) Terms and conditions on which inter-corporate loans have been given:

Party name	Nature of relationship	Interest rate	Repayment terms	Purpose
A.N Coffeeday International Limited	Subsidiary	3%	On demand	General

(b) Reconciliation of inter-company loans given as at the beginning and as at the end of the year:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
(i) A.N Coffeeday International Limited		
At the commencement of the year	132.91	-
Add: given during the year	-	132.91
Less: conversion to equity	(132.91)	-
At the end of the year	-	132.91



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)
39 Details of non-current investments purchased and sold during the year

					Rs in million
Particulars	Face value per unit	As at 31 March 2017	Purchased during the year	Sold/ allotted during the year	As at 31 March 2018
<i>Unquoted equity shares</i>					
<i>Investment in Equity instruments:</i>					
<i>(i) Investment in subsidiaries at cost (fully paid):</i>					
Coffeelab Limited	Rs 10	19.77	-	-	19.77
A.N Coffeeday International Limited	GBP 1	547.88	75.09	-	622.97
<i>(ii) Investment in Joint venture at cost (fully paid):</i>					
Coffee Day Schaerer Technologies Private Limited	Rs 10	6.86	-	-	6.86
<i>(iii) Investment in capital of partnership firm at cost :</i>					
Classic Coffee Curing Works, Chikmagalur	Capital	34.70	-	-	34.70
<i>(iv) Other investments, at cost</i>					
Share application money pending allotment in A.N Coffeeday International Limited		52.92	195.05	75.09	172.88
Share application money pending allotment in ONS Ventures SDN. BHD		-	12.77	-	12.77

40 Specified bank note

During the previous year, the Company had Specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 31 March 2017. The details of SBNs held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification are as follows :

			Rs in million
Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	34.87	6.91	41.78
Add: Permitted receipts	-	324.23	324.23
Less: Amount deposited in banks	(34.87)	(279.03)	(313.90)
Closing cash in hand as on 30 December 2016	-	52.11	52.11

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.



Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement

A. Accounting classification and fair value

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

Particulars	Carrying value as at 31 March 2018	Fair value			Rs in million Total
		Level 1	Level 2	Level 3	
Financial assets measured at amortised cost:					
- Other financial assets (current)	74.83	-	-	-	-
- Fixed deposits and margin money with banks	9.00	-	-	-	-
- Trade receivables	2,127.98	-	-	-	-
- Cash and cash equivalents	3,834.15	-	-	-	-
- Bank balances	74.12	-	-	-	-
- Security deposits	866.22	-	-	-	-
- Loans (current and non-current)	22.02	-	-	-	-
Total	7,008.32	-	-	-	-
Financial liabilities measured at amortised cost:					
- Borrowings (current and non-current):	3,981.20	-	-	-	-
- Other financial liabilities (current and non-current)	1,770.31	-	-	-	-
- Trade payables	280.60	-	-	-	-
Total	6,032.11	-	-	-	-

The Company has not disclosed the fair values for financial instruments such as other non-current financial assets, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalent, other current financial assets, loans, borrowings with fluctuating interest rate, other non-current financial liabilities, trade payables and other current financial liabilities as their carrying amounts are a reasonable approximation of fair value.

Particulars	Carrying value as at 31 March 2017	Fair value			Rs in million Total
		Level 1	Level 2	Level 3	
Financial assets measured at fair value through profit and loss:					
- Interest rate swaps	6.55	-	6.55	-	6.55
Financial assets measured at amortised cost:					
- Other financial assets (current)	88.95	-	-	-	-
- Fixed deposits and margin money with banks	77.63	-	-	-	-
- Trade receivables	1,542.47	-	-	-	-
- Cash and cash equivalents	2,153.99	-	-	-	-
- Bank balances	60.01	-	-	-	-
- Security deposits	791.47	-	-	-	-
- Loans (current and non-current)	188.30	-	-	-	-
Total	4,902.82	-	-	-	-



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Coffee Day Global Limited

Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement (continued)

A. Accounting classification and fair value (continued)

Particulars	Carrying value as at 31 March 2017	Fair value		Rs in million Total
		Level 1	Level 2	Level 3
Financial liabilities measured at amortised cost:				
- Borrowings (current and non-current):	2,200.26	-	-	-
- Other financial liabilities (current and non-current)	1,787.28	-	-	-
- Trade payables	272.83	-	-	-
Total	4,260.37	-	-	-

The Company has not disclosed the fair values for financial instruments such as other non-current financial assets, trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, other current financial assets, loans, borrowings with fluctuating interest rate, other non-current financial liabilities, trade payables and other current financial liabilities as their carrying amounts are a reasonable approximation of fair value.



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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement (continued)

B. Measurement of fair values

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is mentioned below:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Valuation technique and significant unobservable inputs

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used. Related valuation processes are described in Note 3(o).

Financial instruments measured at	Type	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Fair value	Interest rate swaps	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the entity and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable	Not applicable
Amortised cost	Borrowings at fixed interest rate	The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

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Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement (continued)

C. Financial risk management

The Company's has exposure to the following risks arising from financial instruments:

- credit risk (refer note ii below)
- liquidity risk (refer note iii below)
- market risk (refer note iv below)

(i) Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The carrying amount of financial assets represents the maximum credit exposure.

Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

Outstanding customer receivables, which can be classified into receivables from corporates and receivables from retail operations are evaluated as minimal credit risk by the Company. Receivable from corporates are mainly from reputed companies from which we have noted a trend of timely collections. Retail operations pertain to customers who pay at the point of sale at the cafe and xpress outlets. However there is low risk on account of payments made through credit cards and coupons which are recoverable from banks, financial institutions and corporates having minimal credit risk.

Due to this factor, management believes that no additional credit risk is inherent in the Company's trade receivables and other receivables and unbilled revenue. At the balance sheet date, there were no significant concentrations of credit risk.

Expected credit loss (ECL) assessment for customers as at 31 March 2018 and 31 March 2017 :

The Company allocates each exposure to a credit risk is grade based on a variety of data that is determined to be predictive of the risk loss (including but not limited to past payment history, cash flow projections and available press information about the customers) and applying experienced credit judgement.

As explained above, the Company has categorised its receivables into the following parts:

- Receivables from corporate customers: Receivables above 1 year are considered to be doubtful and provision is created for the balance.
- Receivables from retail operations: Receivables above 6 months are considered to be doubtful and provision is created for the balance.



Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement (continued)

C. Financial risk management (continued)

Expected credit loss (ECL) assessment for customers as at 31 March 2018 and 31 March 2017 (continued):

The following table provides information about the exposure to credit risk and the expected credit loss for trade receivables:

	As at 31 March 2018		As at 31 March 2017	
	Carrying amount	Provision amount	Carrying amount	Provision amount
Up to 180 days	2,107.38	-	1,525.06	-
More than 180 days	60.60	40.00	57.41	40.00
	2,167.98	40.00	1,582.47	40.00

The gross carrying amount of trade receivables is Rs 2,167.98 million as at 31 March 2018 (31 March 2017: Rs 1,582.47 million).

Reconciliation of loss allowance:

Particulars	As at 31 March 2018	As at 31 March 2017
Loss allowance in the beginning of the year	40.00	20.00
Changes in allowance	-	20.00
Loss allowance at the end of the year	40.00	40.00

Cash and cash equivalents (including bank balances, fixed deposits and margin money with banks):

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

Loans and security deposit:

Expected credit loss for loans and security deposits is as follows:

Particulars	Period ended	Asset company	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	31 March 2018	Loan	22.02	-	-	22.02
		Security deposits	866.22	-	-	866.22
Loss allowance measured at 12 month expected credit loss	31 March 2017	Loan	188.30	-	-	188.30
		Security deposits	791.47	-	-	791.47



Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement (continued)

C. Financial risk management (continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the Management of the Company in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Exposure to liquidity risk

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities. The amounts are gross and undiscounted contractual cash flow.

As at 31 March 2018	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Rs in million						
Non-derivative financial liabilities						
Current borrowings	1,866.68	1,866.68	1,866.68	-	-	-
Non-current borrowings (including current maturities)	2,609.01	2,687.01	572.49	590.62	934.33	589.57
Trade payables	280.60	280.60	280.60	-	-	-
Other financial liabilities (current and non-current)	1,275.82	1,275.82	856.22	-	-	419.60
	6,032.11	6,110.11	3,575.99	590.62	934.33	1,009.17
Rs in million						
As at 31 March 2017	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
Rs in million						
Non-derivative financial liabilities						
Current borrowings	1,009.60	1,002.22	1,002.22	-	-	-
Non-current borrowings (including current maturities)	1,842.28	2,137.94	621.30	462.26	702.38	352.00
Trade payables	272.83	272.83	272.83	-	-	-
Other financial liabilities (current and non-current)	1,135.66	1,154.08	781.33	-	-	372.75
	4,260.37	4,567.07	2,677.68	462.26	702.38	724.75

The outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.



Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement (continued)

C. Financial risk management (continued)

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the risk management committee. Generally, the Company seeks to apply hedge accounting to manage volatility in the statement of profit and loss.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of the Company. The functional currencies of the Company is primarily INR. The currencies in which these transactions are primarily denominated are Euro and US dollars, etc.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

Particulars	As at 31 March 2018		As at 31 March 2017	
	EUR	USD	EUR	USD
Trade receivables	-	12.43	0.02	7.89
Advances recoverable in cash or in kind	-	0.15	-	0.34
Loan from banks	(19.17)	(14.00)	(2.02)	(20.94)
Net statement of financial position exposure	(19.17)	(1.42)	(2.00)	(12.71)
Less: Forward exchange contracts	-	-	-	(3.85)
Net exposure	(19.17)	(1.42)	(2.00)	(8.86)

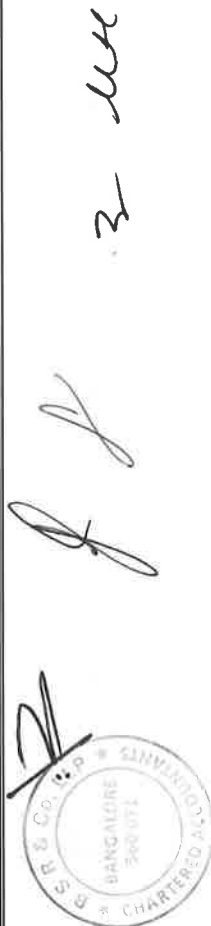
The following significant exchange rates have been applied:

	Year-end spot rate	
	31 March 2018	31 March 2017
INR	64.64	64.84
USD 1	81.32	69.25
EUR 1		

Sensitivity analysis

A reasonably possible strengthening (weakening) of the euro or US dollar against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
Euro (8% movement)	271.72	(271.72)	-	-
USD (0.30% movement)	0.28	(0.28)	-	-
31 March 2017				
Euro (13% movement)	11.08	(11.08)	-	-
USD (8% movement)	11.49	(11.49)	-	-



Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement (continued)

C. Financial risk management (continued)

Commodity price risk

The Company purchases coffee on an ongoing basis for its operations. The increased volatility in coffee price has led to the decision to enter into commodity forward contracts. Its operating activities require the ongoing purchase and sale of coffee and therefore require a continuous supply of coffee. The Company's Board of Directors have developed and enacted a risk management strategy regarding commodity price risk and its mitigation. Based on a 12-month forecast of the required coffee, the Company hedges the price using forward commodity contracts.

Exposure to commodity risk

The exposure of the Company due to commodity price changes at the end of the reporting period are as follows :

Particulars	As at 31 March 2018	As at 31 March 2017
Financial asset	8.00	22.22
Net exposure	8.00	22.22

Sensitivity analysis

A reasonably possible strengthening (weakening) of the coffee prices as at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact of forecast sales and purchases.

Commodity price sensitivity	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
Coffee (20% movement)	(1.60)	1.60	-	-
31 March 2017				
Coffee (11% movement)	(1.47)	1.47	-	-

Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company had entered into interest rate swap to hedge the interest rate risk.

Exposure to interest rate risk

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows :

Particulars	As at 31 March 2018	As at 31 March 2017
Fixed rate instruments:		
Financial assets	3,533.12	1,738.41
Financial borrowings	(4,475.69)	(2,817.02)
Effect of interest rate swaps	-	191.06
Fixed rate instruments exposed to interest rate risks	(942.57)	(887.55)
Variable rate instruments:		
Financial assets	-	-
Financial borrowings	-	-
Effect of interest rate swaps	-	191.06
Variable rate instruments exposed to interest rate risks	-	191.06



Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments - Fair values and risk measurement (continued)

C. Financial risk management (continued)

Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 1% in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Rs in million	
	Profit or loss	
	1% increase	1% decrease
31 March 2018		
Variable rate instruments	-	-
31 March 2017		
Variable rate instruments	-	-

Hedge accounting

The Company holds the following instruments to hedge exposures to changes in interest rates:

	Rs in million			
	31 March 2018		31 March 2017	
	Maturity in less than 1 year	Maturity in more than 1 year	Maturity in less than 1 year	Maturity in more than 1 year
Interest rate risk				
Interest rate swaps:				
Net exposure	-	-	191.06	-
Average fixed interest rate (LIBOR)	-	-	1.71%	-

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

As at 31 March 2018:

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from equity head 'effective portion of cash flow hedges' to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate risk								
- Interest rate swap	-	-	Other financial assets	0.40	(0.40)	Nil	Nil	NA



Coffee Day Global Limited
Notes to the standalone financial statements for the year ended 31 March 2018 (continued)

41 Financial instruments – Fair values and risk measurement (continued)

C. Financial risk management (continued)

As at 31 March 2017:		Rs in million				
Type of hedge and risks	Nominal value	Carrying amount of hedging instrument	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Line item in profit or loss affected by the reclassification
		Asset				
Interest rate risk						
- Interest rate swap	191.06	6.55	Other financial liabilities	7.31	(7.31)	Nil
						NA

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Particulars	Rs in million	
	31 March 2018	31 March 2017
	Equity head 'Effective portion of cash flow hedges'	Equity head 'Effective portion of cash flow hedges'
Opening balance for the period	(0.26)	(5.04)
Cash flow hedges : Interest rate risk		
Changes in fair value	0.26	7.31
Amount reclassified to profit or loss	-	-
Amount included in the cost of non-financial items	-	-
Tax on movements in relevant items of OCI during the year	-	(2.53)
Closing balance for the period	-	(0.26)



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Coffee Day Global Limited**Notes to the standalone financial statements for the year ended 31 March 2018 (continued)****42 Scheme of Amalgamation between Amalgamated Holdings Limited, Coffee Day Properties (India) Private Limited, Ganga Coffee Curing Works Limited with the Company**

On 22 June 2017, the Board of Directors of the Company approved a draft Scheme of arrangement ("Scheme") for amalgamation of Amalgamated Holdings Limited, Coffee Day Properties (India) Private Limited, Ganga Coffee Curing Works Limited ("the transferor / transferor companies") with the Company ("the transferee company") under Section 233 of the Companies Act, 2013. The Regional Director approved the scheme vide its order dated 30 January 2018 with an Appointed Date of 1 April 2017. The Company has given effect to the Scheme by restating the balances in standalone financial statements for the year ended 31 March 2017, as per the available guidance for accounting for transactions under common control in accordance with Ind AS.

(I) Salient features of the Scheme

Salient features of the Scheme as approved by Regional Director are given below:

- (i) all the business, assets (whether movable or immovable, tangible or intangible), properties, rights, interests and claims including all benefits and entitlements of the Transferor Companies will be deemed to have been vested with the Company;
- (ii) all liabilities, debts, obligations and duties of the transferor companies shall also stand transferred to and vest in the Company;
- (iii) all suits, actions and proceedings by or against the transferor companies pending and/or arising on or before the date on which the certified copy of the order of the Regional Director confirming the Scheme is filed with the Registrar of Companies, Karnataka ('the Effective Date') shall continue and be enforced by or against the Company;
- (iv) with effect from the Appointed Date, all profits, incomes, losses and expenditure of the transferor companies would be treated as profits, incomes, losses and expenditure of the Company; and
- (v) the transferor companies being wholly owned subsidiaries of the Company, there will be no consideration payable, no issue/ allotment of any shares of the Company for the merger and the investment in the shares of the transferor companies appearing in the books of the Company as on the Appointed Date shall stand cancelled.

(ii) Accounting treatment in the books of the Company

- (i) all the assets and liabilities of the transferor companies shall be transferred at their respective book value as appearing on the day immediately preceding the Appointed Date to the Company upon the scheme being approved by the Regional Director,
- (ii) inter-company investments, balances and transactions between the transferor companies and the Company shall be cancelled;
- (iii) the excess/deficit, if any of the value of assets over the value of liabilities of the transferor companies vested in the Transferee Company pursuant to this scheme as recorded in the Books of Account of the Transferee Company, shall be adjusted to the Capital Reserve Account in the books of the Transferee Company.
- (iv) all costs, charges and expenses in relation to or connection with negotiations leading up to this Scheme and of carrying out and implementing the terms and provisions of this Scheme and the activities incidental thereto shall be borne and paid by the Company.

List of assets and liabilities being transferred as at 1 April 2016:

Particulars	Rs in million	
	Debit	Credit
Property plant & equipment	166.87	
Investments	19.77	
Current and non-current loans	41.53	
Current and non-current assets	79.79	
Current and non-current financial assets	50.75	
Other equity		253.38
Current and non-current financial liabilities		76.23
Current and non-current liabilities		29.10
	358.71	358.71
Net assets taken over as on 1 April 2016	253.38	

v) The said scheme of amalgamation is a business combination involving entities under common control as the transferor companies are wholly owned subsidiaries of transferee Company and hence the same has been accounted in the previous financial year as per the Pooling of interest method as required under Appendix C of Ind AS 103.

vi) The Company has considered the retained earnings and other equity as at 1 April 2016 and included the same in the reserves and surplus. The excess of the value of net assets taken over investments in the books of transferee company has been credited to the Capital Reserve Account in the books of the transferee company.

vii) Based on Ind AS 103 Appendix C para 9, the financials of previous years has been restated to give effect to the above scheme of amalgamation.



Coffee Day Global Limited**Notes to the standalone financial statements for the year ended 31 March 2018 (continued)****43 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, compulsarily convertible debentures, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the effective portion of cash flow hedges. the Company's adjusted net debt to equity ratio at 31 March 2018 and 31 March 2017 was as follows:

Particulars	Rs in million	
	As at 31 March 2018	As at 31 March 2017
Total liabilities	6,751.73	4,996.22
Less: Cash and cash equivalents	3,834.15	2,153.99
Less: Bank balances other than cash and cash equivalents	74.12	60.01
Adjusted net debt	2,843.46	2,782.22
Total equity	13,922.87	13,389.09
Less: effective portion of cash flow hedges	-	(0.26)
Adjusted equity	13,922.87	13,389.35
Adjusted net debt to equity ratio	0.20	0.21

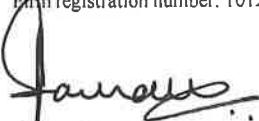
In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

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

Place: Bangalore


Date: 17 May 2018

for and on behalf of the Board of Directors of
Coffee Day Global Limited


V. G. Siddhartha
Managing Director
DIN: 00063987


Jayraj C Hubli
CFO/ Director
DIN: 00073670
Place: Bangalore
Date: 17 May 2018


Malavika Hegde
Director
DIN: 00136524


Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 17 May 2018

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