B.N. RAMESH & CO., | CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

The Members of
The Ganga Coffee Curing Works Ltd,
Hassan.

We have audited the accompanying financial statements of the **M/s. GANGA COFFEE CURING WORKS LTD.**, which comprise the Balance Sheet as at March 31st, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31st, 2017;
b) in the case of the Statement of Profit and Loss Account, of the loss for the year ended on that date.
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the 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, Statement of Profit and Loss Account, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

..3/-

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act and

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations if any on its financial position in its financial statements.

b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

c. There has been no delay in transferring amounts if any, required to be transferred, to the Investor Education and Protection Fund by the Company.

M/s. B.N. Ramesh & Co.,
Chartered Accountants
FRN: 005513S

B. N. Ramesh
(Proprietor)
Membership No. : 015170

Place: HASSAN
Date: 06/05/2017

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of M/s. Ganga Coffee Curing Works Ltd., on the accounts of the company for the year ended 31st March, 2017

I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets were physically verified by the management during the year. No material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the company.

II. (a) The management has conducted the physical verification of inventory at reasonable intervals.

(b) No material discrepancies were noticed by the management.

III. The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained U/s 189 of the Act. Consequently, requirement of clauses (iii,a) , (iii,b) and (iii,c) of paragraph 3 of the order are not applicable.

IV. The company has not advanced any loan or given any guarantee or provided any security or made any investment covered U/s 185 and 186 of the Act. Consequently, requirements of clause (iv) of paragraph 3 of the order are not applicable.

V. The company has not accepted any deposits from the public.

VI. The Central Government has not prescribed the maintenance of cost records U/s 148(1) of the Act for any of the services rendered by the company.

VII. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident Fund, Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

VIII. According to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to financial institutions, banks, government or dues to debenture holders.

IX. The company has not raised money by way of initial public offer or further public offer (including debt instruments). To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion. There are no terms loans obtained during the year and therefore the question of application does not arise.

X. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

XI. To the best of our knowledge and belief and according to the information and explanations given to us no managerial remuneration has been paid or provided by the company. Consequently the provisions of section 197 of the is not applicable.

XII. The company is not a Nidhi Company. Consequently, requirements of clause (xii) of paragraph 3 of the order are not applicable.

XIII. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable.

XIV. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review. Consequently, requirements of clause (xiv) of paragraph 3 of the order are not applicable.

XV. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.

XVI. To the best of our knowledge and belief and according to the information and explanations given to us, the company is not required to be registered U/s 45IA of the Reserve Bank of India Act, 1934.

M/s. B.N. Ramesh & Co.,
Chartered Accountants
FRN: 005518S

B. N. Ramesh
(Proprietor)
Membership No. : 015170

Place: HASSAN
Date: 06/05/2017

Ganga Cofee Curing Works Limited

Balance sheet

In lakhs of INR

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	249.25	244.33	242.99
Financial assets				
- Loans	5	61.96	33.70	35.70
Income tax assets, net	6	7.07	4.13	3.31
Total non-current assets		**318.28**	**282.17**	**282.01**
Current assets				
Financial assets				
(i) Trade receivables	7	3.48	0.55	(0.04)
(ii) Cash and cash equivalents	8	8.68	9.54	4.19
Other current assets	9	0.88	1.04	1.49
Inventories	10	36.86	38.16	58.62
Total current assets		**49.90**	**49.28**	**64.26**
Total assets		**368.18**	**331.46**	**346.26**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	118.20	118.20	118.20
Other equity		67.41	93.04	115.34
Total equity		**185.61**	**211.24**	**233.54**
Liabilities				
Non-current liabilities				
Provisions	11	59.37	61.81	59.34
Total non-current liabilities		**59.37**	**61.81**	**59.34**
Current liabilities				
Financial liabilities				
- Other financial liabilities	12	107.10	45.32	41.87
Provisions	13	14.57	11.98	10.23
Other current liabilities	14	1.55	1.10	1.27
Total current liabilities		**123.21**	**58.40**	**53.38**
Total equity and liabilities		**368.18**	**331.46**	**346.26**
Significant accounting policies	3			

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

As per our report of even date attached

for **M/s.B.N.Ramesh & Co.,**
Chartered Accountants
Firm registration number: 005513S

B.N. RAMESH CHARTERED ACCOUNTANT M.No.15170 HASSAN-573 201

B.N.RAMESH
PROPRIETOR
Membership no.: 015170

Place: HASSAN
Date: 06/05/2017.

for and on behalf of the Board of Directors of
Ganga Cofee Curing Works Limited

SANJAY HEGDE Y.G.
Director
DIN: 2448482

Place: Bangalore
Date: 06/05/2017

NANJUNDA.H.M.
Director
DIN: 6781825

Place: Hassan
Date: 06/05/2017

Ganga Cofee Curing Works Limited
Statement of Profit and loss Account

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
			In lakhs of INR
Income			
Revenue from operations	15	284.74	252.55
Other income	16	12.87	14.14
Total income		**297.61**	**266.68**
Expenses			
Employee benefits expense	17	88.68	78.25
Depreciation and amortization expense	4	9.73	10.17
Other expenses	18	224.83	200.57
Total expenses		**323.24**	**288.99**
Loss before tax		**(25.63)**	**(22.30)**
Tax expense:			
- Current tax		-	-
Loss for the period		**(25.63)**	**(22.30)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plan asset/ liability, net of tax		-	-
		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**(25.63)**	**(22.30)**
Loss per share (equity shares of par value of Rs 10 each)			
- Basic and diluted	21	(2.19)	(1.89)
Significant accounting policies	3		

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

As per our report of even date attached

for **M/s.B.N.Ramesh & Co.,**
Chartered Accountants
Firm registration number: 005513S

B.N. RAMESH FCA CHARTERED ACCOUNTANT M.No.15170 HASSAN-573 201

B.N.RAMESH
PROPRIETOR
Membership no.: 015170

Place: HASSAN
Date: 06/05/2017

for and on behalf of the Board of Directors of
Ganga Cofee Curing Works Limited

SANJAY HEGDE Y.G.
Director
DIN: 2448482

Place: Bangalore
Date: 06/05/2017

NANJUNDA.H.M.
Director
DIN: 6781825

Place: Hassan
Date: 06/05/2017

Ganga Cofee Curing Works Limited
Statement of cash flows

	For the year ended 31 March 2017	*In lakhs of INR* For the year ended 31 March 2016
Cash flows from operating activities		
Loss for the period	(25.63)	(22.30)
Adjustments:		
- Depreciation and amortization	9.73	10.17
Operating cash flow before working capital changes	(15.90)	(12.13)
Changes in		
- Trade receivables	(2.93)	(0.59)
Inventories	1.30	20.46
- other current assets	(31.04)	1.59
- Other financial liabilities	59.33	5.94
Provisions	2.59	1.75
- Other current liabilities	0.45	(0.17)
Cash used in operational activities	13.79	16.86
Income taxes refund/ (paid)	-	-
Cash used in operational activities	**13.79**	**16.86**
Cash flows from investing activities		
Purchase of property, plant and equipment	(14.64)	(11.51)
Net cash used in investing activities	**(14.64)**	**(11.51)**
Cash flows from financing activities	-	-
Decrease in cash and cash equivalents	(0.85)	5.35
Cash and cash equivalents at the beginning of the year	9.54	4.19
Cash and cash equivalents at the end of the year	**8.69**	**9.54**
Components of cash and cash equivalents (refer note 6)		
Balances with banks:		
- in current accounts	7.06	6.74
- in fixed deposits	-	-
- in escrow account	-	-
Cash on hand	1.62	2.80
Less: Book overdraft	-	-
Cash and cash equivalents at the end of the year	**8.68**	**9.54**

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

As per our report of even date attached

for M/s.B.N.Ramesh & Co.,
Chartered Accountants
Firm registration number: 005513S

B.N. RAMESH CHARTERED ACCOUNTANT M.No.15170 HASSAN-573 201 FCA

B.N.RAMESH
PROPRIETOR
Membership no.: 015170

Place: HASSAN
Date: 06/05/2017

for and on behalf of the Board of Directors of
Ganga Cofee Curing Works Limited

SANJAY HEGDE Y.G.
Director
DIN: 2448482

Place: Bangalore
Date: 06/05/2017

NANJUNDA H.M.
Director
DIN: 6781825

Place: Hassan
Date: 06/05/2017

Ganga Cofee Curing Works Limited
Statement of changes in equity

Equity share capital

In lakhs of INR

Particulars	**Amount**
Equity shares of Re 10 each issued, subscribed and fully paid	
Balance as at 1 April 2015	**118.20**
Changes in equity share capital during 2015-16	-
Balance as at the 31 March 2016	**118.20**
Changes in equity share capital during 2016-17	-
Balance as at 31 March 2017	**118.20**

Other Equity
For the year ended 31 March 2017

In lakhs of INR

Particulars	**Capital Reserve**	**Securities Premium**	**Retained Earnings**	**Other items of OCI**	**Total equity**
Balance as at 1 April 2016	(192.56)	285.60	-	-	93.04
Loss during the year	-	-	(25.63)	-	(25.63)
Remeasurements of defined benefit plan asset/ liability, net of tax (refer note 31)	-	-	-	-	-
Total comprehensive income	**(192.56)**	**285.60**	**(25.63)**	-	**67.41**
Balance as at 31 March 2017	**(192.56)**	**285.60**	**(25.63)**	-	**67.41**

For the year ended 31 March 2016:

In lakhs of INR

Particulars	**Reserves and Surplus**				**Total equity**
	Capital Reserve	**Securities Premium**	**Retained Earnings**	**Other items of OCI**	
Balance as at 1 April 2015	(170.26)	285.60	-	-	115.34
Loss during the year	-	-	(22.30)	-	(22.30)
Remeasurements of defined benefit plan asset/ liability, net of tax (refer note 31)	-	-	-	-	-
Total comprehensive income	**(170.26)**	**285.60**	**(22.30)**	-	**93.04**
Balance as at 31 March 2016	**(170.26)**	**285.60**	**(22.30)**	-	**93.04**

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

As per our report of even date attached

for M/s.B.N.Ramesh & Co.,
Chartered Accountants
Firm registration number: 005513S

C.A. B.N. RAMESH, FCA
CHARTERED ACCOUNTANT
M.No.15170
HASSAN-573 201

B.N.RAMESH
PROPRIETOR
Membership no.: 015170

Place: HASSAN
Date: 06/05/2017

for and on behalf of the Board of Directors of
Ganga Cofee Curing Works Limited

Sanjay Hegde Y.G.

SANJAY HEGDE Y.G.
Director
DIN: 2448482

Place: Bangalore
Date: 06/05/2017

NANJUNDA.H.M.
Director
DIN: 6781825

Place: Hassan
Date: 06/05/2017

Ganga Cofee Curing Works Limited
Notes to the financial statements

1 Reporting Entity

Ganga coffee curing works Ltd., was originally incorporated as 'Ganga Coffee Curing works Private Limited' on 2nd November 1982. Presently the company is a wholly owned subsidiary of M/s Coffee Day Global ltd., (Formerly Amalgamated Bean Coffee Trading Co., Ltd.,). The main business of the company is coffee curing which involves de husking of raw coffee, grading, sorting, garbling, packing, storing etc., on job work basis only. It does not trade with any commondity as such except sale of coffee husk which is the by-product generated during the course of processing of raw coffee.

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 31.

The financial statements were authorised for issue by the Company's Board of Directors on 15 May 2017.

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

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 million, 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 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.5 Use of estimates and judgements

In preparing these financial statements, management has made 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 prospectively.

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

CA B.N. RAMESH FCA CHARTERED ACCOUNTANT HASSAN-573 201

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2017 is included in the following notes:;
- Notes 19 and 25 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 29 – impairment of financial assets.

2.6 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 Board.
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 29 – financial instruments;

3 Significant accounting polices

3.1 Property, plant and equipment and other intangible assets (other than goodwill)

Property, plant and equipment:

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.
All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.
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.
Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a Straight Line Method ('SLM') over estimated useful life of the fixed assets estimated by the Management. The Management believes that the useful lives as given below best represent the period over which management expects to use these assets based on an internal assessment and technical evaluation where necessary. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013. Depreciation for assets purchased/ sold during a period is proportionately charged. The Company estimates the useful lives for fixed assets as follows:

Asset category	Estimated useful life
Leasehold improvements	Lease term or estimated useful life, whichever is lower
Plant and machinery	15 years
Furniture and fixtures & Electrical Fittings	10 years
Building	30 years

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

C.A. B.N. RAAGESH CHARTERED ACCOUNTANT M.No. 121710 HASSAN-573 201

Ganga Coffee Curing Works Limited

Notes to the financial statements (continued)

3.2 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 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 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).

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 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.

3.3 Revenue recognition

The Company derives its income from the business of rendering services relating to curing of coffee.

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

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

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

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

3.4 Leases

There are no leased property or any other assets in the case of the Company.

3.5 Investments and other financial assets

a). Recognition and initial measurement

Trade receivables 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, 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 statement of 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.

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.

For GANGA COFFEE CURING WORKS LTD.

Director

CA B.N. RAMESH FCA CHARTERED ACCOUNTANT M.No-13170 HASSAN-573 201

For GANGA COFFEE CURING WORKS LTD.

Director

Ganga Coffee Curing Works Limited
Notes to the financial statements (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 recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized 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 recognized in OCI and are not reclassified to profit or loss.

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.

For GANGA COFFEE CURING WORKS LTD,
Director

For GANGA COFFEE CURING WORKS LTD,
Director

C.A. B.N. RAMESH, FCA
CHARTERED ACCOUNTANT
M.No. 15170
HASSAN-573201

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.

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 Employee benefits

a) Defined benefit plans
The Company's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

In case of certain entities within the Company, gratuity scheme is administered through a trust with the Life Insurance Corporation of India and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.
Compensated absence, which is a short term defined benefit, is accrued based on a full liability method based on current salaries at the balance sheet date for unexpired portion of leave.

For GANGA COFFEE CURING WORKS LTD.
Director

For GANGA COFFEE CURING WORKS LTD.
Director

Ganga Coffee Curing Works Limited
Notes to the financial statements (continued)

b) Short-term benefit plans

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized and measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

c) Defined contribution plan

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.7 Foreign currency transactions

a) Functional and presentation currency

Items included in the financial statements of each of the company's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is Coffeelab Limited's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

3.8 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.

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

C.A. B.N. RAMESH, FCA CHARTERED ACCOUNTANT

3.9 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

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.

For GANGA COFFEE CURING WORKS LTD.

Director

For GANGA COFFEE CURING WORKS LTD.

Director

3.10 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.

Contingent liabilities recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less, when appropriate, cumulative amortisation recognized in accordance with the requirements for revenue recognition.

3.11 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.

3.12 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.

3.13 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.

3.14 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Coffee and related business.

3.15 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.

For GANGA COFFEE CURING WORKS LTD,

Sanjay Hiyd.4.L

Director

For GANGA COFFEE CURING WORKS LTD,

Director

3.16 Recent accounting pronouncements

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

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

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

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

The Company does not have any cash settled awards and accordingly this is not applicable.

Standards issued but not yet effective
In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the company from April 1, 2017.

For GANGA COFFEE CURING WORKS LTD.

Director

For GANGA COFFEE CURING WORKS LTD.

Director

C.A. B.N. RAMESH FCA CHARTERED ACCOUNTANT HASSAN-573 201

Ganga Cofee Curing Works Limited
Notes to the financial statements

4 Property, plant and equipment

In lakhs of INR

	Owned						
	Land Industrial Plot	**Building**	**Plant & Machinery**	**Furniture and fittings**	**Electrical Installation & Fittings**	**Building under construction**	**Total**
Cost							
Balance as at 1 April 2015	113.39	206.18	423.15	9.70	6.68	-	**759.10**
Additions	-	-	-	0.15	0.28	11.08	**11.51**
Disposals	-	-	0.48	-	-	-	**0.48**
Balance as at 31 March 2016	**113.39**	**206.18**	**422.67**	**9.85**	**6.96**	**11.08**	**770.13**
Balance as at 1 April 2016	113.39	206.18	422.68	9.84	6.96	11.08	770.13
Additions	-	11.08	10.17	0.28	-	4.20	25.73
Disposals	-	-	0.11	-	-	11.08	11.19
Balance as at 31 March 2017	**113.39**	**217.26**	**432.74**	**10.12**	**6.96**	**4.20**	**784.67**
Accumulated depreciation							
Balance as at 1 April 2015	-	128.99	376.30	6.29	4.53	-	**516.11**
Charge for the year	-	3.63	5.18	0.59	0.29	-	9.69
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2016	**-**	**132.62**	**381.48**	**6.88**	**4.82**	**-**	**525.80**
Balance as at 1 April 2016	-	132.62	381.48	6.88	4.82	-	525.80
Charge for the year	-	3.85	4.85	0.60	0.32	-	9.62
Disposals	-	-		-	-	-	-
Balance as at 31 March 2017	**-**	**136.47**	**386.33**	**7.48**	**5.14**	**-**	**535.42**
Carrying amount (net)							
As at 1 April 2015	113.39	77.19	46.85	3.41	2.15		242.99
As at 31 March 2016	**113.39**	**73.56**	**41.19**	**2.97**	**2.14**	**11.08**	244.33
As at 31 March 2017	**113.39**	**80.79**	**46.41**	**2.64**	**1.82**	**4.20**	249.25

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

C.A. B.N. RAMESH, FCA · HASSAN-573201

Ganga Cofee Curing Works Limited
Notes to the financial statements (continued)

5 Loans

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good			
Security deposits	7.08	6.84	6.63
Other Loans & Advances	54.88	26.86	29.06
	61.96	**33.70**	**35.70**

6 Income tax assets, net

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Advance tax including tax deducted at source, net of provision for tax	7.07	4.13	3.31
	7.07	**4.13**	**3.31**

7 Trade receivables

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Unsecured, considered good			
Trade receivables	3.48	0.55	(0.04)
	3.48	**0.55**	**(0.04)**

All trade receivables are 'current'.

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables is disclosed in note 30.

8 Cash and cash equivalents

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents			
Balances with banks			
- in current accounts	7.06	6.74	3.62
Cash on hand	1.62	2.80	0.57
	8.68	**9.54**	**4.19**
Book overdraft	-	-	-
Cash and cash equivalents as per statement of cash flows	**8.69**	**9.54**	**4.19**

9 Other current assets

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Prepaid expenses	0.88	1.04	1.49
	0.88	**1.04**	**1.49**

10 Inventories

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 31 March 2015
Coffee Husk	36.86	38.16	58.62
	36.86	**38.16**	**58.62**

For GANGA COFFEE CURING WORKS LTD,
Director

For GANGA COFFEE CURING WORKS LTD,
Director

Ganga Cofee Curing Works Limited
Notes to the financial statements (continued)

10 Equity Share capital

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
1200000 (31 March 2016: 1200000; 1 April 2015:1200000) equity shares of Rs 10 each	12,000.00	12,000.00	12,000.00
	12,000.00	**12,000.00**	**12,000.00**
Issued, subscribed and fully paid up			
204000 (31 March 2016: 204000; 1 April 2015:204000) equity shares of par value of Rs 10 each,	20.40	20.40	20.40
978000 (31 March 2016: 978000; 1 April 2015:978000) equity shares of par value of Rs 10 each,	97.80	97.80	97.80
	118.20	**118.20**	**118.20**

(a) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the 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	11,82,000	118.20	11,82,000	118.20
Add: Shares issued during the year	-	-	-	-
Number of shares at the end of the year	11,82,000	118.20	11,82,000	118.20

(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:-				
V G SIDDHARTHA	0	1	0	1
MALAVIKA HEGDE	0	1	0	1
S V GANGAIAH HEGDE	0	1	0	1
VASANTHI HEGDE	0	1	0	1
NITIN BAGAMANE	0	1	0	1
JAIRAJ C HUBLI	0	1	0	1
COFFEE DAY GLOBAL LTD (Formerly Amalgamated Bean Coffee Trading Company Ltd)	100.00%	1181994	100.00%	11,81,994
			-	-
		1182000		11,82,000

For GANGA COFFEE CURING WORKS LTD,

Sanjay Hegde

Director

For GANGA COFFEE CURING WORKS LTD,

Director

CA S.N. RAMESH FCA CHARTERED ACCOUNTANT

Ganga Cofee Curing Works Limited
Notes to the financial statements (continued)

11 **Other equity**

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016
Capital reserves		
At the commencement of the year	-	-
Add: Movement during the year	-	-
At the close of the year	-	-
Securities premium		
At the commencement of the year	285.60	285.60
Add: Movement during the year	-	-
At the close of the year	**285.60**	**285.60**
Retained earnings		
At the commencement of the year	(192.56)	(170.26)
Add: Net loss for the year	(25.63)	(22.30)
At the end of the year	**(218.19)**	**(192.56)**
Other items of OCI (specify nature)		
Opening balance	-	-
Acturial gain or (losses)	-	-
	-	-
	67.41	**93.04**

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

Ganga Cofee Curing Works Limited
Notes to the financial statements (continued)

11 Non-current provision

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
- Gratuity [refer note 25]	59.37	61.81	59.34
	59.37	**61.81**	**59.34**

12 Other financial liabilities

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Others			
- creditors for expenses	107.10	45.33	41.87
	107.10	**45.32**	**41.86**

13 Current provision

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits	14.57	11.98	10.23
	14.57	**11.98**	**10.23**

14 Other current liabilities

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Statutory dues payable	1.55	1.10	1.27
	1.55	**1.10**	**1.27**

For GANGA COFFEE CURING WORKS LTD.

Director

For GANGA COFFEE CURING WORKS LTD.

Director

Ganga Cofee Curing Works Limited
Notes to the financial statements (continued)

15 Revenue from operations

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Income from Job Work Receipts	284.74	252.55
	284.74	252.55

16 Other income

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest on FDR's	11.71	13.75
Other Receipts	-	0.19
Interest On IT Refund	0.08	0.18
Interest On MESCOM	-	0.02
Sundry Income	1.03	-
Sale of waste Oil	0.05	-
	12.87	14.14

17 Employee benefits expense

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries,Bonus,PF&ESIC	88.68	78.25
	88.68	78.25

18 Other expenses

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Cost of Material Consumed	206.23	171.49
Change in Inventories	1.30	20.46
Finance Cost	0.11	0.08
Other Administrative Expenses	17.19	8.54
Tax Expenses	-	-
	224.83	200.57

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

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
- As statutory audit	1.16	0.97
- For taxation matters	-	-
- For company law matters	-	-
- For other services	-	-
Reimbursement of expenses	-	-
	1.16	0.97

For GANGA COFFEE CURING WORKS LTD.

Director

For GANGA COFFEE CURING WORKS LTD.

Director

Ganga Cofee Curing Works Limited
Notes to the financial statements (continued)

19 **Contingent liabilities and commitments**

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 (31 March 2016: Rs Nil). Further, there are no commitments as on 31 March 2017 (31 March 2016: Nil).

- As statutory audit	1.16	0.97	0.60
- For taxation matters	-	-	-
- For company law matters	-	-	-
- For other services	-	-	-
Reimbursement of expenses	-	-	-
	1.16	**0.97**	**0.60**

20 **Leases**

No such Company leases office and residential spaces under cancelable operating lease arrangements.

21 **Earnings per share**

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 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:

Reconciliation of earnings used in calculating earnings per share:

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Total comprehensive income as per statement of profit and loss	(25.63)	(22.30)
Net loss for basic earnings per share	**(25.63)**	**(22.30)**
Net loss for diluted earnings per share	**(25.63)**	**(22.30)**

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

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Number of equity shares at the beginning of the year	11,82,000	11,82,000
Add:	-	-
Weighted average number of equity shares issued during the year	-	-
Number of weighted average equity shares for basic and diluted EPS	**11,82,000**	**11,82,000**

Earnings per share:		
Basic and diluted	(2.19)	(1.89)

22 **Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Particulars	As at 31 March 2017	As at 31 March 2016
Impact of tax losses	-	-
	-	-

The tax losses expire in 2017-24. There were no significant temporary differences for which deferred tax asset has not been recognised in the financial statements.

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

Ganga Cofee Curing Works Limited
Notes to the financial statements (continued)

23 Segment information

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available.

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Director of the Group have been identified as the Chief Operating Decision Maker (CODM). The Group is primarily engaged in software services. The CODM considers the Group as one single reportable segment.

A significant part of the fixed assets of the Company are located in India. Customer relationships are derived based on the location of the respective customers.

Geographical information

(i) Segment Revenue:

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from external customers:		
- India	-	-
- Europe	-	-
- Other foreign countries	-	-
Total segment revenue	**-**	**-**

(ii) Segment non-current assets

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016
- India	249.25	244.33
Total	**249.25**	**244.33**

Revenue from major products and services

The Company is not dependent on any customer for more than 10% of it's total revenue.

24 Related party transactions

A. Parent entity:

- Coffee Day Global Limited - intermediate holding company

B. Key management personnel

Executive key management personnel represented on the Board of the Company are -

CHIDAMBAR CHANDREGOWDA BIDARAHALLI
SANJAY HEGDE YADUR GIRIYAPPA
NANJUNDA MANJE GOWDA HALEHALLI

The non-executive directors on the board of the Company are employees of other group companies and accordingly the salary has been paid by such group companies.

For GANGA COFFEE CURING WORKS LTD,
Director

For GANGA COFFEE CURING WORKS LTD,
Director

25 Gratuity plan

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 unfunded plan.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet:

Reconciliation of the projected benefit obligations

Particulars	As at 31 March 2017	As at 31 March 2016
Change in projected benefit obligation:		
Obligations at the beginning of the year	61.81	59.34
Obligation acquired on acquisition during the year		
Included in profit and loss:		
- Service cost	2.56	2.60
- Interest cost	3.82	4.59
Benefit payments directly by employer	(7.39)	(0.98)
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in financial assumptions	1.05	0.66
- Actuarial (gains)/ losses arising from experience adjustments	(2.48)	(4.40)
Obligations at year end	**59.37**	**61.81**
Liability recognised in the balance sheet	**59.37**	**61.81**

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

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Fair value of plan assets	-	-
Present value of defined benefit obligation at the end of the year	59.37	61.81
Liability recognised in the balance sheet	**59.37**	**61.81**

For GANGA COFFEE CURING WORKS LTD.

Director

For GANGA COFFEE CURING WORKS LTD.

Director

Ganga Cofee Curing Works Limited
Notes to the financial statements (continued)

In lakhs of INR

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Gratuity cost for the year		
Included in profit and loss:		
- Service cost	2.56	2.60
- Interest cost	3.82	4.59
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income		
- Actuarial (gains)/ losses arising from changes in financial assumptions	1.05	0.66
- Actuarial (gains)/ losses arising from experience adjustments	(2.48)	(4.40)
Net gratuity cost	**4.95**	**3.45**
Assumptions		
Interest rate	6.65%	7.35%
Expected rate of return on plan assets	NA	NA
Salary increase	3%	3%
Attrition rate	25%	25%
Mortality table	IALM (2006-08) Ultimate	IALM (2006-08) Ultimate

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.

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

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.

In Rupees

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Increase	**Decrease**	**Increase**	**Decrease**
Discount rate (1% movement)	57,88,687.00	60,93,132.00	60,37,146.00	63,33,515.00
Future salary growth (1% movement)	60,97,958.00	57,82,508.00	63,38,386.00	60,29,935.00

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.

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

CA B.N. RAMESH, CA
CHARTERED ACCOUNTANT
M.No. 12170
HASSAN-573 201

26 Dues to micro and small enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. The Company does not have any dues to micro and small enterprises as at 31 March 2017, 31 March 2016 and 1 April 2015.

In lakhs of INR

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
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*;			
Interest	-	-	-
- Bank balances other than cash and cash equivalents	-	-	-
(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

27 Going concern

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

The Company has received a letter of financial support from Coffee Day Global Limited, the intermediate holding company, which undertakes to provide financial and operational assistance as is necessary to enable the Company to operate as a going concern and meet its obligations as and when they fall due upto a period of one year from the balance sheet date i.e. 31 March 2018.

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

28 During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(In Rs.)

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	20,000.00	1,41,649.00	1,61,649.00
Add: Permitted receipts	-	5,87,356.00	5,87,356.00
Less: Amount deposited in banks	20,000.00	7,08,922.00	7,28,922.00
Closing cash in hand as on 30 December 2016		**20,083.00**	**20,083.00**

* For the purposes of this clause, 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 the 8th November, 2016.

For GANGA COFFEE CURING WORKS LTD.
Director

For GANGA COFFEE CURING WORKS LTD.
Director

29 **Financial instruments - fair values and risk management**

A **Accounting classification and fair values**

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

In lakhs of INR

Particulars	Carrying amount as at 31 March 2017	Fair value* Level 1	Level 2	Level 3	Total fair value
Financial assets:					
Measured at amortised cost:					
Trade receivables	3.48	-	-	-	-
Cash and cash equivalents	8.68	-	-	-	-
Loans	61.96	-	-	-	-
Total	**74.13**				-
Financial liabilities					
Measured at amortised cost:					
Others					
Provision for employee benefits	59.37	-	-	-	-
- creditors for expenses	107.10	-	-	-	-
- book overdraft	-	-	-	-	-
Total	**166.47**	-	-	-	-

* The Company has not disclosed the fair values for financial assets such as trade receivables, cash and cash equivalents and loans and financial liabilities such as trade payables as their carrying amounts are a reasonable approximation of fair value.

In lakhs of INR

Particulars	Carrying amount as at 31 March 2016	Fair value* Level 1	Level 2	Level 3	Total fair value
Financial assets:					
Measured at amortised cost:					
Trade receivables	0.55	-	-	-	-
Cash and cash equivalents	9.54	-	-	-	-
Loans	33.70	-	-	-	-
Total	**43.80**	-	-	-	-
Financial liabilities					
Measured at amortised cost:					
Others					
Provision for employee benefits	61.81	-	-	-	-
- creditors for expenses	45.33	-	-	-	-
- book overdraft	-	-	-	-	-
Total	**107.14**	-	-	-	-

* The Company has not disclosed the fair values for financial assets such as trade receivables, cash and cash equivalents and loans and financial liabilities such as trade payables as their carrying amounts are a reasonable approximation of fair value.

For GANGA COFFEE CURING WORKS LTD.
Director

For GANGA COFFEE CURING WORKS LTD.
Director

In lakhs of INR

Particulars	Carrying amount as at 1 April 2015	Fair value*			
		Level 1	Level 2	Level 3	Total fair value
Financial assets:					
Measured at amortised cost:					
Trade receivables	(0.04)	-	-	-	-
Cash and cash equivalents	4.19	-	-	-	-
Loans	35.70	-	-	-	-
Total	**39.85**	-	-	-	-
Financial liabilities					
Measured at amortised cost:					
Others					
Provision for employee benefits	59.34	-	-	-	-
- creditors for expenses	41.87	-	-	-	-
- book overdraft	-	-	-	-	-
Total	**101.21**	-	-	-	-

* The Company has not disclosed the fair values for financial assets such as trade receivables, cash and cash equivalents and loans and financial liabilities such as trade payables as 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:

a) recognised and measured at fair value
b) 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 it's financial assets and liabilities at ammortised cost.

For GANGA COFFEE CURING WORKS LTD.
Director

For GANGA COFFEE CURING WORKS LTD.
Director

C Financial risk management

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

- credit risk (see (b));
- liquidity risk (see (c)); and
- market risk (see (d)).

(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 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.

Board 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. Board 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.

(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 debt securities.

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

i) Trade receivables and loans:

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are individuals or legal entities, whether they are a wholesale, retail or end-user customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties.

Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by credit insurance. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one month to six months depending on the customers.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The Company has assessed and concluded that there is no credit risk as at reporting date and previous periods from trade receivables. No single customer accounted for more than 10% of the revenue as of 31 March 2017, 31 March 2016 and 1 April 2015.

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.

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

Ganga Cofee Curing Works Limited

Notes to the financial statements (continued)

Loans and security deposit:

Expected credit loss for trade receivables and security deposits is as follows:

In lakhs of INR

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	Financial assets for which credit risk has not increased significantly since initial recognition.	31-Mar-17	Security deposits	61.96	-	-	61.96
			Trade receivables	3.48	-	-	3.48
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition.	31-Mar-16	Security deposits	61.96	-	-	61.96
			Trade receivables	0.55	-	-	0.55
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition.	1-Apr-15	Security deposits	61.96	-	-	61.96
			Trade receivables	(0.04)	-	-	(0.04)

(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. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

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 setting agreements.

In lakhs of INR

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
Non-derivative financial liabilities							
Other financial liabilities	107.10	107.10	107.10	-	-	-	-
	107.10	**107.10**	**107.10**	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

In lakhs of INR

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
Other financial liabilities	45.32	45.32	45.32	-	-	-	-
	45.32	**45.32**	**45.32**	-	-	-	-
Derivative financial liabilities	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

C.A. B.N. RAMESH, FCA CHARTERED ACCOUNTANT M.No.18170 HASSAN-573 201

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD,

Director

In lakhs of INR

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
Other financial liabilities	41.87	41.87	41.87	-	-	-	-
	41.87	41.87	41.87	-	-	-	-
Derivative financial liabilities	-	-					
	-	-	-	-	-	-	-

The inflows/(outflows) disclosed in the above table represent contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

(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.

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 2017		As at 31 March 2016		As at 1 April 2015	
	EUR	USD	EUR	USD	EUR	USD
	-	-	-	-	-	-
Net exposure	-	-	-	-	-	-

The following significant exchange rates have been applied:

	Year-end spot rate		
	31 March 2017	31 March 2016	1 April 2015
INR			

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.

In lakhs of INR

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
Euro (8% movement)	-	-	-	-
31 March 2016				
Euro (13% movement)	-	-	-	-

For GANGA COFFEE CURING WORKS LTD,

Director

For GANGA COFFEE CURING WORKS LTD.

Director

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.

30 Capital management
For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, 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, 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 2017 was as follows.

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Total liabilities	182.57	120.23	112.72
Less: cash and cash equivalents	8.68	9.54	4.19
Adjusted net debt	173.89	110.69	108.52
Total equity	185.61	211.24	233.54
Adjusted equity	185.61	211.24	233.54
Adjusted net debt to equity ratio	**0.94**	**0.52**	**0.46**

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

For GANGA COFFEE CURING WORKS LTD,
Director

For GANGA COFFEE CURING WORKS LTD,
Director

31 First time adoption

As stated in Note 2.1, 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). For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 2 have been applied in preparing these financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2015.

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

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 except for remeasurements of defined benefit plan asset/ liability which is a movement between different components of equity.

As per our report of even date attached

for **M/s.B.N.Ramesh & Co.,**
Chartered Accountants
Firm registration number: 005513S

CA B.N. RAMESH, FCA CHARTERED ACCOUNTANT M.No.15170 HASSAN-573 201

B.N.RAMESH
PROPRIETOR
Membership no.: 015170

Place: HASSAN
Date: 06/05/2017

for and on behalf of the Board of Directors of
Ganga Cofee Curing Works Limited

SANJAY HEGDE Y.G.	**NANJUNDA.H.M.**
Director	*Director*
DIN: 2448482	DIN: 6781825
Place: Bangalore	Place: Hassan
Date: 06/05/2017	Date: 06/05/2017