

B S R & Co. LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Coffee Day Properties (India) Private Limited

Report on the Ind AS Financial Statements

We have audited the accompanying financial statements of Coffee Day Properties (India) Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS financial statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India as specified under section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 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.



Independent Auditor's Report (continued)

Auditor's Responsibility (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and 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 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 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 including Ind AS, of the financial position of the Company as at 31 March 2017 and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of matter

We draw attention to Note 2.1 to the financial statements which explains significant uncertainty on the entity's ability to continue as a going concern and accordingly these financial statements have been prepared under realisable value basis of accounting whereby the carrying value of all assets as at 31 March 2017 are presented at their estimated realisable value and all liabilities are presented at their estimated settlement amounts, subject to conditions being present as at the balance sheet date.

Our opinion is not qualified on the above matter.

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 of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A, a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss, other comprehensive income, statement of changes in equity and statement of cash flows dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



Independent Auditor's Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

- (e) on the basis of the written representations received from the directors of the company as on 31 March 2017 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure 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 does not have any pending litigations which would impact its financial position;
 - b. The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d. The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 18 to the financial statements.

for B S R & Co. LLP

Chartered Accountants

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



Amrit Bhansali

Partner

Membership number: 065155

Bangalore

16 May 2017

Annexure A to the Independent Auditor's Report

As referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2017, we report that:

- (i) The Company does not have any fixed assets as at 31 March 2017. Accordingly, paragraph 3(i) of the Order is not applicable to the company.
- (ii) The Company is a service company, which was primarily engaged in the business of sale of space for advertising and promotional activities. Accordingly, it does not hold any physical inventories. Accordingly paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly the provisions of clause 3(iii) of the Order is not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not given any loan or made any investments or given any guarantees under provisions of Section 185 and 186 of the Act are applicable. Accordingly the provisions of clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public.
- (vi) In our opinion and according to the information and explanations given to us, the Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) In our opinion and 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 Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value added tax and Cess during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax were in arrears, as at 31 March 2017, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Provident fund, Income tax, Service tax or Cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institutions, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.



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

- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) In our opinion and 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) In our opinion and according to the information and explanations given to us, the Company is a private limited company and is not required to obtain approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Thus, the Paragraph 3(xi) of the Order is not applicable to the Company
- (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 to the Company.
- (xiii) According to the information and explanations given to us the Company is not required to constitute an Audit committee in accordance with Section 177 of the Act.

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 Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- (xiv) In our opinion and according to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him as referred to in Section 192 of Companies Act 2013. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (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



Amrit Bhansali

Partner

Membership No.: 065155

Bangalore

16 May 2017

Annexure - B to the 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 over financial reporting of Coffee Day Properties (India) Private Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 over financial reporting 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 Institute of Chartered Accountants of India. Those Standards and the Guidance note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of the matter stated in note 16 of the financial statement which explains significant uncertainty on the entity's ability to continue as a going concern and the changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

for B S R & Co. LLP

Chartered Accountants

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



Amrit Bhansali

Partner

Membership Number: 065155

Bangalore

16 May 2017

Coffee Day Properties (India) Private Limited
Balance sheet

In lakhs of INR

ASSETS

Non-current assets

Income tax assets, (net)

Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
4	49.81	49.81	49.81
	49.81	49.81	49.81

Current assets

Financial assets

- Cash and cash equivalents

Other current assets

Total current assets

5	-	-	2.50
6	-	-	115.97
	-	-	118.48

Total assets

49.81	49.81	168.29
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EQUITY AND LIABILITIES

Equity

Equity share capital

Other equity

Total equity

7	113.32	113.32	113.32
8	(88.86)	(85.73)	35.21
	24.46	27.59	148.53

Liabilities

Current liabilities

Financial liabilities

- Other financial liabilities

Other current liabilities

Total current liabilities

9	25.10	21.86	19.51
10	0.25	0.36	0.25
	25.35	22.22	19.76

Total equity and liabilities

49.81	49.81	168.29
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Significant accounting policies

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

3

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



Amrit Bhansali

Partner

Membership no.: 065155

Place: Bangalore

Date: 16 May 2017

for and on behalf of the Board of Directors of
Coffee Day Properties (India) Private Limited

  
Deepak Ranganna **B C Chidambar**
Director Director
DIN: 02789366 DIN: 00147219

Bangalore

Date: 16 May 2017

Bangalore

Date: 16 May 2017

Coffee Day Properties (India) Private Limited
Statement of Profit and loss

		For the year ended 31 March 2017	<i>In lakhs of INR</i> For the year ended 31 March 2016
Expenses	Note		
Other expenses	11	3.13	120.93
Total expenses		3.13	120.93
Loss before tax		(3.13)	(120.93)
Tax expense:			
- Current tax		-	-
Loss for the period		(3.13)	(120.93)
Other comprehensive income:			
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(3.13)	(120.93)
Loss per equity share (equity shares of par value of Rs 10 each)			
- Basic & diluted		(0.28)	(10.67)

Significant accounting policies

2

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

As per our report of even date attached

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

Chartered Accountants

Firm registration number: 101248W/W-100022



Amrit Bhansali

Partner

Membership no.: 065155

Place: Bangalore

Date: 16 May 2017

for and on behalf of the Board of Directors of
Coffee Day Properties (India) Private Limited


Deepak Ranganna **B C Chidambar**
Director Director
DIN: 02789366 DIN: 00147219

Bangalore

Date: 16 May 2017

Bangalore

Date: 16 May 2017

Coffee Day Properties (India) Private Limited
Statement of cash flows

			<i>In lakhs of INR</i>
	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from operating activities			
Loss for the period		(3.13)	(120.93)
Adjustments:			
- Tax expense		-	-
Operating cash flow before working capital changes		(3.13)	(120.93)
Working capital changes:			
Changes in			
- Other current and non-current assets	6	-	115.97
- Current and non-current financial liabilities	9	0.90	(16.35)
- Other current and non-current liabilities	10	(0.11)	0.11
Cash used in operating activities		(2.34)	(21.20)
Income taxes paid		-	-
Cash used in operating activities		(2.34)	(21.20)
Cash flow from Investing activities			
		-	-
Cash flow from Financing activities			
		-	-
Net decrease in cash and cash equivalents		(2.34)	(21.20)
Cash and cash equivalents at the beginning of the year		(18.70)	2.50
Cash and cash equivalents at the end of the year		(21.04)	(18.70)
Components of cash and cash equivalents (refer note 3)			
Balances with banks:			
- in current accounts		-	-
- in fixed deposits		-	-
Less: Book overdraft		(21.04)	(18.70)
Cash and cash equivalents at the end of the year	9	(21.04)	(18.70)

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

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022



Amrit Bhansali

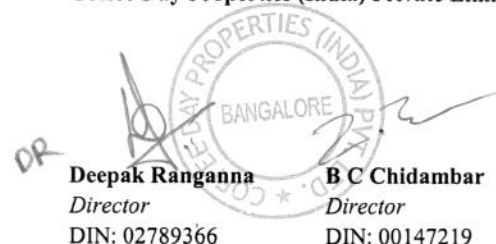
Partner

Membership no.: 065155

Place: Bangalore

Date: 16 May 2017

for and on behalf of the Board of Directors of
Coffee Day Properties (India) Private Limited



Deepak Ranganna **B C Chidambar**
Director Director
DIN: 02789366 DIN: 00147219

Bangalore

Date: 16 May 2017

Bangalore

Date: 16 May 2017

Coffee Day Properties (India) Private Limited
Statement of changes in equity

Equity attributable to Equity Shareholders of the Company

Particulars	<i>In lakhs of INR</i>
Particulars	Amount
<i>Equity shares of Re 10 each issued, subscribed and fully paid</i>	
Balance as at 1 April 2015	113.32
Changes in equity share capital during 2015-16	-
Balance as at the 31 March 2016	113.32
Changes in equity share capital during 2016-17	-
Balance as at 31 March 2017	113.32

Other Equity
For the year ended 31 March 2017

Particulars	In lakhs of INR		
	Reserves and Surplus		Total equity attributable to Equity Shareholders of the Company
	Securities	Retained	
Balance as at 1 April 2016	286.38	(372.11)	(85.73)
Loss for the year		(3.13)	(3.13)
Total comprehensive income	286.38	(375.24)	(88.86)
Balance as at 31 March 2017	286.38	(375.24)	(88.86)

For the year ended 31 March 2016:

Particulars	In lakhs of INR		
	Reserves and Surplus		Total equity attributable to Equity Shareholders of the Company
	Securities Premium	Retained Earnings	
Balance as at 1 April 2015	286.38	(251.18)	35.20
Loss for the year	-	(120.93)	(120.93)
Total comprehensive income	286.38	(372.11)	(85.73)
Balance as at 31 March 2016	286.38	(372.11)	(85.73)

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

As per our report of even date attached

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

Firm registration number: 101248W/W-100022

Anurag Bhansali
Anurag Bhansali
Partner

Membership no.: 065155

Place: Bangalore
Date: 16 May 2017

for and on behalf of the Board of Directors of
Coffee Day Properties (India) Private Limited

Deepak Ranganna
Deepak Ranganna
Director
DIN: 02789366

B C Chidambaram
B C Chidambaram
Director
DIN: 00147219

Place: Bangalore
Date: 16 May 2017

Coffee Day Properties (India) Private Limited
Notes to the financial statements

1 Reporting Entity

Coffee Day Properties (India) Private Limited ('the Company') was incorporated on 20 August 2007 under the Companies Act, 1956. The registered office of the Company is located in Bangalore. The Company is a subsidiary of Coffee Day Global Limited ('CDGL', the holding company). The ultimate holding company is Coffee Day Enterprises Limited.

The Company is engaged in the business of sale of space for advertising and promotional activity of clients in Cafe outlets managed by Coffee Day Global Limited.

2 Basis of preparation

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. The Company has adopted all the IndAS and the adoption was carried out in accordance with Ind AS 101 'First time adoption of Indian Accounting Standards'. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition has been summarized in note 22.

The financial statements were authorised for issue by the Company's Board of Directors on 16 May 2017.

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

Going Concern

As explained in note 16, there is a significant uncertainty with regard to the recoverability of the balance with government authorities. Considering that the Company does not have any other assets or operations other than the aforementioned asset, these financial statements have not been prepared on a going concern basis. Consequently, these financial statements have been prepared under the realizable value basis of accounting, whereby the carrying values of all assets have been recognised at their estimated realizable value and liabilities have been stated at their estimated settlement value.

2.2 Functional and presentation currency

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

2.3 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.

2.4 Use of estimates

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

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



2.5 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.

The Company has an established control framework with respect to the measurement of fair values. This includes a management oversight that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's audit committee.

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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 19 – financial instruments;

3 Significant accounting policies

3.1 Impairment of assets

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 90 days 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.

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 90 days 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 recognized 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.

The Company's non-financial assets and inventories, 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.



3.2 Revenue recognition

Income from advertising is recognized when the corresponding services is rendered in accordance with the terms of the specific contracts entered into with customers.

Revenue is disclosed both gross and net of service tax.

Lease/sub-lease rental income is recognised when right to receive such income is established in accordance with the terms of the contract with the clients.

3.3 Leases

Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.4 Investments and other financial assets

a). Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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.

b) Classification and subsequent measurement

Financial assets

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

- amortized cost;
- 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 amortized 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 principal amount outstanding.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

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 amortized 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 amortized 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 a portfolio 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 realizing 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.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

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



Coffee Day Properties (India) Private Limited
Notes to the financial statements (Continued)

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.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized 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 recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

c) 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 recognized 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 recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

3.5 Financial liabilities

a) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and amortized cost.

At initial recognition, the Company measures a financial liability at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the financial liability. Transaction costs of financial liability carried at fair value through profit or loss are expensed in profit or loss.

b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.



Coffee Day Properties (India) Private Limited
Notes to the financial statements (Continued)

Amortised cost

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the Effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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 simultaneously.

3.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

3.7 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI 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.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised



Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. Acquired deferred tax benefits recognized within the measurement period reduce goodwill related to that acquisition if they result from new information obtained about facts and circumstances existing at the acquisition date. If the carrying amount of goodwill is zero, any remaining deferred tax benefits are recognized in OCI/ capital reserve depending on the principle explained for bargain purchase gains. All other acquired tax benefits realised are recognized in profit or loss.

3.8 Provisions and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

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.

3.9 Cash and cash equivalents

Cash and cash equivalents includes 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

3.10 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) 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.

3.11 Earnings per share

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

The number of shares used in computing diluted earnings/ (loss) per share comprises the weighted average shares considered for deriving basic earnings/ (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential 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.

3.12 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.



Coffee Day Properties (India) Private Limited
Notes to the financial statements (Continued)

4 Income tax assets, (net)

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advance tax including tax deducted at source, net of provision for tax	49.81	49.81	49.81
	49.81	49.81	49.81

5 Cash and cash equivalents

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalents			
Balances with banks			
- in current accounts	-	-	2.50
	-	-	2.50
Book overdraft (Refer Note 9)	(21.04)	(18.70)	-
	(21.04)	(18.70)	2.50

Information about the company's exposure to credit and market risks, and fair value measurement, is included in Note 19.

6 Other current assets

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with government authorities	-	-	115.97
	-	-	115.97



Coffee Day Properties (India) Private Limited
Notes to the financial statements (Continued)

7 Equity share capital

Particulars	In lakhs of INR		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
1,140,000 (31 March 2016: 1,140,000; 1 April 2015 : 1,140,000)			
equity shares of Rs 10 each	114.00	114.00	114.00
	114.00	114.00	114.00
Issued, subscribed and fully paid up			
1,133,200 (31 March 2016: 1,133,200; 1 April 2015: 1,133,200)			
equity shares of par value Rs 10 each, fully paid up	113.32	113.32	113.32
	113.32	113.32	113.32

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

	In lakhs of INR (except per share data)			
	As at 31 March 2017		As at 31 March 2016	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	1,133,200	113.32	1,133,200	113.32
Add: Shares issued/converted during the year	-	-	-	-
Number of shares at the end of the year	1,133,200	113.32	1,133,200	113.32

- (b) 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 2017		As at 31 March 2016	
	% of holding	No of shares	% of holding	No of shares
Equity shares of Rs 10 each:-				
Coffee Day Global Limited	99.99%	1,133,199	99.99%	1,133,199

8 Other equity

Particulars	In lakhs of INR	
	As at 31 March 2017	As at 31 March 2016
Securities premium		
At the commencement of the year	286.38	286.38
Add: Received during the year	-	-
At the close of the year	286.38	286.38
Retained earnings		
At the commencement of the year	(372.11)	(251.18)
Add: Net loss for the year	(3.13)	(120.93)
At the end of the year	(375.24)	(372.11)
	(88.86)	(85.73)

Nature and purpose of other reserves:

Securities premium :

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

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 period, the profit after tax is transferred from the statement of profit and loss to the retained earnings account.



Coffee Day Properties (India) Private Limited
Notes to the financial statements (continued)

9 Other financial liabilities

A. Other current financial liabilities

Particulars	<i>In lakhs of INR</i>		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Other financial liabilities *	-	-	17.26
Others			
- creditors for expenses	4.06	3.16	2.25
- book overdraft	21.04	18.70	-
	25.10	21.86	19.51

* This amount is payable to Coffee Day Global Limited (Holding Company)

Information about the company's exposure to credit and market risks, and fair value measurement, is included in Note 20.

10 Other current liabilities

Particulars	<i>In lakhs of INR</i>		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Statutory dues payable	0.25	0.36	0.25
	0.25	0.36	0.25



Coffee Day Properties (India) Private Limited
Notes to the financial statements (continued)

11 Other expenses

Particulars	<i>In lakhs of INR</i>	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Legal and professional charges*	2.88	2.95
Rates and taxes	0.25	2.01
Reversal of CENVAT credit	-	115.97
	3.13	120.93

***Auditor's remuneration excluding service tax (included in legal and professional charges)**

Particulars	<i>In lakhs of INR</i>	
	For the year ended 31 March 2017	For the year ended 31 March 2016
As auditor		
- for statutory audit	1.75	1.75
- for taxation matters	-	-
- for company law matters	-	-
- for other services	-	-
Reimbursement of expenses	-	-



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

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

13 Deferred taxes

In accordance with Ind AS 12 - Accounting for taxes on income, the management believes that there is no virtual certainty supported by convincing evidence for recognising deferred tax asset on business losses incurred during the current as well as earlier years.

14 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Board of Directors of the company have been identified as the Chief Operating Decision Makers (CODM). The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along a single segment, i.e. retail as its operating segments.

The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in this individual segment, and are as set out in the significant policies.

However, the Company has not generated any revenue for the year ended 31 March, 2017 and 31 March, 2016.

15 Loss per share

The computation of basic and diluted earnings per share is given as below:

Particulars	In lakhs of INR	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Loss after taxation as per statement of profit and loss	(3.13)	(120.93)
Loss for basic and diluted earnings per share	(3.13)	(120.93)

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

Particulars	In lakhs of INR (except share data)	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Number of equity shares at the beginning of the year	11.33	11.33
Add:		
Weighted average number of equity shares issued during the year	-	-
Number of weighted average equity shares considered for calculation of basic & diluted earnings per share	11.33	11.33

Earnings per share:

- Basic & diluted	(0.28)	(10.67)
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Coffee Day Properties (India) Private Limited
Notes to financial statements (continued)

- 16 The Company has no CENVAT credit balance during the year (Previous year : Rs. 11,597,410) with the government authorities. In the absence of any business and considering that the financial statements are not prepared on a going concern basis, the Company has made a provision for these balances during the previous year ended 31 March 2016.

17 Related parties disclosures

A. Parent entity:

Coffee Day Enterprises Limited - ultimate holding company

B. Enterprises where control exists:

- Coffee Day Global Limited - holding company

C. Key management personnel:

- Nanjunda H M

-Chidambar B C

-Deepak Ranganna (Appointed w.e.f 19 May 2016)

D. The following is the summary of significant related party transactions:

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Reimbursable expenses on behalf of the Company		
Coffee Day Global Limited	3.13	3.13

- 18 Details of Specified Bank Notes held and transacted during the period from 8 November 2016 to 30 December 2016:

In lakhs of INR

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Amount permitted in banks	-	-	-
Closing cash in hand as on 30 December 2016	-	-	-



Coffee Day Properties (India) Private Limited
Notes to financial statements (continued)

19 Financial instruments - fair value measurement

(a) Accounting classification and fair value

Particulars	In lakhs of INR			
	Carrying value as at 31 March 2017	Level 1	Fair value Level 2	Total Level 3
Financial liabilities measured at amortised cost:				
Other financial liabilities *				
- creditors for expenses	4.06	-	-	4.06
- book overdraft	21.04	-	-	21.04
Total	25.10	-	-	25.10

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

Particulars	In lakhs of INR			
	Carrying value as at 31 March 2016	Level 1	Fair value Level 2	Total Level 3
Financial liabilities measured at amortised cost:				
Other financial liabilities *				
- creditors for expenses	3.16	-	-	3.16
- book overdraft	18.70	-	-	18.70
Total	21.86	-	-	21.86

The Company has not disclosed the fair values for financial instruments such as other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.



Coffee Day Properties (India) Private Limited
Notes to financial statements (continued)

Particulars	In lakhs of INR			
	Carrying value as at 1 April 2015	Level 1	Level 2	Level 3
Financial assets measured at amortised cost:				
Cash and cash equivalents	2.50	-	-	-
Total	2.50	-	-	-
Financial liabilities measured at amortised cost:				
0	17.26	-	-	-
- creditors for expenses	-	-	-	-
- book overdraft	2.25	-	-	-
Total	19.51	-	-	-

The Company has not disclosed the fair values for financial instruments such as cash and cash equivalents and other current financial liabilities because their carrying amounts are a reasonable approximation of fair value.

(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 Company has valued all its financial assets and liabilities at amortised cost.



Coffee Day Properties (India) Private Limited
Notes to financial statements (continued)

20 Financial instruments - risk management

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

- credit risk;
- liquidity risk; and
- market risk

(a) 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 board of directors has established the risk management committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's board of directors oversee 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 board of director are assisted in 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.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers; loans and investments in subsidiary.

The carrying amounts of financial assets represent the maximum credit risk exposure.

The only financial asset is cash and cash equivalents and this financial asset is exposed to minimal credit risk, because the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

(c) 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 at local level in the operating companies of the company in accordance with practice and limits set by the company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the company's liquidity management policy involves projecting cash flows in major currencies 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.



Coffee Day Properties (India) Private Limited
Notes to financial statements (continued)

i) Financing arrangement

The company did not have access to any undrawn borrowing facilities at the end of the reporting period.

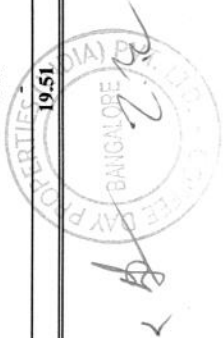
ii) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 March 2017	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<i>In lakhs of INR</i>							
Non-derivative financial liabilities							
Other current liabilities *							
Others	4.06	4.06	4.06	-	-	-	-
- creditors for expenses	21.04	21.04	21.04	-	-	-	-
- book overdraft							
	25.10	25.10	25.10	-	-	-	-

As at 31 March 2016	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<i>In lakhs of INR</i>							
Non-derivative financial liabilities							
Other current liabilities *	-	-	-	-	-	-	-
Others	3.16	3.16	3.16	-	-	-	-
- creditors for expenses	18.70	18.70	18.70	-	-	-	-
- book overdraft							
	21.86	21.86	21.86	-	-	-	-

As at 1 April 2015	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
<i>In lakhs of INR</i>							
Non-derivative financial liabilities							
Other current liabilities *	17.26	17.26	17.26	-	-	-	-
Others	2.25	2.25	2.25	-	-	-	-
- creditors for expenses	-	-	-	-	-	-	-
- book overdraft	19.51	19.51	19.51	-	-	-	-



Coffee Day Properties (India) Private Limited
Notes to financial statements (continued)

(d) 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.

i) 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 Company companies. The functional currencies of Group companies are primarily INR. The currencies in which these transactions are primarily denominated are also INR, hence, the company is not exposed to currency risk.

ii) Interest rate risk

The Company does not have any borrowings and hence is not exposed to interest rate risk.

Sensitivity analysis

Since the company is not exposed to any risk, no sensitivity analysis has been performed.



Coffee Day Properties (India) Private Limited
Notes to financial statements (continued)

21 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, 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, as well as the level of dividends to equity shareholders. 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 less cash and cash equivalents. Adjusted equity comprises all components of equity. The Company's adjusted net debt to equity ratio at 31 March 2017 was as follows.

Particulars	In lakhs of INR		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Total liabilities	25.35	22.22	19.76
Less: cash and cash equivalents	-	-	2.50
Adjusted net debt	25.35	22.22	17.26
Total equity	24.46	27.59	148.53
Adjusted net debt to equity ratio	1.04	0.81	0.12

The Company operates in a debt free environment and hence has a low net debt to adjusted equity ratio

22 First time adoption

These financial statements of the Company for the year ended 31 March 2017 is the first prepared in accordance with Indian Accounting Standards (Ind AS). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016 and in the preparation of an opening Ind AS balance sheet as at 1 April 2015 (the Company's transition date) as described in the summary of significant accounting policies. There has been no adjustments with respect to transition to Ind AS on the Company. Hence there is no difference in the equity as per Ind AS and the previous GAAP for the year 2017 and 2016.

As per our report of even date attached

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

Firm registration number: 101248W / W-100022

Amrit Bhansali

Amrit Bhansali
Partner
Membership no.: 065155

Bangalore
Date : 16 May 2017

for and on behalf of the Board of Directors of
Coffee Day Properties (India) Private Limited

Deepak Ranganna
Deepak Ranganna
Director
DIN: 02789366

B C Chidambhar
B C Chidambhar
Director
DIN: 00147219

Bangalore
Date : 16 May 2017