



**COFFEE  
Day**

Annual Report



# **COFFEE DAY ENTERPRISES LIMITED**

(Formerly Coffee Day Enterprises Private Limited and Coffee Day Resorts Private Limited)

## **SEVENTH ANNUAL REPORT 2014-2015**

- **BOARD OF DIRECTORS**

Mr. V. G. Siddhartha	Chairman and Managing Director
Mrs. Malavika Hegde	Non -Executive, Non Independent Director
Mr. M. D. Mallya	Independent Director
Mr. S.V. Ranganath	Independent Director
Dr. Albert Hieronimus	Independent Director
Mr. Sanjay Omprakash Nayar	Non- Executive, Nominee Director

- **COMPANY SECRETARY**

Mr. Sadananda Poojary

- **CHIEF FINANCIAL OFFICER**

R. Ram Mohan

- **REGISTERED OFFICE**

23/2, Coffeeday Square, Vittal Mallya Road  
Bangalore-560001

- **BANKERS**

Corporation Bank
Axis Bank Limited
Karnataka Bank Limited
State Bank of Mysore

- **AUDITORS**

**B S R & Co LLP**  
Chartered Accountants  
Maruti Infotech Centre  
11-12/1, Inner Ring Road  
Koramangala  
Bengaluru 560071

- **REGISTRAR AND SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
L. B. S. Marg, Bhandup (West)  
Mumbai-400 078  
[Tel: +91 22 6171 5400](tel:+912261715400)



**NOTICE IS HEREBY GIVEN THAT THE 7<sup>TH</sup> ANNUAL GENERAL MEETING (AGM) OF THE MEMBERS OF M/S. COFFEE DAY ENTERPRISES LIMITED (FORMERLY COFFEE DAY ENTERPRISES PRIVATE LIMITED & COFFEE DAY RESORTS PVT LTD) CIN: U55101KA2008PLC046866 WILL BE HELD ON TUESDAY, 18<sup>TH</sup> AUGUST 2015 AT 10:00 AM AT ITS REGISTERED OFFICE NO: 23/2, COFFEE DAY SQUARE, VITTAL MALLYA ROAD, BANGALORE– 560 001, KARNATAKA, INDIA TO TRANSACT THE FOLLOWING BUSINESS:**

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the financial statements of the Company for the year ended March, 31, 2015 including the audited Balance Sheet as at March, 31, 2015, the statement of Profit & Loss Account for the year ended on that date and the reports of the Board of Directors (the Board) and Auditors thereon.
2. To appoint a Director in place of Mrs. Malavika Hegde (DIN: 00136524) who retires by rotation and is eligible for re-appointment.
3. Appointment of Statutory Auditors:

**“RESOLVED THAT** pursuant to the provisions of Sec 139,142 and other applicable provisions, if any, of the Companies Act, 2013(the Act) and the Companies (Audit and Auditors )Rules, 2014 made thereunder, M/s B S R & Co LLP, Chartered Accountants (LLP Registration No. 101248 W/ W-100022) who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as the statutory auditors of the Company, in terms of provisions of Section 141 of the act and Rule 4 of the rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Financial Year, 2015-16 to hold office from the conclusion of this Annual general Meeting until the conclusion of the next Annual general Meeting of the Company and that the Board of Directors be and are hereby authorized to fix and pay such remuneration as may be agreed upon between the auditors and the Board of Directors.”

By Order of the Board  
For **Coffee Day Enterprises Limited**  
(Formerly Coffee Day Enterprises Private Limited  
& Coffee Day Resorts Private Limited)

Place: Bangalore

Date: 14/07/2015

**V G SIDDHARTHA**  
**DIN: 00063987**  
**Managing Director**

**NOTES:**

1. Member's right to appoint Proxy: A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him and the proxy need not be a member of the Company.
2. The Instrument appointing the proxy should, however be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. A Proxy form for the AGM is enclosed.
3. A Person can act as a Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

## DIRECTOR'S REPORT

To  
The Members,

Your Directors wish to present the 7<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2015.

### Financial Results:

(Amount in Millions)

Particulars	Current reporting Period 2014-15	Previous reporting Period 2013-14
Revenue from operations	24,793.56	22,870.08
Other Income	693.60	657.63
<b>Total Revenue</b>	<b>25,487.16</b>	<b>23,527.71</b>
Expenses	24,320.11	22,492.57
Depreciation	2,574.16	2,385.05
Total Expenses	26,894.27	24,877.62
<b>Profit/(Loss) before Taxation</b>	<b>(1,407.11)</b>	<b>(1,349.91)</b>
Tax Expenses		
i. Current Tax	206.55	89.65
ii. Less: MAT Credit	(88.56)	(79.62)
iii. Deferred Tax	32.25	(0.90)
<b>Profit/ (Loss) for the period (excluding share of profit/loss of associates and minority interest)</b>	<b>(1,557.35)</b>	<b>(1,359.04)</b>

#### 1. Transfer of profit to reserves:

Keeping in view of the long term plans of the company during the year the Board has decided to retain the profit in the Profit and Loss Account. And hence no amount has been transferred to reserves.

#### 2. Dividend:

In view of the losses, current and accumulated, your Directors regret their inability to recommend dividend for the year 2014-2015.

#### 3. State of Company's Affairs:

Your company is the parent company of the Coffee Day Group. It also manages and operates resorts in addition to trading in coffee. Your company is engaged in coffee business through its subsidiary, Coffee Day Global Limited and its subsidiaries. Coffee Day



Global Limited has the largest chain of cafés in India (CCD) and operates a highly optimized and vertically integrated coffee business which ranges from procuring to roasting and processing of coffee beans to retailing of coffee products across various formats.

In addition to the coffee business, we operate other business through our subsidiaries that are aimed at leveraging India's growth potential, namely logistics, development of IT- ITES technology parks, logistics, financial services, hospitality and IT-ITES. Our wholly-owned subsidiary, Tanglin Development Limited, is engaged in the development and management of technology parks and related infrastructures. Our subsidiary, Sical Logistics Limited in which we hold a 52.8% effective interest is one of the leading integrated logistics solution providers in India with over five decades of experience. Our subsidiary, Way2Wealth Securities Private Limited is retail focused investment advisory company which provides wealth management, broking, portfolio management and investment advisory services. We own and operate three luxury boutique resorts along with subsidiaries.

#### **4. Change in name & company status:**

Your company vide special resolution dated 6<sup>th</sup> August, 2014 has changed its name from **Coffee Day Resorts Private Limited to Coffee Day Enterprises Private Limited.**

And your company vide special resolution dated 17<sup>th</sup> January, 2015 has changed the status from private to public company.

#### **5. Initial Public Offer (IPO) of the Company:**

In order to augment the capital base and to meet the future capital requirements arising out of growth in our business and achieve the benefits of listing on the stock exchange interalia, your Company proposes to raise the capital from the primary market by way of its initial public offering (IPO/Issue) and the Company has filed its Draft Red Herring Prospectus (DRHP) with the Securities & Exchange Board of India (SEBI) The Issue is solely on 100% book building process. The Equity Shares to be offered through IPO are proposed to be listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The Global Co-Ordinators and Book Running Lead Managers (GCBRLMs) to the Issue are Kotak Mahindra Capital Company Limited, Citigroup Global Markets India Private Limited and Morgan Stanley India Company Private Limited and the BRLMs to the Issue are Axis Capital Limited, Edelweiss Financial Service Limited and Yes Bank Limited.

#### **6. Share Capital:**

During the year under review, your company vide its meeting held on 3<sup>rd</sup> February, 2015 had increased its authorized capital from 2 crore Equity Shares of Rs.10/- each to 27 crore equity share capital of Rs.10/- each.

Your Company during the year had allotted 3,44,8424 equity shares of Rs.10 each at a premium of Rs.2,890 per share to the subscribers to the Private Placement to whom the private placement offer letter was circulated and whose names have been duly entered in the Record of Private Placement offer.



Your Company had allotted 102,140,857 equity shares as Bonus in the ratio of 1:7 on 8<sup>th</sup> May, 2015 and the Company had redeemed 2 Series of Non-Convertible Redeemable Preference Shares.

**7. Amendments in Memorandum of Association & Articles of Association respectively:**

During the year under review your Company had altered its Object Clause in the Memorandum of Association by adding a new clause to enable the company embarking upon new projects and activities which are feasible and advantageous for the company's business.

During the year under review your Company had adopted Table-A of Schedule-1 of Memorandum of Association.

**8. Transfer of unclaimed dividend to Investor Education and Protection Fund:**

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid earlier.

**9. Review of business operations:**

During the year under review, the Company has achieved a turnover of Rs. 286.88 million (2013-2014 Rs.324.90 millions) resulting in a net loss of Rs. 1257.94 against net loss of Rs.864.05 million in 2013-2014 before taxation. Your Directors are confident of achieving better working results in the years to come.

**10. Material changes and commitment if any affecting the financial position of the Company occurred between the end of the financial year of the Company to which these financial statements relate and the date of the report:**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate on the date of this report.

**11. Conservation of energy, technology, absorption, foreign exchange earnings and outgo:**

We continue with our initiatives to save energy wherever possible. Details on technology absorption and foreign exchange earnings during the year 2014-2015 are given at Annexure-B.

**12. Statement concerning development and implementation of risk management policy of the company:**

Your company is exposed to variety of risk considering the diversified business of the subsidiaries which include coffee business, technology park business, logistics business, financial services business and resort business. We conduct a substantial portion of our coffee and non-coffee business operations through our subsidiaries. Hence our company's income is largely dependent on the investment income and dividends from our subsidiary.

Our success depends on the value, perception and marketing of our brands, most particularly the "Café Coffee Day" brand. We are also subject to strong competition in food & beverage industry and our logistics business.

**13. Details of policy developed and implemented by the Company on its corporate social responsibility initiatives:**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable to the company.

**14. Formal annual evaluation of the Board:**

Section 134 3 (p) of the companies Act, 2013 as well as Rule 8 (4) of The Companies (Accounts) Rules, 2014 are not applicable to the company.

**15. Particulars of loans, guarantees or investments made under section 186 of the Companies Act, 2013:**

There were loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 to its wholly owned Subsidiaries Tanglin Developments Limited and Coffee Day Hotels & Resorts Private Limited during the year under review.

**16. Particulars of contracts or arrangements made with related parties:**

The Particulars of Contracts or Arrangements made with related parties made pursuant to Section 188 is furnished in notes forming to accounts and is attached to this report.

**17. Explanation or comments on qualification , reservations or adverse remarks or disclaimers made by the auditors and the practicing Company Secretary in their reports:**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report. The provisions relating to submission of Secretarial Audit Report is not applicable to the Company.

**18. Company's policy relating to directors appointment, payment of remuneration and discharge of their duties:**

The Current policy is to have an appropriate mix of Executive and Independent Directors to maintain the Independence of the Board and separate its functions of governance and management. As on 31<sup>st</sup> March, 2015, the Board Consists of 6 members of whom 3 are Independent and one is Executive. The Board periodically evaluates the need for change in its Composition and size.

The policy of the Company on Directors' Remuneration and appointment, including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under sub section (3) of section 178 of Companies Act, 2013 adopted by the Board, is appended as **Annexure C-** to the Board's report, we affirm that the remuneration paid to directors is as per terms laid out in the Nomination and Remuneration policy of the Company.

**19. Appointment and remuneration of managerial personnel:**

(1) Being unlisted company the disclosure of the remuneration of each director and key managerial personnel does not arise.

**20. Annual return:**

The extract of Annual Return in Form No MGT – 9 pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure C and is attached to this report.

**21. Number of board meetings conducted during the year under review:**

The Company prepares a calendar of meetings of the Board in advance so as to allow the Directors to block their calendars. In compliance with the Companies Act, 2013 and the Rules framed there under, where permitted, Directors are provided the facility to join the proceedings of the meeting through video conferencing.

The Company held a minimum of one board meeting in every quarter. During the year ended March 31, 2015, Six Board Meetings were held, the dates were 29<sup>th</sup> April, 2014, 7<sup>th</sup> July, 2014, 29<sup>th</sup> October, 2014, 9<sup>th</sup> January, 2015, 26<sup>th</sup> January, 2015 & 2<sup>nd</sup> March, 2014. The intervening gap between the meetings was as prescribed under the Companies Act, 2013.

**22. Directors responsibility statement:**

In accordance with the provisions of Section 134 (5) of the Companies Act, 2013 the Board hereby submits its responsibility statement

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period.
- c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) The Directors had prepared the annual accounts on a going concern basis and
- e) The directors, in case of a listed company, had laid down internal financial controls to be followed by the company and that such internal controls are adequate and were operating effectively.
- f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**23. Subsidiaries, joint ventures and associate companies:**

During the year under review the company has subsidiaries or joint venture or an associate company as detailed in Annexure-A.

**24. Deposits:**

The Company has neither accepted nor renewed any deposits during the year under review.

**25. Details of significant and material orders passed by the forum:**

Pursuant to Section 134 (5) (vii) and The Companies (Accounts) Rules, 2014 there were no significant and material orders that were passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

**26. Internal financial controls:**

As per the provisions of Section 134 (5) (viii) and The Companies (Accounts) Rules, 2014 adequate internal financial controls with reference to the Financial Statements were duly adhered.

**27. Report on financial position of each of subsidiaries, associates and joint ventures:**

Pursuant to the Companies (Accounts) Rules, 2014 the company has not entered into any form of joint venture for the relevant year, report of the financial position of Subsidiaries vide Annexure-A.

**28. Disclosure under sexual harassment of women at workplace:**

Pursuant to provisions of Prevention, Prohibition and Redressal Act, 2013 no cases of sexual harassment of women at work place were neither reported nor redressed for the relevant year.

**29. Directors:****Board of Directors and KMP:**

During the year under review, Mr.V.G. Siddhartha, our Promoter, was appointed as the Chairman and Managing Director of our Company pursuant to the resolution passed by the Board of our Company on January 9, 2015 and the resolution passed by the Shareholders of our Company on January 17, 2015 for a period of five years from January 17, 2015 to January 16, 2020.

**i) Independent Directors:****Appointment:**

During the year under review, Mr. S.V. Ranganath, Dr. Albert Hieronimus were appointed as the Independent Directors of our Company pursuant to the resolution passed by the Board of our Company on January 9, 2015 and the resolution passed by the Shareholders of our Company on January 17, 2015 pertaining to their Appointment for a period of five years from January 17, 2015 to January 16, 2020 and Mr. M.D. Mallya was appointed pursuant to the resolution passed by the Board of our Company on May 5, 2015 and the resolution passed by the Shareholders of our Company on May 8, 2015 pertaining to their Appointment for a period of five years from May 8, 2015 to May 7, 2020. Declaration has been obtained from the Directors stating their Independence.

**ii) Resignation:**

During the year under review our non-executive directors Ms. Niveditha. K.H & Mr. Santhrupth H.V stepped down from the Board and our Nominee Directors Mr. Nainesh Jai Singh and Mr. Parag Saxena has stepped down from the Board.

**iii) Ratification of Appointment of Ran Kivetz:**

The shareholders in their extra-ordinary general meeting held on 17<sup>th</sup> January, 2015 had approved the appointed of Dr. Ran Kivetz as an independent director of the Company. However subsequently Dr. Ran Kivetz expressed his inability to join the Board of the Company citing personal reasons and withdrew his consent to become the independent director of the Company. Hence the Board proposed and withdrew the Resolution

Smt. Malavika Hegde retires at this Annual General Meeting and being eligible offer themselves for re-election.

**30. Declaration of independent directors:**

Being a public company provision of Section 149 pertaining to the appointment of Independent Directors do applies to our Company and the Company has got the necessary Declarations.

**31. Statutory auditors:**

M/s.BSR & Co LLP (Firm Registration No: Registration No. 101248 W/ W-100022) Chartered Accountants Bangalore were appointed as Statutory Auditors for a period of one year in the Annual General Meeting. His continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above auditor to the effect that if he is re appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

**32. Disclosure of composition of audit committee and and providing vigil mechanism:**

The provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013 is applicable to the Company.

The following are the members of Audit Committee:

1. Sri.S.V.Ranganath-Chairman
2. Sri.V.G.Siddhartha
3. Dr.Albert Hieronimus

**Other Committees constituted:****a) IPO Committee:**

Your Company for the purpose of raising of funds by way of the Issue, will be required to complete various legal statutory and procedural formalities, including appointment of various intermediaries, filing the draft red herring prospectus ("DRHP") with SEBI and filing the red herring prospectus ("RHP") and the prospectus in relation to the Issue (the "Prospectus") with SEBI, the stock exchanges, and the ROC or any other statutory agencies or government authorities as may be required and other matters incidental thereto.

In view of the above, it was proposed to constitute a committee of directors named as "IPO Committee" to look after the day to day issues of the IPO and to take decision in relation to initial public offer (IPO) comprising of:

1. Mr. V G Siddhartha
2. Mrs. Malavika Hegde
3. Mr. Sanjay Nayar
4. Mr. S. V. Ranganath

**b) Stakeholders Relationship Committee:**

Your Company in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder, as amended, and the equity listing agreements to be entered into between the Company and the respective stock exchanges on which its equity shares are proposed to be listed, appoints a special committee of the Board of Directors named the "Stakeholders Relationship Committee" to carry out such functions for the readressal of shareholders' and investors' complaints, including but not limited to, transfer of shares, non-receipt of balance sheet, non-receipt of dividends, and any other grievance that a shareholder or investor of the Company may have against the Company, which shall consist of the following members namely:

1. Mrs. Malavika Hegde
2. Mr. V G Siddhartha
3. Shri S V Ranganath

**c) Nomination and Remuneration Committee:**

Your Company in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder, as amended, the Securities and Exchange Board of India Act, 1992, as amended, and the applicable rules and guidelines promulgated thereunder and as amended, the listing agreements to be entered into between the Company and the respective stock exchanges on which its equity shares are proposed to be listed, and any law or enactment for the time being in force, hereby constitutes a special committee of the Board of Directors named the "Nomination and Remuneration Committee", which shall consist of the following, namely:

1. Shri. S. V. Ranganth
2. Dr. Albert Hieronimus
3. Mrs. Malavika Hegde

**d) Corporate Social Responsibility Committee:**

Your Company in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder, as amended, and the equity listing agreements to be entered into between the Company and the respective stock exchanges on which its equity shares are proposed to be listed, the Board of Directors hereby constitutes a special committee of the Board of Directors named the "Corporate Social Responsibility Committee", which shall consist of the following, namely:

1. Shri. S V Ranganath
2. Mr. V G Siddhartha
3. Mrs. Malavika Hegde

**e) Risk Management Committee:**

Your Company in compliance with the provisions of the Companies Act, 2013 and the rules made thereunder, as amended, the Securities and Exchange Board of India Act, 1992, as amended (including, in each case, any statutory modification or re-enactment of such laws for the time being in force) and the applicable rules, regulations, guidelines and circulars promulgated thereunder and as amended, the listing agreements to be entered into between the Company and the respective stock exchanges on which its equity shares are proposed to be listed, and any other applicable law or enactment for the time being in force, hereby constitutes the "Risk Management Committee" which shall consist of the following members namely:

1. Mr. V G Siddhartha
2. Shri. S V Ranganath.

**f) Internal Complaints Committee under The Sexual Harassment of Women at Workplace ( Prevention, Prohibition and Redressal) Act, 2013:**

Your Company in compliance with the provisions and the rules made thereunder, as amended and the applicable rules, regulations, guidelines and circulars promulgated thereunder and as amended, hereby constitutes the Internal Complaints Committee under The Sexual Harassment of Women at Workplace ( Prevention, Prohibition and Redressal) Act, 2013 which shall consist of the following members namely:

1. Leena Bekal( Chairman)
2. Niveditha Hallappa( NGO Member)
3. Shyamala Deshpande
4. Ashwin Sadanand (Legal Head)
5. Asitha

**33. Borrowing Powers:**

In accordance with the Articles of Association and pursuant to the EGM of our Company held on February 3, 2015, the Board is authorised to borrow such sum or sums of money or monies, on such terms and conditions and with or without security as the Board of Directors may think fit which together with the monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid up capital of our Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/ monies so borrowed by our Board shall not at any time exceed the limit of Rs. 30,000 million.



**34. Industrial relations:**

The relationship with the employees was cordial during the year.

**35. Particulars of employees:**

The information required pursuant to Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard.

**36. Shares:****A. Buy back of securities:**

The Company has not bought back any of its securities during the year under review.

**B. Sweat Equity:**

The Company has not issued any Sweat Equity Shares during the year under review.

**C. Bonus Shares:**

Bonus shares were issued 1:7 during the year under review.

**D. Employee Stock Option Plan:**

The Company has not provided any Stock Option Scheme to the employee.



**37. Acknowledgement:**

Yours Directors place on record their sincere thanks to Bankers, business associated, consultants and various Government authorities for their continued support extended to your companies activities, during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your company.

By Order of the Board  
For **Coffee Day Enterprises Limited**  
(Formerly Coffee Day Enterprises Private Limited  
& Coffee Day Resorts Private Limited)

Place: Bangalore  
Date: 14/07/2015

**V G Siddhartha**  
DIN: 00063987  
Managing Director

**Malavika Hegde**  
DIN: 00136524  
Director

**Annexure-B**

Section 134(3)(m) of the Companies Act, 2013 read with The Companies (Accounts) Rules, 2014

**A) CONSERVATION OF ENERGY:**

Your company is committed to adopt energy efficient practices across all the factories and outlets to reduce the consumption of power such as use of LCD monitors, use of high efficiency transformers, use of compact florescent lamps for lighting and maximum use of sunlight to reduce the lighting requirement in office space.

**B) TECHNOLOGY AND INNOVATION. Nil****C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign exchange expenditure on payment basis during the year was Rs.0.66 Million.

**ANNEXURE C**

**EXTRACT OF ANNUAL RETURN  
As on the financial year ended 31.03.2015**

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**FORM NO. MGT – 9**

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	<b>U55101KA2008PLC046866</b>
ii)	Registration Date	20 <sup>th</sup> June 2008
iii)	Name of the Company	<b>Coffee Day Enterprises Limited</b> (Formerly Coffee Day Resorts Private Limited and Coffee Day Enterprises Private Limited)
iv)	Category/Sub-Category of the company	Company having Share Capital
v)	Address of the Registered office and contact details	23/2, Coffee Day Square, Vittal Mallya Road, Bangalore-560 001
vi)	Whether listed company Yes / No	No
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10% or more of the total turnover of the company:

Sl. No.	Name and Description of main products / services	NIC Code of the Products/ Service	% to total turnover of the Company
1	Dividend Income	64200	44.13%
2	Sale of Coffee Beans	47211	24.46%
3	Hospitality Services	55101	23.61%
4	Sale of Food, Beverage & Other items	56102	14.25%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl.No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	Coffee Day Global Ltd	U85110KA1993PLC015001	Subsidiary	90.53%	2 (87) (ii)
2	Tanglin Developments Ltd	U85110KA1995PLC019495	Subsidiary	100.00%	2 (87) (ii)
3	Coffee Day Hotels and Resorts Pvt Ltd	U55101KA2004PTC034591	Subsidiary	100.00%	2 (87) (ii)
4	Coffee Day Trading Ltd	U74140KA2000PLC026366	Subsidiary	100.00%	2 (87) (ii)
5	Way2Wealth Securities Pvt Ltd	U72200KA2000PTC027020	Subsidiary	85.53%	2 (87) (ii)
6	Amalgamated Holdings Ltd	U85110KA1989PLC009913	Subsidiary	100.00%	2 (87) (ii)
7	Ganga Coffee Curing Works Ltd	U85110KA1982PLC005048	Subsidiary	100.00%	2 (87) (ii)
8	A N Coffeeday International Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
9	Coffee Day Properties ( India) Pvt Ltd	U70102KA2007PTC043631	Subsidiary	100.00%	2 (87) (ii)
10	Classic Coffee Curing Works	NA	Subsidiary	100.00%	2 (87) (ii)
11	Coffeelab Ltd	U85110KA1996PLC019932	Subsidiary	100.00%	2 (87) (ii)
12	Coffee Day Gastronomie Und Kaffeehandles GmbH		Subsidiary	100.00%	2 (87) (ii)
13	Coffee Day C Z a.s	NA	Subsidiary	100.00%	2 (87) (ii)
14	Tanglin Retail Reality Developments Pvt Ltd	U70102KA2007PTC044421	Subsidiary	100.00%	2 (87) (ii)
15	Sical Logistics Ltd	L51909TN1955PLC002431	Subsidiary	52.83%	2 (87) (ii)
16	Sical Infra Assets Ltd	U45203TN2007PLC063432	Subsidiary	53.00%	2 (87) (ii)
17	Sical Iron Ore Terminal Ltd	U13100TN2006PLC061022	Subsidiary	63.00%	2 (87) (ii)
18	Sical Iron Ore Terminal ( Mangalore) Ltd	U63020TN2009PLC073147	Subsidiary	100.00%	2 (87) (ii)
19	Norsea Offshore India Ltd	U74900TN2009PLC071762	Subsidiary	100.00%	2 (87) (ii)
20	Bergen Offshore Logistics Pte Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
21	Sical Multimodal and Rail Transport Ltd	U60232TN2007PLC063378	Subsidiary	100.00%	2 (87) (ii)
22	Sical Adams Offshore Ltd	U63000TN2012PLC087754	Subsidiary	100.00%	2 (87) (ii)
23	Girividya India Ltd	U40101KA2001PLC029866	Subsidiary	100.00%	2 (87) (ii)
24	Wilderness Resorts Pvt Ltd	U55101KA2005PTC035580	Subsidiary	99.92%	2 (87) (ii)
25	Karnataka Wildlife Resorts Pvt Ltd	U92199KA2001PTC028981	Subsidiary	100.00%	2 (87) (ii)
26	Mandi2Market Traders Pvt Ltd	U67190KA2007PTC043494	Subsidiary	100.00%	2 (87) (ii)
27	Way2Wealth Distributors Pvt	U70101KA2001PTC029910	Subsidiary	100.00%	2 (87) (ii)

	Ltd				
28	Way2Wealth Capital Pvt Ltd	U65921KA1995PTC018960	Subsidiary	100.00%	2 (87) (ii)
29	Way2Wealth Realty Advisors Pvt Ltd	U70101KA2010PTC052584	Subsidiary	94.99%	2 (87) (ii)
30	Way2Wealth Brokers Pvt Ltd	U67120KA2000PTC027628	Subsidiary	100.00%	2 (87) (ii)
31	Way2Wealth Insurance Brokers Pvt Ltd	U66010KA2003PTC032003	Subsidiary	99.99%	2 (87) (ii)
32	AlphaGrep Securities Pvt Ltd	U66010KA2002PTC029982	Subsidiary	51.00%	2 (87) (ii)
33	Way2Wealth Commodities Pvt Ltd	U51229KA2006PTC039880	Subsidiary	99.99%	2 (87) (ii)
34	Techno Shares and Stocks Ltd	U67120KA1997PTC075860	Subsidiary	99.99%	2 (87) (ii)
35	Way2Wealth Illuminati Pte Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
36	Techno Commodity Broking Pvt Ltd	U51909KA2003PTC077329	Subsidiary	99.99%	2 (87) (ii)
37	AlphaGrep Holding HK Ltd	NA	Subsidiary	99.99%	2 (87) (ii)
38	Magnasoft Consulting India Pvt Ltd	U74140KA2000PTC026735	Subsidiary	77.88%	2 (87) (ii)
39	Magnasoft Europe Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
40	Magnasoft Spatial Services Inc	NA	Subsidiary	100.00%	2 (87) (ii)
41	Norsea Global Offshore Pte Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
42	Ittiam Systems Pvt Ltd	U72900KA2001PTC028392	Associate	21.92%	2 (6)
43	Global Edge Software Pvt Ltd	U85110KA1992PLC013114	Associate	24.43%	2 (6)
44	Mindtree Ltd	L72200KA1999PLC025564	Associate	16.75%	2 (6)
45	Barefoot Resorts and Leisure India Pvt Ltd	U55101TN1998PTC040221	Associate	27.69%	2 (6)
46	PSA Sical Terminals Ltd	U74999TN1998PLC040682	Joint Venture	37.50%	2 (6)
47	Sical Sattva Rail Terminal Pvt Ltd	U63031TN2000PTC045198	Joint Venture	50%	2 (6)
48	AlphaGrep Technologies Ltd	NA	Joint Venture	50%	2 (6)

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding:

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
<b>(A)</b>	<b>Promoter and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	90,51,490	-	90,51,490	63.53	90,09,413	-	90,09,413	61.74	1.79
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	45,23,999	-	45,23,999	31.76	45,23,999	-	45,23,999	31	0.76
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>1,35,75,489</b>	<b>-</b>	<b>1,35,75,489</b>	<b>95.29</b>	<b>1,35,33,412</b>	<b>-</b>	<b>1,35,33,412</b>	<b>92.74</b>	<b>2.55</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-

	<b>Sub-Total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)</b>	1,35,75,489	-	1,35,75,489	95.29	1,35,33,412	-	1,35,33,412	92.74	2.55
<b>(B)</b>	<b>Public shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
(b)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Any Other (specify)	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B) (1)</b>	-	-	-	-	-	-	-	-	-
<b>(2)</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	6,71,138	100	6,71,238	4.71	7,40,102	100	7,40,202	5.07	0.36
(b)	Individuals -									



	(i) Individual shareholders holding nominal share capital up to Rs. 1 lakh.	-	-	-	-	10,520	-	10,520	0.07	0.07
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	-	-	-	-	3,07,417	-	3,07,417	2.11	2.11
	(c) Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	(d) Any Other (specify)	-	-	-	-	-	-	-	-	-
	NRIs/OCBs	-	-	-	-	-	-	-	-	-
	Clearing Member	-	-	-	-	-	-	-	-	-
	Directors & Relatives	-	-	-	-	-	-	-	-	-
	Hindu Undivided Families	-	-	-	-	-	-	-	-	-
	Trusts	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B) (2)</b>	6,71,138	100	6,71,238	4.71	10,58,039	100	10,58,139	7.25	2.54
	<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	6,71,138	100	6,71,238	4.71	10,58,039	100	10,58,139	7.25	2.54
	<b>TOTAL (A) + (B)</b>	1,42,46,627	100	1,42,46,727	100	1,45,91,451	100	1,45,91,551	100	
(C)	<b>Shares held by Custodians and against which Depository</b>									

Receipts have been issued										
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-	-
<b>GRAND TOTAL (A+B+C)</b>	1,42,46,627	100	1,42,46,727	100	1,45,91,451	100	1,45,91,551	100	-	-

ii) Shareholding of Promoters:

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. V. G. Siddhartha	80,35,315	56.40		79,93,238	54.78		1.62
2	M/s Devadarshini Info Technologies Private Limited	15,51,055	10.89		15,51,055	10.63		0.26
3	M/s Coffee Day Consolidations Private Limited	15,33,552	10.76		15,33,552	10.51		0.25
4	M/s Gonibedu Coffee Estates Private Limited	13,83,888	9.71		13,83,888	9.48		0.23
5	Mrs. Malavika Hegde	3,65,388	2.56		3,65,388	2.50		0.06
6	Mrs. Vasanthi Hegde	3,26,438	2.29		3,26,438	2.24		0.05
7	Mr. S. V. Gangaiah Hegde	3,24,349	2.28		3,24,349	2.22		0.06
8	M/s Sivan Securities Private Limited	55,504	0.39		55,504	0.38		0.01

**iii) Change in Promoters' shareholding (Please specify, if there is no change):**

S N		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,35,75,489	95.28	1,35,75,489	95.28
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 12/01/2015 transfer of 31,557 Equity Shares	0.23	1,35,43,932	
		On 21/01/2015 transfer of 84,160 Equity Shares	0.62	1,34,59,772	
	At the end of the year	1,35,33,412	92.74	1,34,59,772	94.48

**iv) Shareholding Pattern of Top Ten Shareholders (Other than directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	KKR Mauritius PE Investments II Ltd				
	At the beginning of the year	5,00,000	3.51	5,00,000	3.51
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	5,00,000	3.43	5,00,000	3.43

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	<b>Nandan M Nilekani</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 02/03/2015 allotment of 2,58,620 Equity Shares	1.82	2,58,620	1.82
	At the end of the year	2,58,620	1.77	2,58,620	1.77

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	<b>Bennett Coleman &amp; Company Limited</b>				
	At the beginning of the year	1,71,038	1.20	1,71,038	1.20
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	1,71,038	1.17	1,71,038	1.17

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4.	<b>M/s Rare Enterprises</b>				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 02/03/2015 allotment of 34,482 Equity Shares	0.24	34,482	0.24
	At the end of the year	34,482	0.24	34,482	0.24

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	M/s Derive Investments				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 02/03/2015 allotment of 34,482 Equity Shares	0.24	34,482	0.24
	At the end of the year	34,482	0.24	34,482	0.24

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	Amara Jyothirmaye				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 12/01/2015 allotment of 10,519 Equity Shares	0.07	10,519	0.07
	At the end of the year	10,519	0.07	10,519	0.07

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
7.	Geetha Sadanand				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 12/01/2015 allotment of 10,519 Equity Shares	0.07	10,519	0.07
	At the end of the year	10,519	0.07	10,519	0.07

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	Arati Jayaraj Hubli				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 12/01/2015 allotment of 10,519 Equity Shares	0.07	10,519	0.07
	At the end of the year	10,519	0.07	10,519	0.07

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
9.	Ketan Sheth & Sonal K Sheth				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 02/03/2015 allotment of 10,344 Equity Shares	0.07	10,344	0.07
	At the end of the year	10,344	0.07	10,344	0.07

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
10.	Ramesh Damani				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 02/03/2015 allotment of 6,896 Equity Shares	0.05	6,896	0.05
	At the end of the year	6,896	0.05	6,896	0.05

**v) Shareholding of Directors and Key Managerial Personnel**

S N	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. V. G. Siddhartha</b>				
	At the beginning of the year	80,35,315	56.40	80,35,315	56.40
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	On 12/01/2015 transfer of 36,817 Equity Shares	0.26	79,98,498	56.14
		On 21/01/2015 transfer of 5,260 Equity Shares	0.04	79,93,238	56.1
	At the end of the year	79,93,238	54.78		54.78

S N	Shareholding of each Director and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	<b>Mrs. Malavika Hegde</b>				
	At the beginning of the year	3,65,388	2.56	3,65,388	2.56
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	3,65,388	2.50	3,65,388	2.50

## V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>			-	
i) Principal Amount	7,35,00,00,000	6,33,14,81,510	-	13,68,14,81,510
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>7,35,00,00,000</b>	<b>6,33,14,81,510</b>	-	<b>13,68,14,81,510</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	87,00,00,000	-	-	87,00,00,000
* *Reduction	(2,12,00,00,000)	(1,56,58,310)	-	(2,13,56,58,310)
<b>Net Change</b>	<b>(1,25,00,00,000)</b>	<b>(1,56,58,310)</b>		<b>(1,26,56,58,310)</b>
<b>Indebtedness at the end of the financial year</b>			-	
i) Principal Amount	6,10,00,00,000	63,15,82,32,200	-	12,41,58,23,200
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>6,10,00,00,000</b>	<b>63,15,82,32,200</b>	-	<b>12,41,58,23,200</b>

\* 1) 2,500 14.25% Non-Convertible Debentures were made fully paid.

2) The company availed loan of Rs. 30,00,00,000 from tata Capital limited during the year.

\*\* 1)The loan of Rs. 7,00,000,000 from Nomura Capital India Private Limited was pre-paid in two installments of Rs. 2,00,000,000 and Rs. 5,00,000,000 in December 2014 and February 2015 respectively.

2) The loan of Rs. 100,00,00,000 from L & T Finance Limited was classified under current maturities of long term debt.

3) The loan of Rs. 42,00,00,000 from Tata Capital Limited was classified under current maturities of long term debt.

4) The loan of Rs. 1,56,58,310 availed from Mysore Amalgamated Coffee Estates Limited was repaid during the year.



**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sr No	Particulars of Remuneration			Total Amount in Lakhs(Rs.)
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify....			
5	Others, please specify i. Deferred bonus (pertaining to the current Financial year payable in 2018) ii. Retirals			
	<b>Total (A)</b>			

NIL

**B. Remuneration to other Directors:**

1. Independent Directors

S. No	Particulars of Remuneration	Name of Directors		Total Amount in Lakhs (Rs.)
		<b>Mr. S. V. Ranganath</b>	<b>Mr. Albert Hieronimus</b>	
	Fee for attending Board / committee Meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	<b>Total (B) (1)</b>	Nil	Nil	Nil

2. Non-Executive Directors:

S. No	Particulars of Remuneration	Name of Directors			Total Amount in Lakhs (Rs.)
		<b>Mrs. Malavika Hegde</b>	<b>Mr. H. V. Santhrupth</b>	<b>Mrs. Niveditha K. H.</b>	
	Fee for attending Board/ committee Meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	<b>Total (B) (2)</b>	Nil	Nil	Nil	Nil
	<b>Total (B) = (B) (1) + (B) (2)</b>	Nil	Nil	Nil	Nil

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr No	Particulars of Remuneration		Total Amount in Lakhs (Rs.)
	Gross Salary		
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	NIL	
2	Stock Options		
3	Sweat Equity		
4	Commission		
	- as % of profit		
	- others, specify....		
5	Others, please specify		
	<b>Total</b>		

**VII.PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
<b>A.COMPANY</b>					
Penalty			NONE		
Punishment			NONE		

Compounding	441	Delay in filing of Private Placement Offer Letter (PAS-4) with the ROC	Rs. 600	RD	N.A.
<b>B.DIRECTORS</b>					
Penalty	NONE				
Punishment					
Compounding					
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty	NONE				
Punishment					
Compounding					

By Order of the Board  
For **Coffee Day Enterprises Limited**  
(Formerly Coffee Day Enterprises Private Limited  
& Coffee Day Resorts Private Limited)

Place: Bangalore  
Date: 14/07/2015

**V G Siddhartha**  
DIN: 00063987  
Managing Director

**Malavika Hegde**  
DIN: 00136524  
Director

## Annexure-A

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## Part A: Subsidiaries

Sl.no	Name of the subsidiary	Financial period ended	Exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities (excl share capital and reserves & surplus)	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed dividend	% of shareholding
1	Coffee Day Global Ltd	31/03/2015	1 Indian Rupee	256658429	8002747738	15556150000	7296743833	859704761	12165815570	111401860	58556575	42122942	0	0.9053
2	Tanglin Developments Ltd	31/03/2015	1 Indian Rupee	51316580	83029275	15303597257	15169251402	1120965690	913799047	-99505394	0	-163128159	0	1
3	Coffee Day Hotels and Resorts Pvt Ltd	31/03/2015	1 Indian Rupee	112240000	-54627969	2306500289	2248888258	352273988	113452179	-138470525	0	-138470525	0	1
4	Coffee Day Trading Ltd	31/03/2015	1 Indian Rupee	348323290	1541069037	1894989930	5597603	253506518	221222431	95565282	2881231	95600306	0	1
5	Way2Wealth Securities Pvt Ltd	31/03/2015	1 Indian Rupee	475015448	433538949	1412546561	503992164	933505284	209654780	91256113	0	91256113	0	0.8553
6	Amalgamated Holdings Ltd	31/03/2015	1 Indian Rupee	11042700	153391284	314045018	149611034	19770000	684227131	-59203546	0	-61727688	0	1
7	Ganga Coffee Curing Works Ltd	31/03/2015	1 Indian Rupee	11820000	11534103	34626225	11272122	0	18202364	267239	0	224467	0	1
8	A N Coffeeday International Ltd	31/03/2015	62.3144 Indian Rupee	6.462	12788.93	12918.111	122.719	11323.865	0	-26.608	0	-26.608	0	1
9	Coffee Day Properties ( India) Pvt Ltd	31/03/2015	1 Indian Rupee	11332000	3520665	16978591	2125926	0	0	-332568	0	-336568	0	1
10	Classic Coffee Curing Works	31/03/2015	1 Indian Rupee	31009000	-8754000	22707000	452000	0	0	-1724000	0	-1724000	0	1
11	Coffeelab Ltd	31/03/2015	1 Indian Rupee	587000	928980	3625368	2109388	0	14382703	-4519421	0	-4519421	0	1
12	Coffee Day Gastronomie Und Kaffeehandles GmbH	31/03/2015	66.90402 Indian Rupee	17500	110398	377637	249739	0	580921	-437098	-1117	-438216	0	1
13	Coffee Day C Z a.s	31/03/2015	2.7017 Indian Rupee	-47560	38674	15426	24312	0	54836	-19520	0	-19520	0	1
14	Tanglin Retail Reality Developments Pvt Ltd	31/03/2015	1 Indian Rupee	1000000	-136671274	3366868890	3502540164	0	0	-86332281	0	-86332281	0	1
15	Sical Logistics Ltd	31/03/2015	1 Indian Rupee	556200000	3900500000	11281200000	6824500000	2820900000	5781100000	255600000	53600000	271900000	0	0.5283
16	Sical Infra Assets Ltd	31/03/2015	1 Indian Rupee	532972860	2030270120	2618271705	55028725	901279425	2522837	-1530856	620916	-2151772	0	0.53
17	Sical Iron Ore Terminal Ltd	31/03/2015	1 Indian Rupee	1300000000	-390000	5801187000	4501577000	0	0	0	0	0	0	0.63
18	Sical Iron Ore Terminal (Mangalore) Ltd	31/03/2015	1 Indian Rupee	340000000	0	363220356	23220356	0	0	0	0	0	0	1
19	Norsea Offshore India Ltd	31/03/2015	1 Indian Rupee	500000	-370660059	1220470017	1590630076	0	44200000	-146012529	0	-135263353	0	1
20	Bergen Offshore Logistics Pte Ltd	31/03/2015	62.3144 Indian Rupee	10085832	-9962590	34591284	34468042	160563	0	-25899	0	-25899	0	1
21	Sical Multimodal and Rail Transport Ltd	31/03/2015	1 Indian Rupee	726900000	687919355	4672206651	3257387296	34500000	2024214727	126252513	26499315	78911099	0	1
22	Sical Adams Offshore Ltd	31/03/2015	1 Indian Rupee	500000	46068	591290	45222	0	0	0	0	0	0	1
23	Girividyuth India Ltd	31/03/2015	1 Indian Rupee	8748000	-6489186	558649193	556390379	0	0	-38600	0	-105847	0	1
24	Wilderness Resorts Pvt Ltd	31/03/2015	1 Indian Rupee	12826590	119255182	334475139	202393367	1300000	0	-8140782	0	-8140782	0	0.9992
25	Karnataka Wildlife Resorts Pvt Ltd	31/03/2015	1 Indian Rupee	130000000	-221207575	536893960	745101535	0	66866340	-46296803	0	-46296803	0	1
26	Mandi2Market Traders Pvt Ltd	31/03/2015	1 Indian Rupee	6000000	-4312282	11838930	10151212	0	23621033	661507	125000	661013	0	1
27	Way2Wealth Distributors Pvt Ltd	31/03/2015	1 Indian Rupee	2500000	-1421924	1799620	721544	0	0	-73700	0	-73700	0	1
28	Way2Wealth Capital Pvt Ltd	31/03/2015	1 Indian Rupee	80000000	58801273	163967547	25166274	1424762	25841288	4472974	846000	3109160	0	1
29	Way2Wealth Realty Advisors Pvt Ltd	31/03/2015	1 Indian Rupee	100000	-5183426	2505454	7588880	0	1799481	-1584818	0	-1593588	0	0.9499

Sl.no	Name of the subsidiary	Financial period ended	Exchange rate	Share capital	Reserves & surplus	Total assets	Total liabilities (excl share capital and reserves & surplus)	Investments	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed dividend	% of shareholding
30	Way2Wealth Brokers Pvt Ltd	31/03/2015	1 Indian Rupee	183500000	578791455	1716556721	954265266	538185342	727225846	14531755	9900000	15008344	0	1
31	Way2Wealth Insurance Brokers Pvt Ltd	31/03/2015	1 Indian Rupee	10000000	-1657111	12154351	3811462	1053131	15336907	39275	90000	121304	0	0.9999
32	AlphaGrep Securities Pvt Ltd	31/03/2015	1 Indian Rupee	12500000	91446899	173118863	69171964	4638849	665713994	126391747	39170000	84534400	0	0.51
33	Way2Wealth Commodities Pvt Ltd	31/03/2015	1 Indian Rupee	12500000	6713297	264735607	245522310	0	303254843	11557664	4980000	7360429	0	0.9999
34	Techno Shares and Stocks Ltd	31/03/2015	1 Indian Rupee	105000000	157011622	482882757	220871135	82345978	177371148	13192870	5200000	9271743	0	0.9999
35	Way2Wealth Illuminati Pte Ltd	31/03/2015	62.3144 Indian Rupee	1996819	40403	3875458	1838236	1290	1088865	33351	58226	-24875	0	1
36	Techno Commodity Broking Pvt Ltd	31/03/2015	1 Indian Rupee	5000000	38937067	58931526	14994459	40413480	0	-115153	110000	-258425	0	0.9999
37	AlphaGrep Holding HK Ltd	31/03/2015	62.3144 Indian Rupee	1290	-215472	41711	255893	645	0	-215472	0	-215472	0	0.9999
38	Magnasoft Consulting India Pvt Ltd	31/03/2015	1 Indian Rupee	33622728	198236194	327123846	95264924	87328	303512120	42012446	8578000	38021111	0	0.7788
39	Magnasoft Europe Ltd	31/03/2015	1 Indian Rupee	1000	-73022	-72022	5983	0	0	-7721	0	-7721	0	1
40	Magnasoft Spatial Services Inc	31/12/2014	62.3144 Indian Rupee	1	-91870	781299	860966	0	1263193	12202	0	12202	0	1
41	Norsea Global Offshore Pte Ltd	31/03/2015	45.4475 Indian Rupee	6796844	-6636281	20836244	20675681	0	0	-11739	0	-11739	0	1

**NOTES:**

1. Names of subsidiaries which are yet to commence operations

a) Girividyuth India Ltd

b) Tanglin Retail Reality Developments Pvt Ltd

2. Names of subsidiaries which have been liquidated or sold during **NIL**

## Annexure-A - Contd....

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	Amount in Rs. Million						Amt in US\$
	Ittiam Systems Pvt Ltd	Global Edge Software Pvt Ltd	Mindtree Ltd	Barefoot Resorts and Leisure India Pvt Ltd	PSA Sical Terminals Ltd	Sical Sattva Rail Terminal Pvt Ltd	AlphaGrep Technologies Ltd
Latest audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015
<b>Shares of Associate/Joint Ventures held by the company on the year end:</b>							
No.	3200000	5967000	8730884	17672	5625030	1725000	5000
Amount of Investment in Associates/Joint Venture	180.39	128.96	4558.42	160.92	65.4	34.5	645
Extend of Holding%	21.92%	24.43%	16.75%	27.69%	37.50%	50%	50%
Reason why the associate/joint venture is not consolidated	-	-	-	-	-	-	-
Net worth attributable to shareholding as per latest audited Balance Sheet	206.41	84.95	3370.77	92.31	1687	37.76	-368715
Profit/Loss for the year							
i. Considered in Consolidation	141.39	36.43	5363.00	10.10	3.80	-5.90	-370005
ii. Not Considered in Consolidation	-	-	-	-	-	-	-

Note:

1. There is significant influence due to percentage (%) of Share Capital

1. Names of associates or joint ventures which are yet to commence operations.

NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year.

NIL

For **Coffee Day Enterprises Limited**  
(Formerly Coffee Day Enterprises Private Limited & Coffee Day Resorts Private Limited)

Place: Bangalore  
Date: 14/07/2015

**V G Siddhartha**  
DIN: 00063987  
Managing Director

**Malavika Hegde**  
DIN: 00136524  
Director

**Annexure D**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.  
- **Not Applicable**
2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	1	2	3
1	<b>Name (s) of the related party &amp; nature of relationship</b>	<b>Karnataka Wildlife Resorts Pvt Ltd (KWRPL)- Subsidiary Company</b>	<b>Coffee Day Global Ltd (CDGL) - Subsidiary Company</b>	<b>Mysore Amalgamated Coffee Estates Ltd (MACEL) - Group Company</b>
2	<b>Nature of contracts/arrangements/transaction</b>	Income from hospitality	Payment of rent	Income from hospitality services & purchase of consumables
3	<b>Duration of the contracts/arrangements/transaction</b>	NA	31st December, 2020	NA
4	<b>Salient terms of the contracts or arrangements or transaction including the value, if any</b>	The Company has entered into contract for operations of the resort held by KWRPL and employee management. According to the terms of the Operations agreement and Employee transfer agreement the Company is entitled to 5% of revenue and 15% of employee cost as operator fee & incentive fee respectively.	Sub-lease agreement has been entered into between the Company & CDGL for utilisation of space admeasuring 250 sq ft by the Company held under lease by CDGL as registered office. Rental payments amount to Rs. 7,928 per month and shall have a increment of 15% every three years.	The company occasionally purchases consumables for utilisation at its resort. And the company extends its resort services to employees of the group companies at subsidized rates.
5	<b>Date of approval by the Board</b>	29th April, 2014	29th April, 2014	29th April, 2014
6	<b>Amount paid as advances, if any</b>	NA	NA	NA

By Order of the Board  
For Coffee Day Enterprises Limited  
(Formerly Coffee Day Enterprises Private Limited  
& Coffee Day Resorts Private Limited)

Place: Bangalore  
Date: 14/07/2015

V G Siddhartha  
DIN: 00063987  
Managing Director

Malavika Hegde  
DIN: 00136524  
Director



**Coffee Day Enterprises Limited**  
*(erstwhile Coffee Day Enterprises Private Limited)*

**Independent Auditors Report**  
**31 March 2015**

## **Independent Auditors' Report**

### **To the Members of Coffee Day Enterprises Limited (formerly Coffee Day Enterprises Private Limited)**

We have audited the accompanying consolidated financial statements of Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited) ('the Holding Company') and its subsidiaries, associates and joint ventures as detailed in note 1.1 (collectively referred to as 'the Group'), comprising the consolidated balance sheet as at 31 March 2015, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

As stated in note 1.2 of notes to consolidated financial statements, the consolidated financial statements have been prepared and audited on a voluntary basis as the Group is exempt from the requirements of the Companies Act, 2013 in respect to preparation and audit of consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

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

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI'). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated 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 Holding 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 accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2015, and its consolidated loss and its consolidated cash flows for the year ended on that date.

**Other matter**

We did not audit the financial statements of certain subsidiaries, step-subsiidiaries and joint ventures, whose financial statements reflect total assets of Rs.35,452.16 million as at 31 March 2015, total revenues of Rs.11,915.15 million and net cash outflows amounting to Rs.3,573.93 million for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

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

*Chartered Accountants*

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

**Supreet Sachdev**

*Partner*

Membership No.205385

Bangalore

14 July 2015

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Consolidated balance sheet**

	Note	As at 31 March 2015	Rs. in million As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	2	162.31	158.86
Reserves and surplus	3	5,312.91	5,518.46
		<u>5,475.22</u>	<u>5,677.32</u>
<b>Minority interest</b>		5,101.75	4,961.23
<b>Non-current liabilities</b>			
Long-term borrowings	4	30,461.84	33,264.84
Deferred tax liabilities, (net)	5	166.48	122.24
Other long-term liabilities	6	1,952.86	1,799.64
Long-term provisions	7	514.02	424.83
		<u>33,095.20</u>	<u>35,611.55</u>
<b>Current liabilities</b>			
Short-term borrowings	8	5,033.83	2,513.62
Trade payables	9	1,654.31	1,589.12
Other current liabilities	10	9,472.23	6,439.98
Short-term provisions	11	303.15	82.94
		<u>16,463.52</u>	<u>10,625.66</u>
		<u><b>60,135.69</b></u>	<u><b>56,875.76</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill on consolidation		5,130.23	5,083.57
Fixed assets			
- Tangible assets	12	19,140.01	19,192.13
- Intangible assets	12	514.08	528.45
- Capital work-in-progress		9,972.63	8,410.24
		<u>29,626.72</u>	<u>28,130.82</u>
Non-current investments	13	5,176.78	4,309.35
Deferred tax assets, (net)	14	26.84	15.19
Long-term loans and advances	15	4,644.72	5,443.47
Other non-current assets	16	1,147.82	1,237.47
		<u>10,996.16</u>	<u>11,005.48</u>
<b>Current assets</b>			
Current investments	17	-	12.42
Inventories	18	1,258.30	1,754.41
Trade receivables	19	3,338.96	2,798.47
Cash and bank balances	20	7,427.73	5,212.14
Short-term loans and advances	21	1,849.28	2,437.44
Other current assets	22	508.31	441.01
		<u>14,382.58</u>	<u>12,655.89</u>
		<u><b>60,135.69</b></u>	<u><b>56,875.76</b></u>
<b>Significant accounting policies</b>	1		

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

As per our report of even date attached

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

for and on behalf of the Board of Directors of  
**Coffee Day Enterprises Limited**  
*(formerly Coffee Day Enterprises Private Limited)*

**Supreet Sachdev**  
Partner  
Membership No.: 205385  
Bangalore  
Date: 14 July 2015

**V. G. Siddhartha**  
Managing Director  
DIN: 00063987

**Malavika Hegde**  
Director  
DIN: 00136524

**Sadananda Poojary**  
Company Secretary  
Bangalore  
Date: 14 July 2015

**R Ram Mohan**  
Chief Financial Officer

**Coffee Day Enterprises Limited** (erstwhile Coffee Day Enterprises Private Limited)  
**Consolidated statement of profit and loss**

	Note	For the year ended 31 March 2015	Rs. in million For the year ended 31 March 2014
Revenue from operations	23	24,793.56	22,870.08
Other income	24	693.60	657.63
<b>Total revenue</b>		<b>25,487.16</b>	<b>23,527.71</b>
<b>Expenses</b>			
Cost of materials consumed	25	6,175.96	5,893.39
Cost of logistics services services	26	6,725.36	6,891.13
Cost of traded goods		131.44	473.64
Changes in inventories of finished goods and work-in-progress	27	273.91	(147.30)
Employee benefits expense	28	2,541.68	2,263.30
Finance costs	29	3,262.33	2,777.89
Depreciation and amortisation expenses	12	2,574.16	2,385.05
Other expenses	30	5,209.43	4,340.52
<b>Total expenses</b>		<b>26,894.27</b>	<b>24,877.62</b>
<b>(Loss) before tax</b>		<b>(1,407.11)</b>	<b>(1,349.91)</b>
Tax expense			
- Minimum Alternate Tax / current tax		206.55	89.65
- Minimum Alternate Tax credit entitlement		(88.56)	(79.62)
- Deferred tax charge		32.25	(0.90)
<b>Profit / (loss) for the year before profit / (loss) from associates and share of minority</b>		<b>(1,557.35)</b>	<b>(1,359.04)</b>
Share of profit / (loss) of associates		903.17	747.79
<b>Net profit / (loss) for the year after profit / (loss) from associates</b>		<b>(654.18)</b>	<b>(611.25)</b>
Minority interest share in (profits) / losses		(183.50)	(140.43)
<b>Net profit / (loss) for the year attributable to equity shareholders</b>		<b>(837.68)</b>	<b>(751.68)</b>
<b>(Loss) per share (equity shares of par value of Rs 1 each)</b>	32		
- Basic		(7.18)	(6.59)
- Diluted		(7.18)	(6.59)
<b>Significant accounting policies</b>	1		

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

As per our report of even date attached

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

for and on behalf of the Board of Directors of  
**Coffee Day Enterprises Limited**  
(formerly Coffee Day Enterprises Private Limited)

**Supreet Sachdev**  
Partner  
Membership No.: 205385  
Bangalore  
Date: 14 July 2015

**V. G. Siddhartha**  
Managing Director  
DIN: 00063987

**Malavika Hegde**  
Director  
DIN: 00136524

**Sadananda Poojary**  
Company Secretary

**R Ram Mohan**  
Chief Financial Officer

Bangalore  
Date: 14 July 2015

**Coffee Day Enterprises Limited** (erstwhile Coffee Day Enterprises Private Limited)**Consolidated cash flows**

	For the year ended 31 March 2015	Rs. in million For the year ended 31 March 2014
<b>Cash flows from operating activities</b>		
Loss before tax	(1,407.11)	(1,349.91)
Adjustments:		
- Interest income	(412.30)	(328.13)
- Loss on sale of fixed assets	51.53	18.29
- Dividend income	(4.62)	(11.35)
- Profit on sale of investments	(38.83)	(274.07)
- Interest expense	3,262.33	2,777.89
- Stock compensation expense	(0.75)	2.10
- Depreciation and amortization	2,574.16	2,385.05
Operating cash flow before working capital changes	<b>4,024.41</b>	<b>3,219.87</b>
<i>Changes in</i>		
- Trade receivables	(540.50)	327.09
- Loans and advances and other current and non-current assets	1,038.53	(584.19)
- Inventories	496.11	(139.32)
- Liabilities and provisions (current and non-current)	(117.83)	412.10
Cash generated from operations	<b>4,900.72</b>	<b>3,235.55</b>
Income taxes paid	(209.76)	(170.65)
<b>Cash generated from / (used in) operations</b>	<b>4,690.96</b>	<b>3,064.90</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(3,396.11)	(3,231.92)
Proceeds from sale of fixed assets	315.98	30.38
(Investment in) / sale of subsidiaries, associates and joint ventures	(198.70)	377.35
(Investment in) / Withdrawal of fixed deposits	168.27	(1,115.43)
Interest received	380.43	368.21
Dividends received	210.90	150.59
<b>Net cash generated from/(used in) investing activities [B]</b>	<b>(2,519.23)</b>	<b>(3,420.82)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of share capital	999.99	-
Proceeds from / (repayment of) long term and short term borrowings	1,911.01	3,623.16
Preference dividend paid (including dividend distribution tax)	-	(28.90)
Interest paid	(3,033.40)	(2,724.19)
<b>Net cash used in financing activities</b>	<b>(122.40)</b>	<b>870.07</b>
<b>Increase in cash and cash equivalents</b>	<b>2,049.33</b>	<b>514.15</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,580.96</b>	<b>2,066.81</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4,630.29</b>	<b>2,580.96</b>
<b>Components of cash and cash equivalents (refer note 20)</b>		
Cash on hand	52.12	60.59
<i>Balances with banks</i>		
- in current accounts	1,430.76	1,855.48
- in fixed deposits	3,607.06	837.77
- in escrow account	23.46	-
Less: Book overdraft (refer note 10)	(483.11)	(172.88)
<b>Total cash and cash equivalents</b>	<b>4,630.29</b>	<b>2,580.96</b>

As per our report of even date attached

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

Chartered Accountants

Firm registration number: 101248W/W-100022

for and on behalf of the Board of Directors of

**Coffee Day Enterprises Limited**

(formerly Coffee Day Enterprises Private Limited)

**Supreet Sachdev**

Partner

Membership No.: 205385

Bangalore

Date: 14 July 2015

**V. G. Siddhartha**

Managing Director

DIN: 00063987

**Malavika Hegde**

Director

DIN: 00136524

**Sadananda Poojary**

Company Secretary

Bangalore

Date: 14 July 2015

**R Ram Mohan**

Chief Financial Officer

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the consolidated financial statements**

**1. Significant accounting policies**

**1.1 Group overview**

Coffee Day Enterprises Limited (formerly known as Coffee Day Enterprises Private Limited) ('CDEL' or 'the Company') was incorporated as a private limited company under the Companies Act, 1956 on 20 June 2008 by conversion of erstwhile partnership firm M/s Coffee Day Holding Co. The Company was converted into a public limited company on 21 January 2015 under the Companies Act, 2013. The registered office of the Company is located in Bengaluru, India.

CDEL is the parent company of the Coffee Day Group. The Company, primarily through its subsidiaries, associates and joint venture companies (together referred to as "the Group") as detailed below are primarily engaged in business in multiple sectors such as Coffee: retail and exports, Leasing of commercial office space, Financial services, Integrated Multimodal Logistics, Hospitality and Information Technology (IT) / Information Technology Enabled Services (ITeS).

**List of subsidiaries with percentage holding –**

<b>Name of the entity</b>	<b>Country of incorporation and other particulars</b>	<b>Percentage of holding (%)</b>
<b>DIRECT SUBSIDIARIES</b>		
Coffee Day Global Limited (erstwhile Amalgamated Bean Coffee Trading Company Limited) ('CDGL')	a subsidiary of the Company incorporated under the laws of India	90.53
Tanglin Developments Limited ('TDL')	a subsidiary of the Company incorporated under the laws of India	100
Coffee Day Hotels and Resorts Private Limited ('CDHRPL')	a subsidiary of the Company incorporated under the laws of India	100
Coffee Day Trading Limited (erstwhile Global Technology Ventures Limited) ('CDTL')	a subsidiary of the Company incorporated under the laws of India	100
<b>STEP-DOWN SUBSIDIARIES</b>		
Way2Wealth Securities Private Limited ('WSPL')	a subsidiary of TDL and CDTL incorporated under the laws of India	85.53
Amalgamated Holdings Limited ('AHL')	a subsidiary of CDGL incorporated under the laws of India	100
Ganga Coffee Curing Works Limited	a subsidiary of CDGL incorporated under the laws of India	100
A.N Coffeeday International Limited ('AN CCD')	a subsidiary of CDGL incorporated under the laws of Cyprus	100
Coffee Day Properties (India) Private Limited	a subsidiary of CDGL incorporated under the laws of India	100
Classic Coffee Curing Works	a partnership firm with CDGL as a controlling partner having a share of profit of 100%, registered under the laws of India	100

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the consolidated financial statements**

<b>Name of the entity</b>	<b>Country of incorporation and other particulars</b>	<b>Percentage of holding (%)</b>
Coffeelab Limited	a subsidiary of AHL incorporated under the laws of India	100
Coffee Day Gastronomie Und Kaffeehandles GmbH	a subsidiary of AN CCD incorporated under the laws of Austria	100
Coffee Day CZ a.s	a subsidiary of AN CCD incorporated under the laws of Czech Republic	100
Tanglin Retail Realty Developments Private Limited ('TRR')	a subsidiary of TDL incorporated under the laws of India	100
Sical Logistics Limited ('SL')	a subsidiary of TRR incorporated under the laws of India	52.83
Sical Infra Assets Limited ('SIAL')	a subsidiary of SL incorporated under the laws of India	53
Sical Iron Ore Terminal Limited	a subsidiary of SL incorporated under the laws of India	63
Sical Iron Ore Terminal (Mangalore) Limited	a subsidiary of SL incorporated under the laws of India	100
Norsea Offshore India Limited	a subsidiary of SL incorporated under the laws of India	100
Bergen Offshore Logistics Pte. Limited ('BOFL')	a subsidiary of SL incorporated under the laws of Singapore	100
Norsea Global Offshore Pte Limited	a subsidiary of BOFL incorporated under the laws of Singapore	100
Sical Multimodal and Rail Transport Limited ('SMRTL')	a subsidiary of SIAL incorporated under the laws of India	100
Sical Adams Offshore Limited	a subsidiary of SL incorporated under the laws of India	100
Girividyuth India Limited	a subsidiary of TDL incorporated under the laws of India	100
Wilderness Resorts Private Limited ('WRPL')	a subsidiary of CDHRPL incorporated under the laws of India	99.92
Karnataka Wildlife Resorts Private Limited	a subsidiary of WRPL incorporated under the laws of India	100
Mandi2Market Traders Private Limited (erstwhile Way2Wealth Institutional Broking Private Limited / erstwhile Way2Wealth Insurance Broking Private Limited)	a subsidiary of WSPL incorporated under the laws of India	100



**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the consolidated financial statements**

<b>Name of the entity</b>	<b>Country of incorporation and other particulars</b>	<b>Percentage of holding (%)</b>
Way2Wealth Distributors Private Limited	a subsidiary of WSPL incorporated under the laws of India	100
Way2Wealth Capital Private Limited	a subsidiary of WSPL incorporated under the laws of India	100
Way2Wealth Realty Advisors Private Limited	a subsidiary of WSPL incorporated under the laws of India	94.99
Way2Wealth Brokers Private Limited ('WBPL')	a subsidiary of WSPL incorporated under the laws of India	100
Way2Wealth Insurance Brokers Private Limited (erstwhile Total Insurance Brokers Private Limited)	a subsidiary of WSPL incorporated under the laws of India	99.99
AlphaGrep Securities Private Limited (erstwhile Way2Wealth Illuminati Securities Private Limited)	a subsidiary of WSPL incorporated under the laws of India	51
Way2Wealth Commodities Private Limited	a subsidiary of WBPL incorporated under the laws of India	99.99
Techno Shares and Stocks Limited ('TSSL')	a subsidiary of WBPL incorporated under the laws of India	99.99
Way2Wealth Illuminati Pte. Limited ('W2WIP')	a subsidiary of WBPL incorporated under the laws of India	100
Techno Commodity Broking Private Limited	a subsidiary of TSSL incorporated under the laws of India	99.99
AlphaGrep Holding HK Limited ('AHHKL')	a subsidiary of W2WIP incorporated under the laws of Hong Kong	99.99
Magnasoft Consulting India Private Limited ('MCIPL')	a subsidiary of CDTL incorporated under the laws of India	77.88
Magnasoft Europe Limited	a subsidiary of MCIPL incorporated under the laws of United Kingdom	100
Magnasoft Spatial Services Inc.	a subsidiary of MCIPL incorporated under the laws of Denver	100
<b>ASSOCIATES</b>		
Ittiam Systems Private Limited	an associate of TDL incorporated under the laws of India	21.92
Global Edge Software Private Limited	an associate of CDTL incorporated under the laws of India	24.43
Mindtree Limited	an associate of the Company and CDTL incorporated under the laws of India	16.75
Barefoot Resorts and Leisure India Private Limited	an associate of CDHRPL incorporated under the laws of India	27.69

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

<b>Name of the entity</b>	<b>Country of incorporation and other particulars</b>	<b>Percentage of holding (%)</b>
<b>JOINT VENTURES</b>		
PSA Sical Terminals Limited	a joint venture of SL incorporated under the laws of India	37.5
Sical Sattva Rail Terminal Private Limited	a joint venture of SMRTL incorporated under the laws of India	50
AlphaGrep Technologies Limited	a joint venture of AHHKL incorporated under the laws of Hong Kong	50

**1.2 Basis of preparation of consolidated financial statements**

These financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting except for certain financial instruments which are measured at fair values and comply with the Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified and applicable), other pronouncements of the Institute of Chartered Accountants of India (‘ICAI’).

The consolidated financial statements has been prepared on a voluntary basis as the Group is exempt from the requirements of the Act in respect to preparation of consolidated financial statements for the year ended 31 March 2015. The consolidated financial statements are prepared by adopting uniform accounting policies between the group companies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company’s separate financial statements. The financial statements are prepared in Rupees in millions unless otherwise stated.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle of entities within the Group and other criteria as set out in the Schedule III to the Act. Based on the nature of products / services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, entities within the Group have ascertained their operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

**1.3 Basis of consolidation**

The consolidated financial statements include the financial statements of Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*) and all its subsidiaries, joint venture. The consolidated financial statements are prepared on the following basis:-

- a) The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealised profits / losses in full in accordance with Accounting Standard (AS) 21 - “Consolidated Financial Statements” (‘AS 21’). The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

- b) In translating the financial statements of the non-integral foreign subsidiaries for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing rate, while income and expense items are translated at the date of transaction. For practical reasons, a rate that approximates the actual exchange rates i.e. average rate for the period has been used and all resulting exchange differences are reflected in foreign currency translation reserve.
- c) The Group accounts for investments in associate companies by the equity method of accounting in accordance with AS-23 "Accounting for Investment in Associates in Consolidated Financial Statements" ('AS 23'), where it is able to exercise significant influence over the operating and financial policies of the investee. The carrying amount of investments in associates are effected using the "equity method" and includes the Associate Company's share of post-acquisition profits or losses.
- d) The proportionate share of Group's interest in Joint Ventures is combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group transactions and resulting unrealised profits / losses, to the extent it pertains to the Group in accordance with AS 27 - "Financial Reporting of Investments in Joint Ventures" ('AS 27').
- e) The financial statements of the parent company and its subsidiaries have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealised gain/loss. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of subsidiaries.
- f) The excess / deficit of cost to the parent company of its investment in the subsidiaries, joint ventures and associates over its portion of equity at the respective dates on which investment in such entities were made is recognised in the financial statements as goodwill / capital reserve. The parent company's portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period are adjusted for the effects of significant transactions, up to the date of investment.
- g) Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities' share of movements in equity since the date the parent subsidiary relationship came into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiary is absorbed by the Group.
- h) The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the parent company for its separate standalone financial statements.
- i) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

**1.4 Use of estimates**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

**1.5 Fixed assets and depreciation**

**i) Fixed asset**

Tangible fixed assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any, except in case of freehold land, which is stated at cost. The cost of fixed assets includes freight, duties, taxes and other incidental expenses relating to the acquisition and installation of the respective assets. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. The Group capitalises all costs relating to the acquisition, installation and construction of fixed assets, up to the date when the assets are ready for commercial use.

Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statements. Any expected loss is recognised in the statement of profit and loss. Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the statement of profit and loss.

Advance paid towards the acquisition of fixed assets outstanding at each balance sheet are shown under capital advances. The cost of fixed assets not ready for their intended use before such date, are disclosed as capital work in progress under long-term advances.

Acquired intangible fixed assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on straight-line basis over a period of 5 years, based on management estimate. The amortization period and the amortization method are reviewed at the end of each financial year.

**ii) Depreciation**

- a) All assets held by significant entities within the Group except assets held by Sical Group, assets held by Coffee Day Hotels and Resorts Private Limited, building held by Tanglin Developments Limited and assets held by Way2Wealth group

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. If the Management's estimate of the useful life of the fixed assets at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid Schedule, depreciation is provided at a higher rate based on the Management's estimate of the useful life or remaining useful life. Depreciation for assets purchased/ sold during a period is proportionately charged. The Company estimates the useful lives for fixed assets as follows:

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the consolidated financial statements**

Asset category	Estimated useful life
Buildings	10 – 60 years
Leasehold improvements	Lease term or estimated useful life, whichever is lower
Plant and machinery	6 - 20 years
Office equipment	5 - 10 years
Furniture and fittings	6 - 10 years
Computers (including software)	2 - 6 years
Vehicles	5 - 10 years
Coffee vending machines	9 years

The Company believes that the useful lives as given above best represents the useful lives of these assets based on internal assessment and supported by technical advice where necessary which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land is not depreciated. The building built on leasehold land is classified as building and is amortised over the lease term or the useful life of the building, whichever is lower

**b) Sical group**

The method of depreciation adopted consistently and estimated useful life of fixed assets is enumerated below :

Asset category	Estimated useful life	Method of depreciation
Buildings	58-61 years	SLM or WDV
Leasehold improvements	Lease term or estimated useful life, whichever is lower	SLM
Plant and machinery	7 - 21 years	SLM and WDV
Office equipment	5 - 21 years	SLM and WDV
Ships	20-30 years	SLM
Furniture and fittings	15 - 16 years	SLM and WDV
Vehicles	8 years	WDV
Port handling equipment	Refer note 1 below	SLM or WDV
License fees	20 years	SLM
Computer software	4 years	SLM
Dredger dry docks	20 – 30 years	SLM

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

Note 1: Port handling equipment acquired in respect of Build Operate and Transfer ('BOT') contracts are depreciated over the period of such contracts on a straight-line method. Other port handling equipment are depreciated under WDV method over estimated useful life of 20 years.

Depreciation on certain premises are provided on composite cost where it is not possible to segregate the land cost.

Assets individually costing less than Rs. 5,000 are depreciated at the rate of 100% in the year of purchase.

**c) Coffee Day Hotels and Resorts Private Limited**

The method of depreciation adopted consistently and estimated useful life of fixed assets is enumerated below :

<b>Asset category</b>	<b>Estimated useful life</b>	<b>Method of depreciation</b>
Buildings	30 years	WDV
Plant and machinery	10 years	WDV
Vehicles	20 years	WDV
Computer software	20 years	WDV
Furniture and fittings	10 years	WDV

**d) Building held by Tanglin Developments Limited**

The buildings held by Tanglin Developments Limited are depreciated on a WDV method with an estimated useful life of 30 years.

**e) Assets held by Way2Wealth group**

<b>Asset category</b>	<b>Estimated useful life</b>	<b>Method of depreciation</b>
Computer	3 to 6 years	SLM
Office equipment	5 years	SLM
Furniture	10 years	SLM
Motor vehicle	8 to 10 years	SLM
Plant and Machinery	15 years	SLM
Software	5.86 years	SLM
Web portal	5.86 years	SLM

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

**1.6 Revenue recognition**

**a) Sale of products**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from sale of clean coffee is recognised on transfer of all significant risks and rewards of ownership to the buyer.

Revenue from retailing of coffee products and other related products (such as food, beverages, merchandise and other items) is recognised on transfer of all significant risks and rewards of ownership to the buyer.

Revenue from sale of commodities are from fixed price contract and/ or confirmed price contracts.

-In fixed price contracts the revenue is recognised at the time of transfer of ownership in the goods to the buyer at prevailing market prices, along with transfer of significant risks and rewards and no significant uncertainty exists regarding the realisability of the amount.

-In unfixed price contracts, the price is fixed on a future date. Following the general trade practice in the industry, in respect of unfixed price contracts, revenue is recognised, after transfer of ownership in the goods to the buyer, when the 'price is fixed through raising invoice/bill, on future date, and no uncertainty exists regarding the amount of consideration.

**b) Sale of services**

Income from integrated logistics services are recognised when the related services are rendered unless significant future uncertainties exist.

Facility rental income from investment property leased under operating lease is recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

Services income from coffee vending machine is recognized when the related services are rendered unless significant future uncertainties exist.

Revenue from software development on time-and-material basis is recognised as the related services are rendered. Revenue from fixed price contracts is recognised using the proportionate completion method, which is determined by relating the actual project cost of work performed to date to the estimated total project cost for each contract.

Provision for estimated losses, if any, on incomplete contracts are recorded in the period in which such losses become probable based on the current contract estimates. Maintenance revenue is recognised ratably over the period of the maintenance contract.

Income from operations of resort primarily comprises revenue from room rentals and sale of food and beverage charges. Such service income is recognized when the related services are rendered unless significant future contingencies exist.

Income from consultancy services is accounted for on the basis of actual progress/technical assessment of work executed, in line with the terms of respective consultancy contracts.

Maintenance income is ratably recognized over the term of the contract as per the rates agreed with the lessees.

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

**c) Income from financial services**

Trading income is recognised when a legally binding contract is executed.

Brokerage income are recognised on the trade date of the transaction upon confirmation of the transaction by the exchanges. Brokerage income from mutual funds, Initial Public Offer, fixed deposits of Companies and Post Office are accounted on accrual basis as per the statement of accounts received from the respective organizations.

Transaction charges are recognised on the trade date of the transaction upon confirmation of the transactions by the exchanges.

Interest income is recognised on a time proportion basis considering the transactional interest rates.

Depository transaction charges are recognized on completion of respective transaction. Annual maintenance charges for depository accounts are accounted as and when the services are rendered.

Income from portfolio management fees are recognised on the basis of agreements entered into with clients and when the right to receive income is established.

Futures and options trading income comprises of profit/ loss on derivative instruments. On the final settlement or squaring - up of contracts for commodity index/ stock futures, the profit or loss is calculated as difference between settlement/ squaring-up price and contract price. Equity indexed\ futures are marked to market. On prudent basis unrealised loss is recognised in respect of open position in profit and loss account, however, unrealised gain is not recognised.

**d) Other operating revenues**

Sale of import entitlements on account of foreign currency earnings is recognised on an accrual basis in the year of export unless there exists significant uncertainty in the ultimate collection of amount of consideration.

Income from advertising is recognized rateably over the period of the contract, based on the terms of the contract and is billable in accordance with the specific terms of the contracts with the customer.

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

**e) Other income**

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

Dividend income is recognised when the Group's right to receive dividend is established.

Sales are disclosed both gross and net of government levies (such as sales tax, services tax, etc.), trade discount and quality claims.



**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the consolidated financial statements**

**1.7 Leases**

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

Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. Lease term is the non-cancellable period for which the Group has agreed to lease the asset together with any further periods for which the Group has the option to continue the lease and at the inception of the lease it is reasonably certain that the Group will exercise such an option.

**1.8 Inventories**

Inventories are valued at the lower of cost and net realizable value. 'Cost' comprises purchase cost and all expenses incurred in bringing the inventory to its present location and condition. Cost has been determined as follows:

<b>Nature of inventory</b>	<b>Method of valuation</b>
Stock-in-trade	At cost on a FIFO basis
Raw coffee	Cost of purchase of raw coffee determined under First In First Out ('FIFO') basis.
Perishables, consumables and merchandise	At cost on a FIFO basis
Packing materials	At cost on a FIFO basis
Work in progress	Cost of material including costs of conversion up to the stage of inventories.
Finished goods of clean and roasted coffee	Cost of materials including costs of conversion, where cost of material is determined under FIFO. Cost of conversion is considered at actuals.
Stock of traded securities	The securities, including from error trades, held as stock-in-trade are valued at lower of weighted average cost or market value.
Loose tools, stores and spares	Stores and Spares are valued at cost, computed on first in first out basis. Loose Tools are valued after writing down a predetermined certain percentage on cost.
Stock of commodities	At cost on a FIFO basis

The comparison of cost and net realizable value is made on an item by item basis. The Group periodically assesses the inventory for obsolescence and slow moving stocks.

**1.9 Investments**

Investments are either classified as current or long term based on management's intention at the time of purchase. Current investments are valued at the lower of cost and fair value as at the balance sheet date determined individually for each investment. Long-term investments are valued at cost less provision for diminution, other than temporary, to recognise any decline in the value of such investments. Such an assessment is carried out individually for each investment. Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

**1.10 Employee benefits**

**a) Defined benefit plans**

The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuation 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 recognised immediately in the statement of profit and loss.

Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

In case of certain entities within the Group 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.

**b) Other long term benefits**

Cost of long term benefits by way of accumulating compensated absences arising during the tenure of service is calculated taking into account the pattern of an ailment or leave. Further, in respect of encashment of leave the defined benefit is calculated taking into account all types of increments and qualifying salary projected up to assumed date of encashment. The present value of obligations towards an ailment and encashment under such long term benefit is determined based on actuarial valuation carried out by an independent actuary using Projected Unit Credit Method as at the year end. 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 recognised immediately in the statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**1.11 Foreign currency transactions**

Foreign exchange transactions are recorded at the rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss of the year except for exchange difference arising on settlement of long-term foreign currency monetary items (i.e. an asset or liability which is expressed in a foreign currency and has a term of 12 months or more at the date of the origination of the asset or liability) relating to acquisition of depreciable capital asset at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are added or deducted from the cost of the asset and are depreciated over the remaining life of the asset.

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

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

- a) Exchange differences pertaining to long term foreign currency monetary items that are related to acquisition of depreciable assets are adjusted in the carrying amount of the related fixed assets;
- b) Exchange difference arising on other long-term foreign currency monetary items are accumulated in 'Foreign Currency Monetary Item Translation Difference Account' ('FCMITDA'), and are amortised over the balance period of the relevant foreign currency item.

Exchange differences arising on a monetary item that, in substance, forms part of the Group's net investment in a non-integral foreign operation are accumulated in a foreign currency translation reserve until the disposal of the net investment, at which time the accumulated amount is recognised as income or as expense.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency are translated at the exchange rate prevalent at the date of transaction.

Forward exchange contracts and other similar instruments that are not in respect of forecasted transactions are accounted for using the guidance in Accounting Standard ('AS') 11, 'The effects of changes in foreign exchange rates'. For such forward exchange contracts and other similar instruments covered by AS 11, based on the nature and purpose of the contract, either the contracts are recorded based on the forward rate/ fair value at the reporting date, or based on the spot exchange rate on the reporting date. For contracts recorded at the spot exchange rates, the premium or discount at the inception is amortized as income or expense over the life of the contract.

- a) Derivative instruments and hedge accounting:

- i) Equity index / stock futures

The Group accounts for equity index / stock futures and options in accordance with ICAI "Guidance Note on Accounting for Equity Index and Equity Stock Futures and Options".

Initial and additional margin paid over and above the initial margin, for entering into a contract for equity index / stock futures which are released on final settlement or squaring-up of the underlying contract are disclosed under "Other current assets".

Equity index / stock futures are marked-to-market representing the net amount paid or received on the basis of movement in the prices of equity index/ stock futures till the balance sheet date. As on the balance sheet date, profit/loss on open position in equity index / stock futures is accounted as follows: Credit balance in the "Mark to Market Margin Account" being the unrealised gain is not considered and no credit for the same is recognised in the statement of profit and loss. Debit balance in the "Mark to Market Margin Account" being the unrealised loss is recognised in the statement of profit and loss.

On final settlement or squaring up of contracts for equity index / stock futures, the profit or loss is calculated as the difference between the settlement/ squaring -up prices and the contract price. Debit or credit balance pertaining to the settled/ squared-up contract in "Mark to Market Margin Account" after adjustment of the provision for unrealised losses is recognized in the statement of profit and loss. When more than one contract in respect of series of equity index / stock futures contract to which the squared- up contract pertains is outstanding at the time of squaring-up of the contract, the contract price of the contract so squared-up is determined using the weighted average cost method for calculating the profit/loss on squaring up.

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

ii) Equity index / stock options

Initial and additional margin paid over and above the initial margin, for entering into a contract for equity index / stock options are disclosed under "Other current assets".

As on the balance sheet date, in the case of long positions, provision is made for the amount by which the premium paid for those options exceeds the premium prevailing on the balance sheet date, and in the case of short position, for the amount by which the premium prevailing on the balance sheet date exceeds the premium received for those options.

When the option contracts are squared-up for before the expiry of the options, the premium prevailing on that date is recognised in the statement of profit and loss. If more than one option contract in respect of the same index / option with the same strike price and expiry date to which the squared up contract pertains is outstanding at the time of squaring up of the contract, the weighted average method is followed for determining the profit or loss. On expiry of the contracts and on exercising the options, the difference between the final settlement date and the strike price is transferred to the statement of profit and loss. In both the cases, the premium paid or received for buying or selling the option, as the case may be, is recognised in the statement of profit and loss for all squared up / settled contracts.

b) Other derivative instruments

The Group is exposed to foreign currency and interest rate fluctuations on foreign currency assets, liabilities and forecasted cash flows denominated in foreign currency. The Group limits the effects of foreign exchange and interest rate fluctuations by following established risk management policies including the use of derivatives. The Group enters into derivative financial instruments, where the counterparty is a bank.

The Group has adopted the principles of AS 30 issued by ICAI except to the extent the adoption of AS 30 does not conflict with existing accounting standards prescribed by Companies (Accounting Standard) Rules, 2006 and other authoritative pronouncements.

In accordance with the recognition and measurement principles set out in AS 30, changes in fair value of derivative financial instruments designated as cash flow hedges are recognised directly in shareholders' funds and reclassified into the statement of profit and loss upon the occurrence of the hedged transaction.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

**1.12 Borrowing cost**

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are accounted as an expense in the period in which they are incurred. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of borrowing.

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

**1.13 Impairment of assets**

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

**1.14 Taxation**

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

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

The entities within the Group offset, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable rights to set off and where it intends to settle such assets and liabilities on a net basis.

**1.15 Provisions and contingent liabilities**

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

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

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

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

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

**1.16 Cash and cash equivalents**

Cash and cash equivalents comprise cash and balances with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

**1.17 Consolidated cash flow statement**

Consolidated cash flows are reported using the indirect method, whereby consolidated 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 consolidated cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

**1.18 Impairment of assets**

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

**1.19 Loss per share**

The basic earnings/ (loss) per share is computed by dividing the net profit/ (loss) attributable to equity shareholders 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.

**Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**  
**Notes to the consolidated financial statements**

**1.20 Stock based compensation**

The Group accounts for stock based compensation based on intrinsic value method as required by the Guidance Note on “Accounting for Employee Share-based Payments” issued by Institute of Chartered Accountants of India (‘ICAI’). Accordingly, intrinsic value of each option on the grant date is amortised over the vesting period.

As the employee stock options are issued by the promoter of the Company, the stock based compensation cost has been recognised with a corresponding credit to capital reserves, in accordance with the said Guidance Note.

In accordance with the said Guidance Note, the necessary disclosures including pro-forma disclosures for fair value of stock options have been made on or after 1 April 2005, the date from which the Guidance Note is effective.

**1.19 Segment reporting**

The Group’s operating businesses are organized and managed separately according to the nature of business and services provided, with each segment representing a strategic business unit that offers different products / services and serves different markets. The analysis of secondary segments is based on the geographical location of the customers.

The accounting policies adopted for segment reporting are in conformity with the accounting policies followed for the Group. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, have been included under 'Unallocable'.

**1.20 Government grant**

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

When the grant/subsidy relates to an expense item, it is netted off with the relevant expense.

Where the grant/subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**2 Share capital**

(a) Particulars	<i>Rs. in million</i>	
	As at 31 March 2015	As at 31 March 2014
<b>Authorised</b>		
270,000,000 (Previous year: 20,000,000) equity shares of Rs.10 each	2,700.00	200.00
3,500,000 (Previous year: 3,500,000) compulsorily convertible preference shares of Rs.10 each	35.00	35.00
238,000 (Previous year: 238,000) series A non-convertible redeemable preference shares of Rs. 10 each	2.38	2.38
346,000 (Previous year: 346,000) series B non-convertible redeemable preference shares of Rs. 10 each	3.46	3.46
	<b>2,740.84</b>	<b>240.84</b>
<b>Issued, subscribed and fully paid up</b>		
14,591,551 (Previous year: 14,246,727) equity shares of Rs.10 each	145.92	142.47
1,357,410 (Previous year: 1,357,410) Compulsorily convertible preference shares of Rs.10 each	13.57	13.57
115,402 (Previous year: 115,402) Series A non-convertible redeemable preference shares of Rs. 10 each	1.15	1.15
167,404 (Previous year: 167,404) Series B non-convertible redeemable preference shares of Rs. 10 each	1.67	1.67
	<b>162.31</b>	<b>158.86</b>

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

**Equity shares:**

	As at March 2015		As at March 2014	
	No. of shares	Amount (Rs. In million)	No. of shares	Amount (Rs. In million)
Number of shares at the beginning of the year	14,246,727	142.47	14,246,727	142.47
Add: Equity shares issued during the year	344,824	3.45	-	-
Number of shares outstanding at the end of the year	14,591,551	145.92	14,246,727	142.47

**Preference shares:**

**(i) Compulsorily convertible**

	As at March 2015		As at March 2014	
	No. of shares	Amount (Rs. In million)	No. of shares	Amount (Rs. In million)
Number of shares at the beginning of the year	1,357,410	13.57	1,357,410	13.57
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	1,357,410	13.57	1,357,410	13.57

**(ii) Series A non-convertible redeemable preference shares**

	As at March 2015		As at March 2014	
	No. of shares	Amount (Rs. In million)	No. of shares	Amount (Rs. In million)
Number of shares at the beginning of the year	115,402	1.15	115,402	1.15
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	115,402	1.15	115,402	1.15



**Coffee Day Enterprises Limited** (erstwhile Coffee Day Enterprises Private Limited)  
**Notes to the consolidated financial statements**

**(iii) Series B non-convertible redeemable preference shares**

	As at March 2015		As at March 2014	
	No. of shares	Amount (Rs. In million)	No. of shares	Amount (Rs. In million)
Number of shares at the beginning of the year	167,404	1.67	167,404	1.67
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	167,404	1.67	167,404	1.67

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

**(i) Equity shares**

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

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

(b) The Company has issued 171,038 equity shares to Bennett Coleman & Co Limited ('BCCL'). The Share Subscription Agreement ('SSA') carries a put option on the investor that in the event that the Initial Public Offer ('IPO') of the Company and listing of the subscription shares on a recognized stock exchange is not completed for any reason whatsoever by 31 December 2016 within a period of 365 days thereafter, BCCL shall have the right, by written notice signed by BCCL to require the promoters jointly and severally purchase all or some of the shares held by BCCL as indicated by BCCL in the put option notice, at a price per share not less than the sale price. Sale price shall mean an amount equal to the subscription price and a return of 10% per annum on the subscription price compounded annually on the basis of a 365 days per year, net of dividends per share by the Company from the closing date till IPO deadline. The Promoter's shall complete the purchase of shares held by BCCL within 90 days from the date of the put option notice. Further, equity shares of 171,038 are subject to a lock-in of 2 years from 11 October 2012 or in the event of an IPO for such period as may be determined under applicable law at the time of the IPO, which ever occurs earlier, subject to the Issue of Capital and Disclosure Requirement ('ICDR') regulations.

**(ii) Compulsorily convertible preference shares**

The Company has issued 1,357,410 (Previous year: 1,357,410) non-cumulative compulsorily convertible preference shares ('CCPS') of Rs.10 each at a premium of Rs. 1,758.07 per share to Standard Chartered Private Equity (Mauritius) II Limited. These CCPS carry a dividend rate of 0.001% p.a. In case of Company declaring any dividend on its equity shares, shareholder of CCPS will also be eligible for economic equivalent of preference dividend on a fully dilutive basis.

Conversion – The investor can at any time post seventh anniversary (extendable up to ten years) of the issue of the CCPS convert the same into equity shares such that post conversion the total number of equity shares at the minimum is determined to result in 7.08% of the equity capital of the Company on a fully diluted basis. The equity shares allotted on conversion of the CCPS rank pari passu in all respect with the equity shares of the Company.

The CCPS shall be convertible into such number of equity shares such that, the CCPS would comprise on a fully diluted basis on conversion, the higher of the Floor Stake and the Resulting Investor Stake where Resulting Investor Stake will be computed as follows - Security Value at IPO / Company FMV Valuation. Floor Stake, Security Value at IPO and Company FMV Valuation shall be computed as specified in the Shareholders' Agreement.

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

(iii) **Non-convertible redeemable preference shares**

The Company had issued 115,402 (Previous year: 115,402) Series A non-cumulative redeemable preference shares ('NCRPS') of Rs. 10 each and 167,404 (Previous year: 167,404) Series B NCRPS of Rs.10 each, at a premium of Rs.1,758 per share to Aten Portfolio Managers Private Limited. The holders of Series A and Series B NCRPS shall be entitled to a non-cumulative preferred dividend calculated at the rate of 0.001% on the NCRPS amounts on a quarterly basis, which shall be payable, if declared by the Company.

Redemption - All NCRPS shall be redeemed on the redemption date, being 36 months from first closing date i.e. 27 April 2012 or the trigger date whichever is earlier. Series A NCRPS shall be redeemed on the redemption date at an amount calculated by multiplying the Series A investment amount with the amounts provided in Part A of Schedule II of shareholders agreement resulting in a redemption premium of Rs 13.47 million. Series B NCRPS shall be redeemed on the redemption date at an amount equivalent to Rs. 500 million resulting in a redemption premium of Rs 204.03 million. In the event redemption of the Series A NCRPS occurs at anytime prior to the redemption date, then the aggregate redemption amount for the Series A NCRPS and Series B NCRPS shall be equivalent to sum of the investment amount and the charges calculated at the rate of 14.5% per annum on the investment amount from the previous Series A put option date on which the put option has been exercised by the investor till the date of redemption.

NCRPS carry a call option on the earlier of the date of expiry of 18 months from the first closing date and thereafter on the date falling on expiry of every six months from the call option trigger date or the date on which the investors issues the notice for indemnification. The Promoter shall have the right but not an obligation to call upon the investor to transfer the investor securities to the Promoter, subject to the conditions as defined in the SSSA. The investor at any time after expiry of period of 24 months from the investment date or the occurrence of the trigger event as defined in the put option agreement whichever is earlier, at its sole option shall have the right but not the obligation to issue a notice to the purchaser pursuant to which the investor shall require the purchaser to purchase, at the investor's put option price, all of the investor securities held by the investor in the Company on such date and as indicated in the investor put option notice on the put option settlement date.

Liquidation preference - The investor shall have a right to receive the entire Series A and Series B redemption amount and shall rank pari passu with

(d) **Particulars of share holders holding more than 5% shares of a class of shares:**

Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	% of holding	No. of shares	% of holding	No. of shares
<b>Equity shares</b>				
Mr. V G Siddhartha	54.78%	7,993,238	56.40%	8,035,415
Coffeeday Consolidations Private Limited	10.51%	1,533,552	10.76%	1,533,552
Devadarshini Info Technologies Private Limited	10.63%	1,551,055	10.89%	1,551,055
Gonibedu Coffee Estates Private Limited	9.48%	1,383,888	9.71%	1,383,888
<b>Compulsorily convertible</b>				
Standard Chartered Private Equity (Mauritius) II Limited	100%	1,357,410	100%	1,357,410
<b>Series A non-convertible redeemable preference</b>				
Aten Portfolio Managers Private Limited	100%	115,402	100%	115,402
<b>Series B non-convertible redeemable preference</b>				
Aten Portfolio Managers Private Limited	100%	167,404	100%	167,404

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

(e) **Securities convertible into equity and amounts redeemable in the descending order:**

<b>Particulars</b>	<b>Manner of conversion/ redemption</b>	<b>Convertible into</b>	<b>Earliest date of conversion / redemption</b>
Compulsorily convertible preference shares	Compulsory	Equity	12 March 2017*
Series A non-convertible redeemable preference shares	Redemption	None	27 September 2013**
Series B non-convertible redeemable preference shares	Redemption	None	27 September 2013**

\*Refer 2(c)(ii) above.

\*\*Refer 2(c)(iii) above for the terms of conversion. Neither the promoter nor the investor have exercised call/put option, respectively, as at the year ended 31 March 2015. The mandatory redemption date for these securities is 26 April 2015.

Subsequent to the balance sheet date, the Company vide Board Resolution dated 12 May 2015 redeemed 115,402 Series A non-convertible redeemable preference shares of Rs. 10 each and 167,404 Series B non-convertible redeemable preference shares of Rs. 10 each at a premium of Rs. 716.46 million.

- (f) The Company has not allotted any fully paid up equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash. Also refer 2(g)(i) below.

(g) **Subsequent events**

- (i) Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on 8 May 2015, 102,140,857 equity shares were allotted as fully paid-up to the existing shareholders of the Company in the ratio of seven equity shares for every one equity share held on 7 May 2015. As on 7 May 2015, 14,591,551 equity shares were outstanding. The bonus equity shares were issued by capitalisation of the reserves lying to the credit of the securities premium account of the Company.
- (ii) Subsequent to the balance sheet date, on 8 May 2015, the promoter shareholder group of the Company has entered into an addendum agreement with Standard Chartered Private Equity (Mauritius) II Limited (the Investor) whereby the 1,357,410 compulsorily convertible preference shares ('CCPS') of Rs. 10 each held by the Investor shall be converted into 13,969,232 equity shares of Rs. 10 each, representing 8.17% of the total equity share capital of the Company on a fully diluted basis, prior to the filing of the Red Herring Prospectus with the Registrar of Companies.
- (iii) Subsequent to the balance sheet date, on 8 May 2015, the promoter shareholder group of the Company has entered into an addendum agreement with KKR Mauritius PE Investments II, Ltd (the Investor) whereby the 27,160,000 compulsory convertible debentures ('CCD') of Rs. 100 each held by the Investor shall mandatorily and automatically be converted into 17,826,912 equity shares of Rs. 10 each, representing 10.43% of the total equity share capital of the Company on a fully diluted basis, immediately prior to the filing of the Red Herring Prospectus with the Registrar of Companies.
- (iv) Subsequent to the balance sheet date, on 8 May 2015, the Company along with other existing shareholders has entered into an addendum agreement with Arduino Holdings Limited and NLS Mauritius LLC (the Investor) whereby the 35,998,232 compulsory convertible debentures ('CCD') of Rs. 100 each held by the Investor shall mandatorily and automatically be converted into 22,412,192 equity shares of Rs. 10 each, representing 13.11% of the total equity share capital of the Company on a fully diluted basis, immediately prior to the filing of the Red Herring Prospectus with the Registrar of Companies.

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**3 Reserves and surplus**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Capital reserves</b>		
At the commencement of the year	417.37	415.31
Add: During the year	(0.75)	2.06
At the close of the year	<b>416.62</b>	<b>417.37</b>
<b>Securities premium</b>		
At the commencement of the year	6,192.13	6,328.33
Add: premium received on issue of equity shares	996.54	-
Less: Accrual of premium on redemption of debenture	(212.25)	(63.70)
Less: Accrual of redemption premium on preference shares	(72.50)	(72.50)
At the close of the year	<b>6,903.92</b>	<b>6,192.13</b>
<b>Foreign currency translation reserve</b>		
At the commencement of the year	128.02	97.85
Add: During the year	(111.48)	30.17
At the close of the year	<b>16.54</b>	<b>128.02</b>
<b>Hedge reserve</b>		
At the commencement of the year	(83.30)	(115.00)
Add: During the year	19.79	31.70
At the close of the year	<b>(63.51)</b>	<b>(83.30)</b>
<b>Debenture redemption reserve</b>		
Opening balance	91.70	-
Add : Transfer from statement of profit and loss account during the year	91.67	91.70
At the close of the year	<b>183.37</b>	<b>91.70</b>
<b>General reserve</b>		
At the commencement of the year	0.61	0.01
Add: During the year	-	0.60
At the close of the year	<b>0.61</b>	<b>0.61</b>
<b>Capital redemption reserve</b>		
Opening balance	5.00	-
Add : Transfer from statement of profit and loss account during the year	-	5.00
At the close of the year	<b>5.00</b>	<b>5.00</b>
<b>Foreign currency monetary item translation difference account</b>		
At the commencement of the year	(42.25)	54.50
Add: During the year	0.38	(96.75)
At the close of the year	<b>(41.87)</b>	<b>(42.25)</b>
<b>Deficit in statement of profit and loss</b>		
Opening balance	(1,190.82)	(343.08)
Add: Profit / (Loss) for the year	(837.68)	(751.68)
<i>Less: Appropriations</i>		
Transferred to capital redemption reserve	-	(5.00)
Transferred to debenture redemption reserve	(91.67)	(91.70)
Other appropriations	12.40	0.64
At the close of the year	<b>(2,107.77)</b>	<b>(1,190.82)</b>
	<b>5,312.91</b>	<b>5,518.46</b>

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**4 Long-term borrowings**

Particulars	<i>Rs. in million</i>	
	As at 31 March 2015	As at 31 March 2014
<b>Secured:</b>		
<b>Debentures:</b>		
2,500 (Previous year: 1,930) 14.25% p.a. fully paid (Previous year: partly paid) secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to Reliance Mutual Fund	2,500.00	1,930.00
1,000 (Previous year: 1,000) 13.75% p.a. secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to ICICI Prudential Asset Management Company	1,000.00	1,000.00
850 (Previous year: 850) zero coupon secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to Aditya Birla Private Equity - Fund I	850.00	850.00
650 (Previous year: 650) zero coupon secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to DSP BlackRock Income Opportunities Fund	650.00	650.00
500 (Previous year: 500) 12.5% p.a. non convertible redeemable debentures of Rs.1,000,000 each issued to ING Vysya Bank	500.00	500.00
1,000 (Previous year: 1,000) 12.75% non convertible debentures issued to ING Vysya Bank	1,000.00	1,000.00
<b>Term loans</b>		
- <i>from banks</i>		
- Canara Bank	375.00	400.05
- Rabo Bank	163.60	386.20
- Oriental Bank of Commerce	176.25	250.86
- Standard Chartered Bank	555.10	887.50
- Bank of Baroda	758.96	-
- Yes Bank	1,073.38	2,063.09
- UCO Bank	816.22	1,034.87
- Union Bank of India	677.37	674.94
- IDBI Bank	586.97	735.07
- Ratnakar Bank	200.00	468.56
- ING Vysya Bank	16.61	80.28
- Indusind Bank	142.98	166.56
- Vijaya Bank	700.00	400.00
- Karur Vysya Bank	75.00	137.50
- <i>from financial institutions</i>		
- Deutsche Investitions- Und Entwicklungsgesellschaft MBH ('DEG')	245.30	461.70
- Housing Development Finance Corporation Limited	8,301.64	7,874.16
- Tata Capital Limited	-	420.00
- KKR India financial Services Private Limited	300.00	300.00
- SREI Infrastructure Finance Limited	-	3.54
- India Infrastructure Finance Company Limited	423.59	466.80
- Sundaram Finance Limited	84.90	0.26
- L & T Finance Limited	-	1,000.00
- Nomura Capital India Private Limited	-	700.00
- Rabo India Finance Limited	800.00	800.00
- Daimler Financial Services	140.77	-
- Tata Finance Limited	37.80	-
- Standard Chartered Investments and Loans (India) Limited	250.00	-
<i>Long term maturities of Financial Lease obligations</i>		
- Hewlett- Packard Financial Services (India) Pvt Ltd	2.40	1.49
- vehicle loans (secured by hypothecation of vehicles)	3.52	5.03
<b>Unsecured:</b>		
<b>Debentures</b>		
Compulsorily convertible debentures issued to DAMF II	-	567.83
Compulsorily convertible debentures issued to FMO	679.00	679.03
27,160,000 (Previous year: 27,160,000) zero coupon compulsorily convertible debentures of Rs.100 each issued to KKR Mauritius PE Investments II Limited	2,716.00	2,716.00
35,998,232 (Previous year: 35,998,232) compulsorily convertible debentures of Rs.100 each issued to Arduino Holdings Limited	3,599.82	3,599.82
<b>Others</b>		
Highgrove Management	59.66	-
Fixed deposits from public	-	53.70
	<b>30,461.84</b>	<b>33,264.84</b>

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**5 Deferred taxation liabilities, (net)**

Deferred tax (liabilities) / asset included in the balance sheet comprises the following:

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Deferred tax liabilities</b>		
Excess of depreciation / amortisation on fixed assets under income-tax law over depreciation / amortisation provided in accounts	1,123.42	1,126.37
On exchange fluctuation	34.83	37.01
	<b>1,158.25</b>	<b>1,163.38</b>
<b>Deferred tax assets</b>		
Excess of depreciation provided in the books over depreciation allowable under income tax laws	-	0.20
Disallowance under income tax laws	8.09	11.90
Employee benefits	3.33	2.20
Rent accrual in accordance with AS 19 - Leases	92.43	72.10
Unabsorbed losses	887.92	954.74
	<b>991.77</b>	<b>1,041.14</b>
<b>Deferred tax (liabilities) / asset, (net)</b>	<b>166.48</b>	<b>122.24</b>

**6 Other long-term liabilities**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Rental deposits	297.99	125.43
Creditors for expenses	271.91	236.07
Interest accrued but not due on borrowings	237.92	141.62
Deposits from vending customers	227.69	228.04
Payables on purchase of fixed assets*	153.32	-
Derivative liability	24.77	42.70
<i>Due to related parties</i>		
- Coffeeday Resorts (MSM) Private Limited	-	75.47
Rental deposits		
- MindTree Limited	717.44	931.11
- Global Edge Software Private Limited	21.82	19.20
	<b>1,952.86</b>	<b>1,799.64</b>

**7 Long-term provisions**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits		
- Gratuity [Refer note 36]	50.59	44.10
- Compensated absences	6.07	0.56
Others		
- Accrual of redemption premium on debentures	275.95	63.70
- Accrual of redemption premium on preference shares	-	139.84
- Provision for settlement of disputes	175.68	175.68
- Provision for others	5.73	0.95
	<b>514.02</b>	<b>424.83</b>

\* The Company has issued Letter of Credit to supplier against the outstanding amount as at 31 March 2015

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**8 Short-term borrowings**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Other short term loans</b>		
<b>Secured:</b>		
<i>Bank overdraft</i>		
- Karnataka Bank Limited	50.20	0.30
- Oriental Bank of Commerce	10.70	-
- ING Vysya Bank	17.40	16.50
- HDFC Bank Limited	116.92	-
- HSBC	100.00	-
- Others	-	47.94
<i>Packing credit loan from banks</i>		
- Karnataka Bank Limited	45.00	225.40
- Oriental Bank of Commerce	363.30	192.30
<i>Bill discounting facility from banks</i>		
- Karnataka Bank Limited	340.50	154.40
- Oriental Bank of Commerce	73.80	76.00
<i>Other short term loans from banks</i>		
- HDFC Bank Limited	70.00	70.00
- Bank of Baroda	1,310.67	821.36
- UCO Bank	79.29	80.11
- IDBI Bank	12.42	124.06
- ICICI Bank Limited	40.77	43.95
<i>Loan from financial</i>		
- IL & FS Financial Services Private Limited	46.31	-
- Aditya Birla Finance Limited	-	15.00
- Citicorp Finance (India) Limited	-	49.85
- A.K Capital Finance Private Limited	225.00	-
- ECL Finance Limited	1,250.00	-
- Tata Capital Limited	300.00	-
<b>Unsecured:</b>		
<i>Loan from related parties</i>		
- Sivan Securities Private Limited	10.06	-
- Mysore Amalgamated Coffee Estates Limited	-	15.66
<i>Bank overdraft</i>		
- ING Vysya Bank	110.30	135.67
- HDFC Bank	56.65	-
- Others	-	1.42
<i>Commercial papers issued to banks/ financial institution</i>	358.80	373.70
<i>Loans and advances from other parties</i>		
- Jaydeep Mehta	-	10.00
- Nikhil Mehta	-	10.00
- Illuminati Trading Private Limited	25.00	-
- Jyoti Laboratories Private Limited	-	50.00
- Highgrove Management	7.99	-
- Ess & Ess HRM services Private Limited	12.75	-
	<b>5,033.83</b>	<b>2,513.62</b>

**Coffee Day Enterprises Limited** (erstwhile *Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**9 Trade payables**

<b>Particulars</b>	<i>Rs. in million</i>	
	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
- Dues to micro and small enterprises (refer note below)	-	-
- Dues to other creditors*	1,654.31	1,589.12
	<b>1,654.31</b>	<b>1,589.12</b>

\* Refer note 34 for the amount payable to related parties

Note: 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. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 and 31 March 2014 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 in this regard.



**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**10 Other current liabilities**

Particulars	<i>Rs. in million</i>	
	As at 31 March 2015	As at 31 March 2014
Current maturities of long-term debt		
<i>From banks</i>		
- State Bank of India		
- Yes Bank	51.24	40.87
- Canara Bank	125.00	6.10
- Indian Overseas Bank	-	5.10
- Punjab National Bank	-	0.90
- Axis Bank Limited	-	100.00
- Rabo Bank, Singapore	239.10	355.00
- Vijaya Bank	200.00	-
- Oriental Bank of Commerce	33.05	-
- Vehicle loans from banks	0.67	0.60
- ICICI Bank	-	1.67
- Bank of Baroda	20.44	-
- UCO Bank	191.85	144.49
- Union Bank of India	114.71	70.18
- IDBI Bank	112.60	112.40
- ING Vysya Bank	66.67	66.67
- Standard Chartered Bank	370.10	196.10
- Indusind Bank	23.58	20.87
- Ratnakar Bank	-	281.25
- Karur Vysya Bank	100.00	62.50
<i>From financial institutions and others</i>		
- Daimler Financial Services India Private Limited	32.83	-
- Standard chartered Investments and loans India Limited	750.00	-
- Deutsche Investitions-Und Entwicklungsgesellschaft MBH	235.91	181.10
- Tata Capital Limited	420.00	560.00
- Tata Finance Limited	9.59	-
- International Finance Corporation	-	109.70
- Housing Development Finance Corporation Limited	350.79	283.97
- SREI Infrastructure Finance Limited	0.54	16.48
- Sundaram Finance Limited	14.48	11.12
- L & T Finance Limited	1,250.00	250.00
- India Infrastructure Finance Company Limited	51.26	32.38
- Kotak Mahindra Prime Limited	500.00	-
- Kotak Mahindra Investments Limited	200.00	-
<i>Current maturities of long term debentures</i>		
- 14.75% p.a. secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to Aditya Birla Finance Limited	600.00	600.00
- 14.5% p.a. secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to ICICI Prudential Asset Management Company	750.00	750.00
Current maturities of finance lease obligation	2.46	5.04
<i>Dues to related parties</i>		
- Sivan Securities Private Limited	0.45	7.23
- Alphagreph HK Limited	6.66	-
Book overdraft	483.11	172.88
Advance from customers	237.50	474.00
Deposits from customers	411.05	328.96
Advance payments towards unexpired gift vouchers	12.80	12.60
Interest accrued and not due on borrowings	249.12	158.62
Interest accrued and due on borrowings	42.13	-
Share application money pending refund	-	0.70
Deposits taken from sub brokers	4.35	4.15
Unpaid dividend	-	1.12
Advance received towards revenue subsidy	25.00	-
Mark to market margin- commodities futures	-	7.22
Liability towards purchase of shares	21.94	-
<i>Other payables</i>		
- Creditors for expenses	623.93	459.68
- Accrued salaries and benefits	198.11	109.54
- Statutory dues	174.96	190.84
- Creditors for capital goods	136.08	76.89
- Outstanding commission	21.69	11.83
- Derivative liability	0.28	-
- Others	6.20	159.23
	<b>9,472.23</b>	<b>6,439.98</b>

**Coffee Day Enterprises Limited** (erstwhile Coffee Day Enterprises Private Limited)  
**Notes to the consolidated financial statements**

**11 Short-term provisions**

<b>Particulars</b>	<i>Rs. in million</i>	
	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
Provision for employee benefits		
- Gratuity (refer note 36)	9.31	4.89
- Compensated absence	24.11	19.02
Provision for accrual of redemption premium on preference shares	212.34	-
Provision for taxation, net of advance tax and tax deducted at source	53.18	58.75
Provision for others	4.21	0.28
	<b>303.15</b>	<b>82.94</b>

**Coffee Day Enterprises Limited** (erstwhile Coffee Day Enterprises Private Limited)  
Notes to the consolidated financial statements

**12. Fixed assets**

Rs. in million

Description	Gross block						Accumulated depreciation					Net block	
	As at 1 April 2014	Assets acquired pursuant to acquisition of subsidiary/ joint ventures (refer note a)	Additions during the year	Adjustment during the year	Deletions during the year	As at 31 March 2015	As at 1 April 2014	Charge for the year	Adjustment for the year	Deletions during the year	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
<b>Tangible fixed assets - Owned</b>													
Freehold land	1,568.53	-	44.37	-	1.10	1,611.80	-	-	-	-	-	1,611.80	1,568.53
Buildings	6,880.87	-	330.83	-	16.59	7,195.11	1,596.23	424.77	(0.05)	3.51	2,017.44	5,177.67	5,284.64
Plant and machinery	6,017.36	-	568.16	-	97.34	6,488.18	2,185.57	546.22	(1.02)	82.57	2,648.20	3,839.98	3,831.79
Furniture and fittings	1,897.67	0.42	157.84	0.96	32.58	2,024.31	862.57	216.60	1.10	30.43	1,049.84	974.47	1,035.10
Vehicles	551.55	-	393.70	-	34.19	911.06	458.34	50.98	(0.63)	27.47	481.22	429.84	93.21
Office equipment	185.25	0.01	20.80	(20.54)	65.23	120.29	111.77	45.24	(3.31)	58.55	95.15	25.14	73.48
Leasehold improvements	6,517.51	-	505.77	(14.09)	784.15	6,225.04	2,856.58	697.56	(11.70)	498.50	3,043.94	3,181.10	3,660.93
Computers	221.78	11.06	34.46	-	11.76	255.54	185.59	23.96	5.15	11.71	202.99	52.55	36.19
Coffee vending machine	3,141.48	-	689.68	-	12.23	3,818.93	1,134.33	338.03	-	12.23	1,460.13	2,358.80	2,007.15
Electrical equipment	20.84	-	0.66	-	-	21.50	11.86	4.06	(0.07)	-	15.85	5.65	8.98
Ship	1,308.41	-	65.08	-	15.02	1,358.47	225.18	88.75	-	-	313.93	1,044.54	1,083.23
Port Handling Equipment	1,199.54	-	7.15	-	-	1,206.69	720.53	74.50	-	-	795.03	411.66	479.01
<b>Tangible fixed assets- Leased</b>													
Leasehold land	27.38	-	-	-	-	27.38	2.69	0.78	-	-	3.47	23.91	24.69
Computer equipments	23.49	-	2.36	-	-	25.85	18.29	4.66	-	-	22.95	2.90	5.20
	<b>29,561.66</b>	<b>11.49</b>	<b>2,820.86</b>	<b>(33.67)</b>	<b>1,070.19</b>	<b>31,290.15</b>	<b>10,369.53</b>	<b>2,516.11</b>	<b>(10.53)</b>	<b>724.97</b>	<b>12,150.14</b>	<b>19,140.01</b>	<b>19,192.13</b>
<b>Intangible fixed assets - Owned</b>													
Software	201.84	-	42.82	-	2.71	241.95	148.32	27.77	(0.80)	2.77	172.52	69.43	53.52
BSE Membership Rights	9.45	-	-	-	-	9.45	9.45	-	-	-	9.45	-	-
Web Portal	26.10	-	-	-	-	26.10	26.10	-	-	-	26.10	-	-
License Fees	536.24	-	-	-	-	536.24	126.73	25.00	-	-	151.73	384.51	409.51
Dredger Dry Docks	52.87	-	-	-	-	52.87	47.59	5.28	-	-	52.87	-	5.28
Leasehold Rights	60.14	-	-	-	-	60.14	-	-	-	-	-	60.14	60.14
	<b>886.64</b>	<b>-</b>	<b>42.82</b>	<b>-</b>	<b>2.71</b>	<b>926.75</b>	<b>358.19</b>	<b>58.05</b>	<b>(0.80)</b>	<b>2.77</b>	<b>412.67</b>	<b>514.08</b>	<b>528.45</b>
<b>Total</b>	<b>30,448.30</b>	<b>11.49</b>	<b>2,863.68</b>	<b>(33.67)</b>	<b>1,072.90</b>	<b>32,216.90</b>	<b>10,727.72</b>	<b>2,574.16</b>	<b>(11.33)</b>	<b>727.74</b>	<b>12,562.81</b>	<b>19,654.09</b>	<b>19,720.58</b>
Previous year	27,247.64	-	3,580.75	16.00	396.09	30,448.30	8,674.09	2,385.05	8.61	(340.03)	10,727.72	19,720.58	

a) Represents assets acquired on account of acquisition of Alphagrep Holding HK Limited and Alphagrep HK Limited.

b) Additions / adjustments include foreign exchange loss (net) amounting to Rs 358.01 million (Previous year: Rs. 962.58 million) in accordance with paragraph 46A of AS 11, the Effects of Changes in Foreign Exchange Rates capitalised to fixed assets / capital work-in-progress.

c) Additions include interest capitalised to fixed assets / capital work-in-progress in respect of qualifying assets in accordance with AS 16, Borrowing costs amounting to Rs 303.57 million (Previous year: Rs 255.61 million).

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**13 Non-current investments**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>A. Long term investments - (at cost, adjusted for post-acquisition change in share of net assets)</b>		
<b>Trade - quoted</b>		
<b>Investment in equity shares of associate companies</b>		
Mindtree Limited (includes goodwill of Rs. 1,238.29 million (Previous year: Rs. 1,433.16 million))	4,558.42	3,900.18
<b>B. Long term investments, trade, unquoted (at cost, adjusted for post-acquisition change in share of net assets)</b>		
<b>Investment in equity shares of associate companies</b>		
Global Edge Software Private Limited (includes goodwill of Rs. 31.68 million (Previous year: Rs 31.68 million))	128.96	121.71
Ittiam Systems Private Limited (includes capital reserve of Rs. 20.80 million (Previous year: Rs. 20.80 million))	180.39	149.42
Barefoot Resorts & Leisure India Private Limited (includes goodwill of Rs. 55.10 million (Previous year: Rs. Nil))	160.92	-
<b>Investment in equity shares of other companies</b>		
Ittiam Systems Limited		
Digital Signage Networks India Private Limited	22.50	22.50
<b>C. Other investments</b>		
Lakshmi Vilas Bank Limited	113.01	102.51
Gokaldas Exports Limited	4.31	4.31
IL&FS Transportation Networks Limited	3.39	3.39
MOIL Limited	1.42	1.42
Bangalore Stock Exchange Limited	2.13	2.13
BGSE Financials Limited	0.20	0.20
Sicagen India Limited	-	0.50
Goldman Sachs Liquid Exchange Traded Scheme	0.05	0.02
Government and trust securities, at cost	0.01	0.01
Others	1.07	1.05
	<b>5,176.78</b>	<b>4,309.35</b>
Aggregate book value of quoted investments	4,667.20	3,998.94
Aggregate market value of quoted investments	18,407.15	8,721.32

**14 Deferred tax assets, (net)**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Deferred tax assets</b>		
Excess of depreciation provided in the books over depreciation allowable under Income Tax Act, 1961	10.40	5.89
On disallowance under Income Tax Act, 1961	13.48	6.80
On carried forward unabsorbed business loss	3.07	6.59
<b>Deferred tax liability</b>		
Excess of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	0.11	4.09
	<b>26.84</b>	<b>15.19</b>

**Coffee Day Enterprises Limited** (erstwhile Coffee Day Enterprises Private Limited)  
**Notes to the consolidated financial statements**

**15 Long-term loans and advances**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured, considered good</i>		
<b>Dues to related parties</b>		
- Coffee Day Barefoot Resorts Private Limited	148.32	147.90
- Coffee Day Resorts MSM Private Limited	63.36	63.02
- Alphagrep Technologies Limited	32.36	-
- Mysore Amalgamated Coffee Estates Limited	-	21.11
<b>Loans and advances to related parties for purchase land</b>		
- Sivan Securities Private Limited	1,400.00	1,749.63
<b>Advance to related parties for purchase of shares</b>		
- Sivan Securities Private Limited	-	620.57
<b>Others:</b>		
Security deposits	1,188.42	1,183.37
Advance tax including tax deducted at source, net of provision for tax	962.45	827.12
Capital advance	370.52	490.70
Deposit with government authorities	169.42	157.29
Statutory dues paid under protest	44.24	37.15
Advances for supply of goods and rendering of services	114.85	87.00
Investment in preference shares*	120.00	-
Prepaid expenses	27.13	55.17
Advances to employees	3.65	3.44
	<b>4,644.72</b>	<b>5,443.47</b>

\* Investment in preference shares of Twinshield Consultants Private Limited of Rs 120 million has been disclosed as loans and advance due to non receipt of share certificate.

**16 Other non-current assets**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Margin money deposits with banks	653.71	656.70
Fixed deposit accounts with banks	273.09	294.40
Minimum Alternate Tax credit entitlement	44.17	115.69
Long term trade receivables	153.00	153.00
Balance with government authorities	-	11.22
Prepaid expenses	-	6.46
Retention money	23.85	-
	<b>1,147.82</b>	<b>1,237.47</b>

**17 Current investments**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Current investment</b>		
Reliance Medium Term Fund Daily Dividend Plan	-	12.42
	-	<b>12.42</b>

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**18 Inventories**

Particulars	Rs. in million	
	As at	As at
	31 March 2015	31 March 2014
Stock of raw coffee and packing materials	134.92	334.41
Stock of perishables, consumables and merchandise	811.89	814.90
Work in progress	64.22	32.60
Finished goods of clean and roasted coffee	94.57	400.10
Stock of traded securities	-	0.20
Stock of traded goods	0.81	1.85
Commodities	-	9.24
Stores and spares	150.53	159.55
Loose tools	1.36	1.56
	<b>1,258.30</b>	<b>1,754.41</b>

**19 Trade receivables**

Particulars	Rs. in million	
	As at	As at
	31 March 2015	31 March 2014
<i>Unsecured, considered good</i>		
Debts outstanding for a period exceeding six months from the date they became due for payment from		
- Others	588.73	464.68
- Others, considered doubtful	32.96	33.41
Less: Provision for doubtful receivables	(32.96)	(33.41)
	<b>588.73</b>	<b>464.68</b>
Other debts due from:		
- Others	25.87	10.80
- Others, considered good	2,724.36	2,322.99
Less: Provision for doubtful receivables	-	-
	<b>2,750.23</b>	<b>2,333.79</b>
	<b>3,338.96</b>	<b>2,798.47</b>

**20 Cash and bank balances**

Particulars	Rs. in million	
	As at	As at
	31 March 2015	31 March 2014
<b>Cash and cash equivalents</b>		
Cash on hand	52.12	60.59
Balances with banks		
- in current accounts	1,430.76	1,855.48
- in fixed deposit accounts with banks (Refer note below)	3,607.06	837.77
- in exchange earners foreign currency account		
- in escrow account	23.46	-
	<b>5,113.40</b>	<b>2,753.84</b>
- in margin money	229.88	168.00
- in fixed deposit accounts with banks (Refer note below)	2,084.45	2,290.30
	<b>7,427.73</b>	<b>5,212.14</b>

Note: Fixed deposits with a original maturity period of less than 3 months are classified as "Cash and cash equivalents" and fixed deposits with a original maturity period of greater than 3 months, but with a maturity date of less than 12 months from balance sheet date are classified as "Other bank balances."

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**21 Short-term loans and advances**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Secured</b>		
Loans and advances to clients	109.87	112.54
<i>Unsecured, considered good except otherwise stated</i>		
<i>Loans and advances to related parties</i>		
- Coffee Day Resorts (MSM) Private Limited	-	68.02
- Liqwid Krystal India Private Limited	-	93.56
- Tanglin Property Development (Mumbai) Private Limited	-	135.27
- Sivan Securities Private Limited	-	10.11
- Alphagrep HK Limited	0.54	-
- Coffee Day Consolidations Private Limited	-	55.87
Loans and advances to clients	15.35	44.15
Advances to body corporate	-	41.00
Advances for supply of goods and rendering of services	601.17	876.39
Deposits	199.66	80.62
Balances with government authorities	46.72	77.25
Advance income tax (net)	40.85	53.58
Advance to ESOP trust	10.58	10.58
Staff advances	17.92	26.33
Prepaid expenses	638.79	389.85
Export benefit receivable	90.39	56.80
Other advances	77.44	305.52
	<b>1,849.28</b>	<b>2,437.44</b>

**22 Other current assets**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Security and Margin Money with stock exchange / Clearing Member	163.56	115.38
Receivable from exchanges	93.75	78.53
Minimum Alternate Tax credit entitlement	43.54	3.09
Interest accrued but not due	45.39	13.52
Claims receivable	1.05	2.00
Unbilled revenue	93.33	88.95
Other receivables	67.69	139.54
	<b>508.31</b>	<b>441.01</b>

Notes to the consolidated financial statements

23 Revenue from operations

<i>Rs. in million</i>		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Sale of products</b>		
- Sale of coffee beans	4,047.92	3,697.42
- Sale of food, beverages and other items	9,149.30	8,013.23
- Sale of merchandise items	452.30	416.20
- Sale of commodities	18.51	493.51
<b>Sale of services</b>		
Income from integrated logistics services	8,877.35	9,130.65
Facility rental income	803.33	705.62
Service income from coffee vending machines	548.80	428.89
Income from software development and related services	363.85	266.40
Income from operations of resort	283.35	276.69
Consultancy services		
Maintenance income	120.95	74.57
<b>Income from financial services</b>		
Trading income - securities	1,084.23	620.62
Brokerage income	608.18	425.30
Transaction charges	302.63	133.92
Futures and Options trading income / (loss)	146.27	20.40
Interest income	19.88	18.63
Depository charges	19.96	17.76
Portfolio management fees	10.79	5.80
Other financial income	57.65	46.63
<b>Other operating revenue</b>		
Sale of import entitlements	158.90	126.10
Advertisement income	160.70	144.12
Gain / (loss) from commodity futures	(106.00)	32.60
Electricity charges	108.44	50.77
Others	8.24	4.68
Less: Quality claims	(42.30)	(18.90)
Less: Sales tax and luxury tax	(990.31)	(926.86)
Less: Service tax	(1,127.26)	(1,102.82)
Less: Trade discounts	(292.10)	(231.85)
	<b>24,793.56</b>	<b>22,870.08</b>

24 Other income

<i>Rs. in million</i>		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest income	412.30	328.13
Interest from income tax refund	-	0.45
Profit on sale of investment	38.83	274.07
Credit balances no longer required written back	1.47	1.91
Dividend income	4.62	11.35
Non-redemption of gift vouchers	3.19	4.70
Foreign exchange gain, net	219.29	12.35
Rental income	1.63	3.72
Miscellaneous income	12.27	20.95
	<b>693.60</b>	<b>657.63</b>



Notes to the consolidated financial statements

25 Cost of materials consumed

<i>Rs. in million</i>		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Opening stock of raw coffee, packing materials, perishables, consumables and merchandis	1,149.31	1,134.10
Purchase of raw materials and packing materials		
- Purchase of coffee beans	2,947.06	3,287.06
- Purchase of perishables, consumables and packing materials	2,827.34	2,434.04
- Purchase of merchandise items	199.06	187.50
Closing stock of raw coffee, packing materials, perishables, consumables and merchandis	946.81	1,149.31
	<b>6,175.96</b>	<b>5,893.39</b>

26 Cost of integrated logistics services

<i>Rs. in million</i>		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Handling and transportation	4,649.74	4,600.86
Freight	1,599.79	1,479.45
Other cost of integrated logistics services	475.83	810.82
	<b>6,725.36</b>	<b>6,891.13</b>

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

<i>Rs. in million</i>		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
(a) Opening stock		
Finished goods	400.10	207.50
Work-in-progress	32.60	77.90
	<u>432.70</u>	<u>285.40</u>
(b) Closing stock		
Finished goods	94.57	400.10
Work-in-progress	64.22	32.60
	<u>158.79</u>	<u>432.70</u>
	<b>273.91</b>	<b>(147.30)</b>

28 Employee benefits expense

<i>Rs. in million</i>		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Salaries and wages	2,290.15	2,022.45
Contribution to provident and other funds	192.18	172.14
Stock compensation expense	(0.75)	2.10
Staff welfare expenses	60.10	66.61
	<b>2,541.68</b>	<b>2,263.30</b>

29 Finance costs

<i>Rs. in million</i>		
Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest expense	2,935.46	2,533.53
Other borrowing costs	326.87	244.36
	<b>3,262.33</b>	<b>2,777.89</b>

## Notes to the consolidated financial statements

## 30 Other expenses

Particulars	<i>Rs. in million</i>	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Rent (Refer note 33)	1,403.81	1,250.22
Securities transaction tax	512.47	180.08
Power and fuel	408.54	357.64
Transaction charges	365.87	208.45
Travelling and conveyance	257.48	204.06
Sub brokerage	111.27	109.00
Legal, professional and consultancy charges	199.27	164.69
Café housekeeping and maintenance	174.00	160.70
Rates and taxes	154.90	97.03
Repairs and maintenance		
- plant and machinery	151.22	117.85
- buildings	16.24	18.45
- others	101.15	108.47
Brokerage and commission	147.80	84.16
Advertising and business promotion expenses	123.66	332.52
Communication expenses	123.57	84.94
Subcontracting charges	118.30	95.11
Freight and handling charges	87.87	88.53
Grinding and curing charges	61.60	51.27
Office maintenance and utilities	39.88	39.28
Insurance	24.56	29.14
Loss on sale of assets, net	51.53	18.29
Foreign exchange loss, net	3.96	0.16
Exchange charges	101.45	58.24
Procurement expenses	87.47	48.74
Miscellaneous expenses	381.56	433.50
	<b>5,209.43</b>	<b>4,340.52</b>

**Coffee Day Enterprises Limited** (erstwhile Coffee Day Enterprises Private Limited)  
**Notes to the consolidated financial statements**

**31 Commitments and contingent liabilities**

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>(i) Contingent liabilities</b>		
Claims against the company not acknowledged as debt	386.52	104.50
Claims against the company in respect of dues under statutes	718.88	854.51
Bank guarantees	1,263.86	1,126.67
Corporate guarantee	50.92	88.50
Shares pledged for loan taken by group company	-	12.05
<b>(ii) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	444.10	762.41
Other commitment towards advertisement contract entered by the Company	50.00	50.00

**32 Earnings per share (EPS)**

**Computation of earnings per share is as follows –**

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Loss after taxation as per statement of profit and loss	(837.68)	(751.68)
Less: Dividend on cumulative preference shares (including tax attributable thereto)	-	-
<b>Net loss for basic / diluted earnings per share</b>	<b>(837.68)</b>	<b>(751.68)</b>

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

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Number of equity shares at the beginning of the year	14,246,727	14,246,727
Add: Weighted average number of equity shares issued during the year	53,849	
Number of weighted average equity shares considered for calculation of basic earnings per share	14,300,576	14,246,727
Add: Bonus shares issued after the balance sheet date*	102,140,857	102,140,857
Add: Dilutive effect of compulsorily convertible preference shares and compulsorily convertible debentures	-	-
Number of weighted average shares considered for calculation of diluted earnings per share	<b>116,441,433</b>	<b>116,387,584</b>

\* In accordance with Accounting Standard 20 on 'Earnings Per Share', basic and diluted earnings per share is adjusted for 1:7 bonus issue for previous period presented.

\*\* As the effect of conversion of compulsorily convertible preference shares and compulsorily convertible debentures are anti-dilutive, dilutive effect for the current year and the previous year have been considered as Nil.

**Earnings / (loss) per share**

Basic	(7.18)	(6.46)
Diluted	(7.18)	(6.46)

**33 Leases**

**a. Operating lease**

**Assets given on non-cancellable operating lease**

The Group earns its facility rental income from investment property leased under operating lease which is recognized in the statement of profit and loss on a straight-line basis over the term of the lease.

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Lease rental income</b>	213.13	249.08

Future minimum lease receipts under operating lease are as follows:

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Not later than 1 year	193.35	222.74
Later than 1 year and not later than 5 years	238.15	537.02
More than 5 years	-	232.99

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the consolidated financial statements**

**33 Leases (continued)**  
**a. Operating lease**

**Assets given on cancellable operating lease**

Total lease rental income recognised in the statement of profit and loss with respect of the above is as below:

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Lease rental income</b>	590.20	456.54

**Assets taken on non-cancellable operating lease**

The Group is obligated under non-cancellable lease for office premises, residential facilities and shop spaces. Total lease rental expenses recognised in the statement of profit and loss for the year are as follows:

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Lease rental expenses</b>	1,403.81	1,250.22

Future minimum lease payments under non-cancellable operating lease are as follows:

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Not later than 1 year	1,085.16	913.93
Later than 1 year and not later than 5 years	3,674.69	3,203.68
More than 5 years	2,006.11	1,544.43

**The following assets have been held for leasing out to lessees under operating lease arrangements:**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Asset category</b>		
<b>Gross block</b>		
Freehold land	481.84	482.94
Building	5,118.00	4,973.76
Plant and machinery	824.01	738.04
Furniture and fixtures	184.46	185.34
<b>Accumulated depreciation</b>		
Freehold land	-	-
Building	1,537.08	1,187.54
Plant and machinery	412.92	278.47
Furniture and fixtures	154.47	112.38
<b>Net block</b>		
Freehold land	481.84	482.94
Building	3,580.92	3,786.22
Plant and machinery	411.09	459.57
Furniture and fixtures	29.99	72.96
<b>Depreciation for the year</b>		
Building	375.56	319.01
Plant and machinery	119.35	97.56
Furniture and fixtures	16.75	19.38

**b. Finance lease**

The Group has entered into finance lease arrangements for certain equipments, which provide the Group an option to purchase the assets at the end of the lease period.

Particulars	Rs. in million			
	As at 31 March 2015		As at 31 March 2014	
	Minimum Lease Payments	Net present value	Minimum Lease Payments	Net present value
Not later than 1 year	2.98	2.46	5.40	5.04
Later than 1 year and not later than 5 years	2.57	2.40	1.55	1.49
More than 5 years	-	-	-	-

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**34 Related parties disclosures**

**A. Enterprises where control exists**

Refer note 1.1 of the accounting policy for the name of the enterprises where control exists.

**B. Parties where significant influence exists and with whom transactions have taken place:**

Sivan Securities Private Limited  
Mysore Amalgamated Coffee Estates Limited  
Kesar Marbles and Granites Limited  
Ennore Automotive Logistics Limited  
Terra Firma (Solid Waste Management) Chennai Private Limited  
Coffee Day Resorts (MSM) Private Limited  
Liqwid Krystal Private Limited  
Tanglin Property Developments (Mumbai) Private Limited  
Coffee Day Bare Foot Resorts Private Limited  
PSA SICAL Terminals Limited  
Dark Forest Furniture Company Private Limited  
Mindtree limited  
Global Edge software Private Limited  
Sical Sattva Logistics Private Limited  
Coffee Day Consolidations Private Limited

**C. Key management personnel and their relatives**

VG Siddhartha  
Malavika Hegde  
K.P Balraj  
Jayraj Hubli  
M. S. Krishna Bhat, resigned with effect from 16 October 2014  
Sanjay Nayar  
Nainesh Jaisingh  
Parag Saxena  
Nithin Bagamane  
Shankar V  
Balraj Shetty  
M R Shashi Bhushan  
Naveen Nath  
Ketan Seth  
R Ram Mohan  
Venu Madhav  
Lakshmiah Naidu  
Sadananda Poojary, appointed with effect from 1 April 2014  
S.V. Ranganath, appointed with effect from 9 January 2015  
Dr. Albert Hieronimus, appointed with effect from 9 January 2015

**D. The following is a summary of related party transactions.**

Particulars	<i>Rs. in million</i>	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Services provided</b>		
PSA SICAL Terminals Limited	33.34	37.63
Mysore Amalgamated Coffee Estates Limited	0.70	0.13
Ennore Automotive Logistics Limited	-	1.01
<b>Loan / advance given</b>		
Terra Firma (Solid Waste Management) Chennai Private Limited	0.59	0.39
Tanglin Property Developments (Mumbai) Private	34.23	937.97
Coffee Day Resorts (MSM) Private Limited	0.34	299.51
Mysore Amalgamated Coffee Estates Limited	15,473.78	2,919.57
Sivan Securities Private Limited	-	3,416.22
Coffee Day Barefoot Resorts Private Limited	0.41	20.35
<b>Loan received</b>		
Sivan Securities Private Limited	15.76	4,131.49
Mysore Amalgamated Coffee Estates Limited	2,861.59	689.56

**Coffee Day Enterprises Limited** (*erstwhile Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**34 Related parties disclosures (continued)**

**D. The following is a summary of related party transactions.**

Particulars	<i>Rs. in million</i>	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Repayment of loan / advances</b>		
Mysore Amalgamated Coffee Estates Limited	5,104.91	2,075.15
Coffee Day Resorts (MSM) Private Limited	75.47	-
Sivan Securities Private Limited	12.93	4,229.81
<b>Loans / advance recovered</b>		
Sivan Securities Private Limited	10.11	3,322.68
Mysore Amalgamated Coffee Estates Limited	12,784.80	-
Terra Firma (Solid Waste Management) Chennai Private Limited	0.59	15.43
Coffeeday Consolidations Private Limited	55.87	-
Coffee Day Resorts (MSM) Private Limited	68.02	299.50
Terra Firma Bio Technologies Private Limited	-	15.22
Liqwid Krystal Private Limited	93.56	3.00
Tanglin Property Developments (Mumbai) Private Limited	169.50	900.00
<b>Interest on advance received from</b>		
Mysore Amalgamated Coffee Estates Limited	-	28.40
Sivan Securities Private Limited	0.45	-
<b>Capital advances received back from</b>		
Sivan Securities Private Limited	349.63	-
<b>Interest received</b>		
Mysore Amalgamated Coffee Estates Limited	74.04	81.94
Sivan Securities Private Limited	-	0.75
<b>Reimbursement of expenses paid</b>		
Kesar Marbles and Granites Limited	1.20	1.80
Ennore Automotive Logistics Limited	-	0.08
<b>Purchase of fixed assets</b>		
Dark Forest Furniture Company Private Limited	163.70	144.30
<b>Sale of fixed assets</b>		
Dark Forest Furniture Company Private Limited	241.86	32.48
<b>Purchase of clean and raw coffee</b>		
Mysore Amalgamated Coffee Estates Limited	413.69	393.26
<b>Sale of coffee and service income</b>		
Mindtree limited	19.87	18.30
<b>Rent / electricity received</b>		
Global Edge Software Private Limited	42.93	2.55
Mindtree Limited	370.55	208.21
<b>Refundable deposit received</b>		
Mindtree Limited	6.02	217.26
Global Edge software Private Limited	2.62	19.20
<b>Deposits refunded</b>		
Mindtree Limited	219.70	112.04
<b>Investment (purchase of shares from)</b>		
Sivan Securities Private Limited	620.57	-
<b>Purchase of shares of Way2Wealth Securities Private Limited from</b>		
V.G Siddhartha	152.35	-
<b>Remuneration to key management personnel</b>	20.78	11.20
<b>Sale of Shares</b>		
Coffeeday Consolidations Private Limited	-	24.72
<b>Advances transferred</b>		
Coffeeday Consolidations Private Limited	-	31.15

**Coffee Day Enterprises Limited** (erstwhile Coffee Day Enterprises Private Limited)  
**Notes to the consolidated financial statements**

**34 Related parties disclosures (continued)**

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

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Short-term borrowings</b>		
Sivan Securities Private Limited	10.06	-
Mysore Amalgamated Coffee Estates Limited	-	15.66
<b>Other long-term liabilities</b>		
Coffee Day Resorts (MSM) Private Limited	-	75.47
Global Edge Software Private Limited	21.82	19.20
Mindtree Limited	717.44	931.11
<b>Other current liabilities</b>		
Sivan Securities Private Limited	0.45	7.23
Mindtree Limited	110.00	284.00
<b>Trade payables</b>		
Sical Sattva Logistics Private Limited	21.89	-
Mysore Amalgamated Coffee Estates Limited	0.18	0.60
Chetan Wood Processing Private Limited	0.38	-
<b>Short-term loans and advances</b>		
Liqwid Krystal Private Limited	-	93.56
Tanglin Property Development (Mumbai) Private Limited	-	135.27
Coffee Day Resorts (MSM) Private Limited	-	68.02
Sivan Securities Private Limited	-	10.11
Coffeeday Consolidations Private Limited	-	55.87
AlphaGrep HK Limited	0.54	-
<b>Advance for purchase of property (long term loans and advances)</b>		
Sivan Securities Private Limited	1,400.00	1,749.63
<b>Advance for purchase of shares (Long term loans and advances)</b>		
Sivan Securities Private Limited	-	620.57
<b>Long-term loans and advances</b>		
Coffee Day Barefoot Resorts Private Limited	148.32	147.90
Coffee Day Resorts (MSM) Private Limited	63.36	63.02
Mysore Amalgamated Coffee Estates Limited	-	21.11
Alphagrep Technologies Limited	32.36	-
<b>Trade receivables</b>		
Mysore Amalgamated Coffee Estates Limited	0.66	0.02
Mindtree Limited	22.04	2.70
PSA SICAL Logistics Limited	3.17	8.08

**35 Segment reporting**

The Group has disclosed business segment as primary segment. Segments have been identified and reported taking into account, the different risks and returns, the organization structure and the internal reporting systems.

Segment	Principal Activities
Coffee and related business	Engaged in the retailing of coffee and other related products through its chain of outlets under the Café and Xpress kiosks formats, under the brand name 'Café Coffee Day'. The CDGL Group also derives its revenue from retail operations from the sale of coffee beans and other related products and services in respect of coffee vending machines. It is also engaged in the business of selling clean coffee to domestic and overseas customers.
Leasing of commercial office space	Development and lease of office space, construction of office buildings, primarily, in a Technology Park in Bangalore and Mangalore.
Hospitality services	Rendering the hospitality services by managing and operating resorts and allied activities.
Financial services	Providing a wide range of products and services to its customers such as trade execution facilities, structured products and wealth management services in respect of equity, derivatives, currency futures, commodities trading, IPO's, Insurance (Life/Non-Life), mutual funds, portfolio management services, fund based activities (Margin Trade Finance - MTF, Loan Against Shares - LAS, IPO financing and mutual funds financing), trading, fixed deposits and bonds, retailing of gold / silver coins and bars, realty advisory and broking and depository services.
Integrated multimodal logistics	Rendering integrated multimodal logistics services such as port operations, container terminals, container trains, trucking and warehousing, Inland Container Depot /Container Freight Stations, integrated logistics and mining operations.
Others	Promote start-ups in IT/ITeS space, rendering of information technology consulting, implementation, software development and related activities.

**35 Segment reporting (continued)**

The Company considers the business segment as the primary segment and geographical segment based on the location of customers as the Accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in

Assets, liabilities, revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while other items, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.

Unallocable expenses comprises of finance cost and certain other corporate costs. Unallocable income comprises of interest income and other income.

**Primary segment information:**

<b>Particulars</b>	<i>Rs. in million</i>	
	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
<b>Segment revenues</b>		
Coffee and related business	12,803.92	11,435.02
Integrated multimodal logistics	8,190.76	8,419.65
Financial services	2,224.67	1,717.60
Leasing of commercial office space	1,007.95	803.25
Hospitality services	257.27	230.24
Others	308.99	264.32
	<b>24,793.56</b>	<b>22,870.08</b>
<b>Segment results</b>		
Coffee and related business	382.64	356.39
Integrated multimodal logistics	393.70	457.53
Financial services	139.42	(7.03)
Leasing of commercial office space	289.44	173.85
Hospitality services	(23.31)	(270.42)
Others	49.05	18.48
	<b>1,230.94</b>	<b>728.80</b>
Less: Unallocated expenses, net	(2,638.05)	(2,078.71)
<b>Operating profit before taxes</b>	<b>(1,407.11)</b>	<b>(1,349.91)</b>
Less: Income taxes (net)	(150.24)	(9.13)
<b>Profit after tax</b>	<b>(1,557.35)</b>	<b>(1,359.04)</b>
<b>Capital expenditure</b>		
Coffee and related business	1,513.97	2,026.71
Integrated multimodal logistics	1,565.95	980.16
Financial services	32.16	13.15
Leasing of commercial office space	787.52	1,612.75
Hospitality services	3.20	(13.72)
Others	57.15	19.35
	<b>3,959.95</b>	<b>4,638.40</b>
<b>Depreciation</b>		
Coffee and related business	1,498.72	1,439.60
Integrated multimodal logistics	456.87	404.26
Financial services	50.05	24.39
Leasing of commercial office space	509.70	444.73
Hospitality services	31.92	47.29
Others	26.90	24.77
	<b>2,574.16</b>	<b>2,385.04</b>



35 Segment reporting (continued)

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Segment assets</b>		
Coffee and related business	13,777.71	13,949.53
Integrated multimodal logistics	15,677.53	14,213.18
Financial services	1,504.50	1,632.19
Leasing of commercial office space	9,962.64	11,078.78
Hospitality services	5,729.82	5,771.94
Others	355.57	343.58
Unallocated	13,127.92	9,886.56
	<b>60,135.69</b>	<b>56,875.76</b>
<b>Segment liabilities</b>		
Coffee and related business	1,971.53	1,586.39
Integrated multimodal logistics	1,373.65	1,452.74
Financial services	844.77	727.46
Leasing of commercial office space	1,713.48	13,633.98
Hospitality services	831.16	294.09
Others	53.37	52.40
Unallocated	42,770.75	28,490.15
	<b>49,558.71</b>	<b>46,237.21</b>

Secondary segment information

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Segment revenues</b>		
India	21,829.66	20,416.22
Outside India	2,963.90	2,453.86
	<b>24,793.56</b>	<b>22,870.08</b>
<b>Capital expenditure</b>		
India	3,939.58	4,628.61
Outside India	20.37	9.79
	<b>3,959.95</b>	<b>4,638.40</b>
<b>Segment assets</b>		
India	59,189.62	56,136.05
Outside India	946.07	739.71
	<b>60,135.69</b>	<b>56,875.76</b>

36 Gratuity Plan

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

Reconciliation of the projected benefit obligations

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Change in projected benefit obligation</b>		
Obligations at the beginning of the year	139.74	123.29
Obligation acquired on acquisition during the year	-	-
Service cost	26.16	21.01
Interest cost	11.28	11.04
Benefits settled	(20.90)	(9.64)
Actuarial (gain)/loss	9.63	(5.96)
<b>Obligations at year end</b>	<b>165.91</b>	<b>139.74</b>

36 **Gratuity Plan (continued)**

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

**Reconciliation of the projected benefit obligations**

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Change in plan assets</b>		
Plans assets at the beginning of the year, at fair value	90.75	60.57
Expected return on plan assets	8.17	6.45
Actuarial (loss)/gain	1.18	(2.43)
Contributions	22.74	32.36
Benefits settled	(16.83)	(6.20)
<b>Plans assets at year end, at fair value</b>	<b>106.01</b>	<b>90.75</b>

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

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Fair value of plan assets at the end of the year	106.01	90.75
Present value of defined benefit obligation at the end of the year	165.91	139.74
<b>Liability recognised in the balance sheet</b>	<b>59.90</b>	<b>48.99</b>

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Gratuity cost for the year</b>		
Service cost	26.16	21.01
Interest cost	11.28	11.04
Expected return on plan assets	(8.17)	(6.45)
Actuarial loss/(gain)	8.45	(3.53)
<b>Net gratuity cost</b>	<b>37.72</b>	<b>22.07</b>
<b>Assumptions</b>		
Interest rate	7.80% - 8.05%	8.05% - 9.35%
Expected rate of return on plan assets	9% - 9.25%	9% - 9.25%
Salary increase	3% - 8%	4% - 8%
Attrition rate	2% - 25%	2% - 30%
Mortality table	Indian Assured lives (2006-08)	Indian Assured lives (2006-08)

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

37 **Particulars of un-hedged foreign currency exposure as at the balance sheet date**

Particulars	Rs. in million				
	Currency	As at 31 March 2015		As at 31 March 2014	
		currency	Amount	Foreign currency	Amount
Secured loans	USD	153.90	9,699.01	167.85	10,193.07
Trade receivables	USD	11.72	731.17	7.42	443.93
	EURO	0.27	18.50	0.18	14.62
	AUD	0.04	2.13	0.02	1.05
	CAD	0.09	4.35	0.02	1.33
	GBP	0.09	8.33	0.04	4.15
	BRL	0.20	3.92	-	-
	ZAR	0.43	2.21	-	-
	SGD	0.06	2.80	-	-
	CHF	-	-	0.00	0.03
Advances refundable	USD	(0.24)	(14.93)	(0.49)	(29.20)
Advances recoverable in cash or in kind	USD	1.28	79.86	1.76	105.36
	GBP	0.05	4.76	-	-
Cash in bank	USD	0.04	2.69	0.06	3.46
	EURO	-	-	0.01	0.82
	CZK	-	-	1.00	3.01

**Coffee Day Enterprises Limited** (erstwhile *Coffee Day Enterprises Private Limited*)  
**Notes to the consolidated financial statements**

**38 Open interest position in equity index/ stock futures/ commodity futures and currency futures**

Name of the future	As at 31 March 2015		As at 31 March 2014	
	No. of	No. of Units	No. of Contracts	No. of Units
a) Open interest in equity index / stock futures:				
Long position	606	828,272	149	206,375
Short position	573	816,572	570	191,250
b) Open interest in commodity futures:				
Long position	232,477	295,095	28,127	37,550
Short position	95,621	118,315	129,875	162,920
c) Open interest in currency futures:				
Long position	389	389,000	50	50,000
Short position	443	443,000	350	350,000

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

for and on behalf of the Board of Directors of  
**Coffee Day Enterprises Limited**  
*(formerly Coffee Day Enterprises Private Limited)*

**Supreet Sachdev**  
*Partner*  
 Membership No.: 205385  
 Bangalore  
 Date: 14 July 2015

**V. G. Siddhartha**  
*Managing Director*  
 DIN: 00063987

**Malavika Hegde**  
*Director*  
 DIN: 00136524

**Sadananda Poojary**  
*Company Secretary*  
 Bangalore  
 Date: 14 July 2015

**R Ram Mohan**  
*Chief Financial Officer*

## **Independent Auditor's Report**

**To the Members of Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*) ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its loss and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

- (f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company does not have any pending litigations which would impact its financial position;
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**Supreet Sachdev**  
*Partner*  
Membership No.: 205385

Bangalore  
14 July 2015

## Annexure to the Independent Auditors' Report

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were observed on such verification.
- (ii) (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of such verification is reasonable. However, there is no physical inventory as at the year end.
- (b) The procedures for the physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) The Company has granted unsecured loans to the following two wholly owned subsidiary companies covered in the register maintained under Section 189 of the Act;

<i>(Rs. In millions)</i>	
<b>Name of the Company</b>	<b>Balance as at 31 March 2015</b>
Tanglin Developments Limited	2,990.01
Coffee Day Hotels and Resorts Private Limited	1,474.18

- (a) In the case of the loans granted to the subsidiaries listed in the register maintained under Section 189 of the Act, the loans are repayable by the borrowers on demand.
- (b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to its subsidiaries listed in the register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to the sale of services. The Company does not have any purchase of inventories or sale of goods since it is a service Company. We have not observed any major weakness in the internal control system during the course of the audit.

- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Sales-tax, Value added tax, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities *except for undisputed Income tax and Service tax dues which have not been regularly deposited by the Company with the appropriate authorities*. As explained to us, the Company did not have any dues on account of Wealth tax, Employees' State Insurance, Customs duty and Excise duty.

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

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



- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purposes for which they were raised.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

*for B S R & Co. LLP*  
*Chartered Accountants*  
Firm registration No. 101248W / W-100022

**Supreet Sachdev**  
*Partner*  
Membership No.: 205385

Bangalore  
14 July 2015

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Balance sheet**

	Note	As at 31 March 2015	Rs. in million As at 31 March 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	162.31	158.86
Reserves and surplus	4	3,745.05	4,291.20
		<u>3,907.36</u>	<u>4,450.06</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	12,115.82	13,665.82
Other long-term liabilities	6	210.72	124.72
Long-term provisions	7	279.93	206.16
		<u>12,606.47</u>	<u>13,996.70</u>
<b>Current liabilities</b>			
Short-term borrowings	8	300.00	15.66
Trade payables	9	7.33	18.74
Other current liabilities	10	3,902.13	2,248.80
Short-term provisions	11	212.61	0.19
		<u>4,422.07</u>	<u>2,283.39</u>
		<u><b>20,935.90</b></u>	<u><b>20,730.15</b></u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
- Tangible assets	12	91.04	95.99
- Intangible assets	12	-	0.07
		<u>91.04</u>	<u>96.06</u>
Non-current investments	13	15,865.32	15,865.32
Long-term loans and advances	14	4,524.36	4,082.75
Other non-current assets	15	186.02	199.30
		<u>20,575.70</u>	<u>20,147.37</u>
<b>Current assets</b>			
Trade receivables	16	2.94	167.76
Cash and cash equivalents	17	6.60	5.36
Short-term loans and advances	18	259.14	311.98
Other current assets	19	0.48	1.62
		<u>269.16</u>	<u>486.72</u>
		<u><b>20,935.90</b></u>	<u><b>20,730.15</b></u>

**Significant accounting policies**

2

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

As per our report of even date attached

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

Chartered Accountants

Firm registration number : 101248W/W-100022

for and on behalf of the Board of Directors of

**Coffee Day Enterprises Limited**

(erstwhile Coffee Day Enterprises Private Limited)

**Supreet Sachdev**

Partner

Membership No. 205385

Bangalore

Date: 14 July 2015

**V. G. Siddhartha**

Managing Director

DIN: 00063987

**Malavika Hegde**

Director

DIN: 00136524

**Sadananda Poojary**

Company Secretary

Bangalore

Date: 14 July 2015

**R Ram Mohan**

Chief Financial Officer

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Statement of profit and loss**

	Note	For the year ended 31 March 2015	<i>Rs. in million</i> For the year ended 31 March 2014
<b>Income</b>			
Revenue from operations	20	286.88	324.90
Other income	21	20.37	143.32
		<b>307.25</b>	<b>468.22</b>
<b>Expenses</b>			
Purchase of stock in trade		66.19	-
Employee benefits expense	22	48.34	42.52
Finance costs	23	1,322.94	1,009.43
Depreciation and amortisation expense	12	6.29	6.84
Other expenses	24	121.43	273.48
		<b>1,565.19</b>	<b>1,332.27</b>
<b>Loss before tax</b>		<b>(1,257.94)</b>	<b>(864.05)</b>
Tax expense:			
Reversal of Minimum alternate tax credit entitlement		-	9.62
<b>Loss for the year</b>		<b>(1,257.94)</b>	<b>(873.67)</b>
<b>Loss per share (equity shares of par value of Rs 10 each)</b>	27		
- Basic and Diluted		(10.80)	(7.51)
Number of shares used in computing basic and diluted loss per share		116,441,433	116,387,584

**Significant accounting policies**

2

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

As per our report of even date attached

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

*Chartered Accountants*

Firm registration number : 101248W/W-100022

for and on behalf of the Board of Directors of

**Coffee Day Enterprises Limited**

*(erstwhile Coffee Day Enterprises Private Limited)*

**Supreet Sachdev**

*Partner*

Membership No. 205385

Bangalore

Date: 14 July 2015

**V. G. Siddhartha**

*Managing Director*

DIN: 00063987

**Sadananda Poojary**

*Company Secretary*

Bangalore

Date: 14 July 2015

**Malavika Hegde**

*Director*

DIN: 00136524

**R Ram Mohan**

*Chief Financial Officer*

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Cash flow statement**

	<b>For the year ended 31 March 2015</b>	<i>Rs. in million</i> <b>For the year ended 31 March 2014</b>
<b>Cash flows from operating activities:</b>		
Loss before tax	(1,257.94)	(864.07)
Adjustments:		
- Interest income	(20.37)	0.00
- Profit on sale of shares	0.00	(130.04)
- Interest expense	1,242.00	919.85
- Other borrowing costs	80.94	89.58
- Depreciation and amortization	6.29	6.84
Operating cash flow before working capital changes	<u>50.93</u>	<u>22.16</u>
Changes in		
- Trade receivables	164.82	(159.93)
- Loans and advances and other current and non-current assets	(387.09)	(2,049.04)
- Liabilities and provisions (current and non-current)	(7.63)	(63.28)
- Investment in fixed deposits	13.27	(75.30)
- Proceeds from sale of shares	0.00	213.79
Cash generated from operations	<u>(165.69)</u>	<u>(2,111.59)</u>
Income taxes paid	<u>(1.68)</u>	<u>(13.09)</u>
<b>Net cash (used in)/provided by operating activities</b>	<b><u>(167.36)</u></b>	<b><u>(2,124.68)</u></b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets	<u>(3.42)</u>	<u>(0.74)</u>
<b>Net cash provided by/(used in) investing activities</b>	<b><u>(3.42)</u></b>	<b><u>(0.74)</u></b>
<b>Cash flows from financing activities:</b>		
Interest paid on loans	(1,062.87)	(862.24)
Other borrowing costs	(80.94)	(161.28)
Proceeds from issue of equity shares	999.99	0.00
Interest received	21.50	0.00
Proceeds from short-term borrowings	300.00	211.31
Repayment of short-term borrowings	(15.66)	(209.65)
Proceeds from long-term borrowings	1,270.00	8,530.00
Repayment of long-term borrowings	<u>(1,260.00)</u>	<u>(5,380.00)</u>
<b>Net cash provided by financing activities</b>	<b><u>172.02</u></b>	<b><u>2,128.13</u></b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>1.24</b>	<b>2.71</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>5.36</b>	<b>2.66</b>
<b>Cash and cash equivalents at the end of the year [Refer note 16]</b>	<b><u>6.60</u></b>	<b><u>5.36</u></b>

As per our report of even date attached

for **BSR & Co. LLP**

Chartered Accountants

Firm registration number : 101248W/W-100022

for and on behalf of the Board of Directors of

**Coffee Day Enterprises Limited**

(erstwhile Coffee Day Enterprises Private Limited)

**Supreet Sachdev**

Partner

Bangalore

Date: 14 July 2015

**V. G. Siddhartha**

Managing Director

DIN: 00063987

**Malavika Hegde**

Director

DIN: 00136524

**Sadananda Poojary**

Company Secretary

Bangalore

Date: 14 July 2015

**R Ram Mohan**

Chief Financial Officer

**Coffee Day Enterprises Limited**  
*(erstwhile Coffee Day Enterprises Private Limited)*

**Notes to the financial statements**

**1 Background**

Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*) ('CDEL' or 'the Company') was incorporated as a private limited company under the Companies Act, 1956 on 20 June 2008 by conversion of erstwhile partnership firm M/s Coffee Day Holding Co. The registered office of the Company is located in Bangalore, India.

CDEL is the holding company of the Coffee Day Group. The Company owns and operates a resort and also renders consultancy services. The Company is also engaged in the trading of coffee beans.

**2 Significant accounting policies**

**2.1 Basis of preparation of financial statements**

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

**2.2 Use of estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles in India ('Indian GAAP') requires the Management to make estimates and assumptions that effect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future years.

**2.3 Fixed assets and depreciation**

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

<b>Asset category</b>	<b>New useful life (in years)</b>
Office equipment <sup>(1)</sup>	8
Computers and accessories <sup>(1)</sup>	3
Furniture and fixtures <sup>(1)</sup>	10
Vehicles <sup>(1)</sup>	5
Electrical installations <sup>(1)</sup>	10
Contents and Curriculum <sup>(1)</sup>	10

**Coffee Day Enterprises Limited**  
*(erstwhile Coffee Day Enterprises Private Limited)*

**Notes to the financial statements**

The building built on leasehold land is classified as building and is amortised over the lease term (i.e. 22 years) or the useful life of the building (i.e. 20 years), whichever is lower.

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

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

**2.4 Revenue recognition**

The Company derives its revenue primarily from running and/or managing hotels and resorts and providing consultancy services. Such services income is recognized when the related services are rendered unless significant future contingencies exist.

Revenue from sale of coffee beans is recognised on transfer of all significant risk and rewards of ownership to the buyer.

Sales are disclosed both gross and net of sales tax, services tax, trade discount and quality claims.

Interest on the deployment of funds is recognised using the time-proportion method, based on underlying interest rates.

Advances received from the customers are reported as liabilities until all conditions for revenue recognition are met and is recognized as revenue once the related services are rendered.

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

**2.5 Investments**

Long-term investments are valued at cost less provision for diminution, other than temporary, to recognise any decline in the value of such investments. Such an assessment is carried out individually for each investment.

Profit or loss on sale of investments is determined as the difference between the sale price and carrying value of investment, determined individually for each investment.

**2.6 Employee benefits**

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

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

**Coffee Day Enterprises Limited**  
*(erstwhile Coffee Day Enterprises Private Limited)*

**Notes to the financial statements**

**2.7 Foreign currency transactions**

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

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

**2.8 Taxation**

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

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

**2.9 Provisions and contingent liabilities**

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

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

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

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

**Coffee Day Enterprises Limited**  
*(erstwhile Coffee Day Enterprises Private Limited)*

**Notes to the financial statements**

**2.10 Impairment of assets**

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

**2.11 Earnings/ (loss) per share**

The basic earnings/ (loss) per share is computed by dividing the net profit/ (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

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 year, 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.

**2.12 Cash and cash equivalents**

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

**2.13 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.

**2.14 Borrowing cost**

Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are accounted as an expense in the period in which they are incurred. Ancillary costs incurred in connection with the arrangement of borrowings are amortised over the tenure of borrowing.



**Coffee Day Enterprises Limited**  
*(erstwhile Coffee Day Enterprises Private Limited)*

**Notes to the financial statements**

**2.15 Leases**

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

Lease payments under operating lease are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term. Lease term is the non-cancellable period for which the Company has agreed to lease the asset together with any further periods for which the Company has the option to continue the lease and at the inception of the lease it is reasonably certain that the Company will exercise such an option.

## 3 Share capital

(a) Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Authorised</b>		
270,000,000 (Previous year: 20,000,000) equity shares of Rs.10 each	2,700.00	200.00
3,500,000 (Previous year: 3,500,000) compulsorily convertible preference shares of Rs.10 each	35.00	35.00
238,000 (Previous year: 238,000) series A non-convertible redeemable preference shares of Rs. 10	2.38	2.38
346,000 (Previous year: 346,000) series B non-convertible redeemable preference shares of Rs. 10	3.46	3.46
	<b>2,740.84</b>	<b>240.84</b>
<b>Issued, subscribed and fully paid up</b>		
14,591,551 (Previous year: 14,246,727) equity shares of Rs.10 each	145.92	142.47
1,357,410 (Previous year: 1,357,410) Compulsorily convertible preference shares of Rs.10 each	13.57	13.57
115,402 (Previous year: 115,402) Series A non-convertible redeemable preference shares of Rs. 10 each	1.15	1.15
167,404 (Previous year: 167,404) Series B non-convertible redeemable preference shares of Rs. 10 each	1.67	1.67
	<b>162.31</b>	<b>158.86</b>

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

## Equity shares:

	As at March 2015		As at March 2014	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning of the year	14,246,727	142,467,270	14,246,727	142,467,270
Add: Equity shares issued during the year	344,824	3,448,240	-	-
Number of shares outstanding at the end of the year	14,591,551	145,915,510	14,246,727	142,467,270

## Preference shares:

## (i) Compulsorily convertible preference shares

	As at March 2015		As at March 2014	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning of the year	1,357,410	13,574,100	1,357,410	13,574,100
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	1,357,410	13,574,100	1,357,410	13,574,100

## (ii) Series A non-convertible redeemable preference

	As at March 2015		As at March 2014	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning of the year	115,402	1,154,020	115,402	1,154,020
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	115,402	1,154,020	115,402	1,154,020

## (iii) Series B non-convertible redeemable preference shares

	As at March 2015		As at March 2014	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Number of shares at the beginning of the year	167,404	1,674,040	167,404	1,674,040
Add: Shares issued during the year	-	-	-	-
Number of shares outstanding at the end of the year	167,404	1,674,040	167,404	1,674,040

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

**(i) Equity shares**

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

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

(b) The Company has issued 171,038 equity shares to Bennett Coleman & Co Limited ('BCCL'). The Share Subscription Agreement ('SSA') carries a put option on the investor that in the event that the Initial Public Offer ('IPO') of the Company and listing of the subscription shares on a recognized stock exchange is not completed for any reason whatsoever by 31 December 2016 within a period of 365 days thereafter, BCCL shall have the right, by written notice signed by BCCL to require the promoters jointly and severally purchase all or some of the shares held by BCCL as indicated by BCCL in the put option notice, at a price per share not less than the sale price. Sale price shall mean an amount equal to the Subscription price and a return of 10% per annum on the subscription price compounded annually on the basis of a 365 days per year, net of dividends per share by the Company from the closing date till IPO deadline. The Promoter's shall complete the purchase of shares held by BCCL within 90 days from the date of the put option notice. Further, equity shares of 171,038 are subject to a lock-in of 2 years from 11 October 2012 or in the event of an IPO for such period as may be determined under applicable law at the time of the IPO, which ever occurs earlier, subject to the Issue of Capital and Disclosure Requirement ('ICDR') regulations.

**(ii) Compulsorily convertible preference shares**

The Company has issued 1,357,410 (Previous year: 1,357,410) non-cumulative compulsorily convertible preference shares ('CCPS') of Rs.10 each at a premium of Rs. 1,758.07 per share to Standard Chartered Private Equity (Mauritius) II Limited. These CCPS carry a dividend rate of 0.001% p.a. In case of Company declaring any dividend on its equity shares, shareholder of CCPS will also be eligible for economic equivalent of preference dividend on a fully dilutive basis.

Conversion – The investor can at any time post seventh anniversary (extendable up to ten years) of the issue of the CCPS convert the same into equity shares such that post conversion the total number of equity shares at the minimum is determined to result in 7.08% of the equity capital of the Company on a fully diluted basis. The equity shares allotted on conversion of the CCPS rank pari passu in all respect with the equity shares of the Company.

The CCPS shall be convertible into such number of equity shares such that, the CCPS would comprise on a fully diluted basis on conversion, the higher of the Floor Stake and the Resulting Investor Stake where Resulting Investor Stake will be computed as follows - Security Value at IPO / Company FMV Valuation. Floor Stake, Security Value at IPO and Company FMV Valuation shall be computed as specified in the Shareholders' Agreement.

Notes to the financial statements

(iii) **Non-convertible redeemable preference shares**

The Company had issued 115,402 (Previous year: 115,402) Series A non-cumulative redeemable preference shares ('NCRPS') of Rs. 10 each and 167,404 (Previous year: 167,404) Series B NCRPS of Rs.10 each, at a premium of Rs.1,758 per share to Aten Portfolio Managers Private Limited. The holders of Series A and Series B NCRPS shall be entitled to a non-cumulative preferred dividend calculated at the rate of 0.001% on the NCRPS amounts on a quarterly basis, which shall be payable, if declared by the Company.

Redemption - All NCRPS shall be redeemed on the redemption date, being 36 months from first closing date i.e. 27 April 2012 or the trigger date whichever is earlier. Series A NCRPS shall be redeemed on the redemption date at an amount calculated by multiplying the Series A investment amount with the amounts provided in Part A of Schedule II of shareholders agreement resulting in a redemption premium of Rs 13,469,037. Series B NCRPS shall be redeemed on the redemption date at an amount equivalent to Rs. 50 crores resulting in a redemption premium of Rs 204,030,736. In the event redemption of the Series A NCRPS occurs at anytime prior to the redemption date, then the aggregate redemption amount for the Series A NCRPS and Series B NCRPS shall be equivalent to sum of the investment amount and the charges calculated at the rate of 14.5% per annum on the investment amount from the previous Series A put option date on which the put option has been exercised by the investor till the date of redemption.

NCRPS carry a call option on the earlier of the date of expiry of 18 months from the first closing date and thereafter on the date falling on expiry of every six months from the call option trigger date or the date on which the investors issues the notice for indemnification. The Promoter shall have the right but not an obligation to call upon the investor to transfer the investor securities to the Promoter, subject to the conditions as defined in the SSSA. The investor at any time after expiry of period of 24 months from the investment date or the occurrence of the trigger event as defined in the put option agreement whichever is earlier, at its sole option shall have the right but not the obligation to issue a notice to the purchaser pursuant to which the investor shall require the purchaser to purchase, at the investor's put option price, all of the investor securities held by the investor in the Company on such date and as indicated in the investor put option notice on the put option settlement date.

Liquidation preference - The investor shall have a right to receive the entire Series A and Series B redemption amount and shall rank pari passu with the right of the other holders of securities in the Company upon the occurrence of a liquidation event.

(d) **Particulars of share holders holding more than 5% shares of a class of shares:**

Name of shareholder	As at 31 March 2015		As at 31 March 2014	
	% of holding	No. of shares	% of holding	No. of shares
<b>Equity shares</b>				
Mr. V G Siddhartha	54.78%	7,993,238	56.40%	8,035,415
Coffeeday Consolidations Private Limited	10.51%	1,533,552	10.76%	1,533,552
Devadarshini Info Technologies Private Limited	10.63%	1,551,055	10.89%	1,551,055
Gonibedu Coffee Estates Private Limited	9.48%	1,383,888	9.71%	1,383,888
<b>Compulsorily convertible preference shares</b>				
Standard Chartered Private Equity (Mauritius) II Limited	100%	1,357,410	100%	1,357,410
<b>Series A non-convertible redeemable preference</b>				
Aten Portfolio Managers Private Limited	100%	115,402	100%	115,402
<b>Series B non-convertible redeemable preference</b>				
Aten Portfolio Managers Private Limited	100%	167,404	100%	167,404

(e) **Securities convertible into equity in the descending order:**

Particulars	Manner of conversion/ redemption	Convertible into	Earliest date of conversion/redemption
Compulsorily convertible preference shares	Compulsory	Equity	12 March 2017*
Series A non-convertible redeemable preference shares	Redemption	None	27 September 2013**
Series B non-convertible redeemable preference shares	Redemption	None	27 September 2013**

\*Refer 2(c)(ii) above.

\*\*Refer 2(c)(iii) above for the terms of conversion. Neither the promoter nor the investor have exercised call/put option, respectively, as at the year ended 31 March 2015. The mandatory redemption date for these securities is 26 April 2015.

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

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**

**Notes to the financial statements**

**(g) Subsequent events**

- (i) Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on 8 May 2015, 102,140,857 equity shares were allotted as fully paid-up to the existing shareholders of the Company in the ratio of seven equity shares for every one equity share held on 7 May 2015. As on 7 May 2015, 14,591,551 equity shares were outstanding. The bonus equity shares were issued by capitalisation of the reserves lying to the credit of the securities premium account of the Company.
- (ii) Subsequent to the balance sheet date, on 8 May 2015, the promoter shareholder group of the Company has entered into an addendum agreement with Standard Chartered Private Equity (Mauritius) II Limited (the Investor) whereby the 1,357,410 compulsorily convertible preference shares ('CCPS') of Rs. 10 each held by the Investor shall be converted into 13,969,232 equity shares of Rs. 10 each, representing 8.17% of the total equity share capital of the Company on a fully diluted basis, prior to the filing of the Red Herring Prospectus with the Registrar of Companies.
- (iii) Subsequent to the balance sheet date, on 8 May 2015, the promoter shareholder group of the Company has entered into an addendum agreement with KKR Mauritius PE Investments II, Ltd (the Investor) whereby the 27,160,000 compulsory convertible debentures ('CCD') of Rs. 100 each held by the Investor shall mandatorily and automatically be converted into 17,826,912 equity shares of Rs. 10 each, representing 10.43% of the total equity share capital of the Company on a fully diluted basis, immediately prior to the filing of the Red Herring Prospectus with the Registrar of Companies.
- (iv) Subsequent to the balance sheet date, on 8 May 2015, the promoter shareholder group of the Company has entered into an addendum agreement with Arduino Holdings Limited and NLS Mauritius LLC (the Investor) whereby the 35,998,232 compulsory convertible debentures ('CCD') of Rs. 100 each held by the Investor shall mandatorily and automatically be converted into 22,412,192 equity shares of Rs. 10 each, representing 13.11% of the total equity share capital of the Company on a fully diluted basis, immediately prior to the filing of the Red Herring Prospectus with the Registrar of Companies.
- (v) Subsequent to the balance sheet date, the Company vide Board Resolution dated 12 May 2015 redeemed 115,402 Series A non-convertible redeemable preference shares of Rs. 10 each and 167,404 Series B non-convertible redeemable preference shares of Rs. 10 each at a premium of Rs. 716.46 million.

**4 Reserves and surplus**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Securities premium</b>		
At the commencement of the year	6,350.85	6,487.05
Add: premium received on issue of equity shares*	996.54	-
Less: Accrual of redemption premium on preference shares	72.50	72.50
Less: Accrual of redemption premium on debentures	212.25	63.70
At the close of the year	<b>7,062.64</b>	<b>6,350.85</b>
<b>(Deficit) in statement of profit and loss</b>		
Opening balance	(2,059.65)	(1,185.98)
Add: Loss for the year	(1,257.94)	(873.67)
<b>At the close of the year</b>	<b>(3,317.59)</b>	<b>(2,059.65)</b>
	<b>3,745.05</b>	<b>4,291.20</b>

\*During the year, the Company had issued 344,824 equity shares at a premium of 2,890 per share based on the price determined by an external Chartered Accountant.

## 5 Long-term borrowings

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Secured:</b>		
<b>Debentures</b>		
2,500 (Previous year: 2,500) 14.25% p.a. fully paid (Previous year : partly paid) secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to Reliance Mutual Fund	2,500.00	1,930.00
650 (Previous year: 650) zero coupon secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to DSP BlackRock Income Opportunities Fund	650.00	650.00
850 (Previous year: 850) zero coupon secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to Aditya Birla Private Equity - Fund I	850.00	850.00
1,000 (Previous year: 1000) 13.75% p.a. secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to ICICI Prudential Asset Management Company	1,000.00	1,000.00
<b>Term loans</b>		
- from other parties		
- L & T Finance Limited	-	1,000.00
- Nomura Capital India Private Limited	-	700.00
- Rabo India Finance Limited	800.00	800.00
- Tata Capital Limited	-	420.00
<b>Unsecured:</b>		
<b>Debentures</b>		
27,160,000 (Previous year: 27,160,000) zero coupon compulsorily convertible debentures of Rs.100 each issued to KKR Mauritius PE Investments II Limited [refer note 3(g)(iii)]	2,716.00	2,716.00
35,998,232 (Previous year: 35,998,232) compulsorily convertible debentures of Rs.100 each issued to Arduino Holdings Limited [refer note 3(g)(iv)]	3,599.82	3,599.82
	<b>12,115.82</b>	<b>13,665.82</b>

Notes to the financial statements

**(i) Fully paid secured rated redeemable non-convertible debentures issued to Reliance Mutual Fund -**

- As at the year end, the paid up value of these debentures is Rs. 2,500 million [i.e., 2,500 secured rated redeemable non convertible debentures of Rs.1 million each (previous year: 2,500)]
- Security
  - Pledge of a proportion of the shares of MindTree Limited and Tanglin Development Limited held by the Company;
  - Pledge of a proportion of the shares of the Company held by Mr. V.G. Siddhartha
- Personal guarantee of Mr. V. G. Siddhartha.
- These debentures carry fixed maturity interest rate of 14.25% p.a. including quarterly payable coupon interest rate of 6.5% p.a.
- Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.

**(ii) Zero coupon secured rated redeemable non-convertible debentures issued to DSP BlackRock Income Opportunities Fund**

- As at the year end, the paid up value of these debentures is Rs. 650 million [i.e., 650 secured rated redeemable non convertible debentures of Rs.1 million each (previous year: Rs. 650)]
- Security
  - Pledge of a proportion of the shares of MindTree Limited and Tanglin Development Limited held by the Company
  - Personal guarantee of Mr. V. G. Siddhartha.
- These debentures are redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 28 December 2016). At the time of redemption, the Company will be liable to pay redemption premium equal to 15% compounded interest (compounded annually) which aggregates to Rs. 530,250 per debenture. The Company has accounted for the compounded interest @ 15% through its debenture redemption reserve for the year.

**(iii) Zero coupon secured rated redeemable non-convertible debentures issued to Aditya Birla Private Equity - Fund I -**

- As at the year end, the paid up value of these debentures is Rs. 850 million [i.e., 850 secured rated redeemable non convertible debentures of Rs.1 million each (previous year: 850)]
- Security
  - Pledge of a proportion of the shares of MindTree Limited and Tanglin Development Limited held by the Company
  - Personal guarantee of Mr. V. G. Siddhartha.
- Any delay in repayment of dues under the agreement entails payment of penal interest @ 18.5% p.a. for the period of delay.
- These debentures are redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 27 December 2016). The Company shall make payment of a fixed redemption premium equal to 1.470290 times of the face value of the debentures subject to certain other terms of the agreement. Additionally, at the time of redemption, the Company is also liable to make payment of a floating redemption premium, which premium shall be, subject to the cap of - (i) 33.34% of stock return or (ii) 1.676450 times of the principal amount (inclusive of the fixed redemption premium payable and floating redemption premium payable). As at the year end, the Company has provided for fixed redemption premium equal to 1.470290 times of the face value of the debentures since floating redemption premium can be determined only at the time of redemption.

**(iv) Secured rated redeemable non-convertible debentures issued to ICICI Prudential Asset Management Company**

- As at the year end, the paid up value of these debentures is Rs. 1,000 million [i.e., 1,000 secured rated redeemable non convertible debentures of Rs.1 million each (previous year: 1,000)]
- Security
  - Pledge of a proportion of the shares of MindTree Limited and Coffee Day Global Limited held by the Company;
  - Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited
  - Personal guarantee of Mr. V. G. Siddhartha
- The loan carries an interest rate of 13.25% p.a.
- Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
- These debentures are redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 4 July 2016). The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.

**(v) From L & T Finance Limited [Principal amount of loan amounting to Rs. 1,000 million (Rs. 1,000 million classified under current maturities of long-term debt) (Previous year - Rs. 1,000 million) - Secured by**

- Security
  - Pledge of a proportion of the shares of MindTree Limited and Tanglin Development Limited held by the Company;
  - Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited;
  - Personal guarantee of Mr. V. G. Siddhartha
- The loan carries an interest rate of 14.5% p.a. internal rate of return.
- Any delay in repayment of interest entails payment of penal interest @ 3% p.a. for the period of delay.
- The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% either on the date falling on the expiry of 12 months from the availment date and every 3 months thereafter either in part or in full subject to a minimum prepayment of Rs. 200,000,000 per installment.
- The loan is repayable by way of bullet repayment at the end of 24 months and 26 months from the date of issue (i.e., 25 December 2015 and 26 February 2016 respectively).

**(vi) From Nomura Capital India Private Limited [Principal amount of loan amounting to Nil (Previous year -Rs. 700 million) - Secured by**

- Security
  - Pledge of a proportion of the shares of MindTree Limited and Tanglin Developments Limited held by the Company;
  - Personal guarantee of Mr. V. G. Siddhartha
- The loan carries an interest rate of 14% p.a. payable quarterly
- Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
- The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement.
- The loans of Rs. 500 million and Rs. 200 million are repayable by way of bullet repayment at the end of 24 months from the date of issue (i.e., 1 October 2015 and 18 December 2015 respectively).
  
- The loan of Rs. 700 million was pre-paid in two installments of Rs. 200 million and Rs. 500 million in December 2014 and February 2015 respectively.

**(vii) From Rabo India Finance Limited [Principal amount of loan amounting to Rs. 800 million (Previous year - Rs. 800 million) - Secured by**

- Security
    - Pledge of a proportion of the shares of MindTree Limited and Coffee Day Global Limited Tanglin Development Limited held by the Company;
    - Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited;
    - Exclusive charge over the charged assets of Tanglin Development Limited in favour of the lender;
    - Personal guarantee of Mr. V. G. Siddhartha
  - The loan carries an interest rate of 13.20% p.a. payable quarterly
  - Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
  - The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% either on the date falling on the expiry of 12 months from the availment date and every 3 months thereafter either in part or in full subject to a minimum prepayment of Rs. 200 million per installment or in multiples of 100 million.
- The loan is repayable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 11 July 2016).

**(viii) From Tata Capital Limited [Principal amount of loan outstanding amounting to Rs. 420 million (Rs. 420 million classified under current maturities of long-term debt) [Previous year - Rs. 980 million (Rs. 420 million classified under long-term borrowings and Rs. 560 million classified under current maturities of long-term debt) - Secured by**

- Security
    - Pledge of a proportion of the shares of the Company having value not less than 200% of facility amount i.e. Rs. 2,800 million held by promoters of the Company;
    - Equitable mortgage having value not less than Rs.350 million in the form of land and property (i.e., 25% of the loan facility) of its subsidiary Tanglin Development Limited;
    - unconditional and irrevocable personal guarantee of Mr. V. G. Siddhartha.
  - The loan carries an interest rate of 15% internal rate of return over the period of the loan.
  - Any delay in repayment of interest entails payment of penal interest @ 3% p.a. for the period of delay.
  - The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% payable on the outstanding principal amount.
- The loan is repayable in quarterly installments with first installment falling due on 15 October 2012 and last installment on 15 July 2015.

**(ix) Zero coupon compulsorily convertible debentures of Rs.100 each issued to KKR Mauritius PE Investments II Limited -**

The Company has issued 27,160,000 (Previous year: 27,160,000) zero coupon compulsorily convertible debentures ('CCDs') of Rs.100 each to KKR Mauritius PE Investments II Limited.

No interest shall be payable on the CCD's. However, in the event that the Company makes or declares any dividend to the shareholders, the investor shall be entitled to receive the economic equivalent of the amount of dividend that the CCD's would have been entitled to on a fully diluted basis by way of interest in the manner determined in the Agreement.

Conversion - The investor can at any time post seventh anniversary (extendable up to ten years) of the issue of the CCDs convert the same into equity shares such that post conversion, the total number of equity shares is determined to be at the minimum of 8.01% of the equity capital of the Company on a fully diluted basis.

The CCDs shall be convertible into such number of equity shares such that, the CCDs would comprise on a fully diluted basis at conversion, the higher of the Entry Stake (resulting in a spot diluted stake of 8.01% of equity) and the Resulting Investor Stake where Resulting Investor Stake will be computed as follows - Security Value at IPO / Company FMV Valuation. Entry Stake, Security Value at IPO and Company FMV Valuation shall be computed as defined in the Agreement.



**(x) Compulsorily convertible debentures of Rs.100 each issued to Arduino Holdings Limited -**

The Company has issued 35,998,232 (Previous year: 35,998,232) zero coupon compulsorily convertible debentures ('CCDs') of Rs.100 each to Arduino Holdings Limited ('Investor'). These CCDs upon issue had coupon rate of 7% for initial two years, and at 3 months LIBOR plus 600 basis points for next three years.

As per the agreement, if the Company is unable to pay the coupon for any year, the Company undertakes to make good the shortfall by suitably adjusting the conversion formula so that the investor is compensated for such shortfall. Accordingly, the Company based on discussion with the investor has not paid/ accrued for any interest upto 31 December 2014 and agreed to adjust the conversion formula to compensate for such waiver.

Conversion - The investor can at any time prior to seventh anniversary (extendable up to ten years) of the issue of the CCDs convert the same into equity shares such that post conversion, the total number of equity shares is determined to be at the minimum of 10.71% of the equity capital of the Company on a fully diluted basis. The equity shares allotted on conversion of the CCDs rank pari passu in all respect with the equity shares of the Company.

The CCDs shall be compulsorily converted into equity shares, at the earlier of the liquidity event or 31 December 2015 (unless mutually agreed to be extended beyond 31 December 2015 but not beyond any circumstances beyond the Term). The CCDs shall be converted to equity shares in accordance with the conversion ratio set out in Paragraph 4.2 and 4.3 except in the case of a default event, (as defined in the Shareholders' Agreement) in which case the CCDs shall be converted to default conversion stake (as defined in the Shareholders' Agreement).

Deemed Conversion:

If the Company does not have an IPO by 31 December 2015 (unless mutually agreed to be extended beyond 31 December 2015 but not beyond any circumstances beyond the Term), the promoters shall ensure that a fair market valuation of the Company is completed by an independent valuer appointed jointly by the promoters and the Investor, on or before 15 December 2015. The CCDs shall be deemed to have a conversion stake based on the equity valuation of the Company which is equivalent in equity value to the higher of – (a) 38% discount to the Investor 3 Exit FMV or (b) Investor 3 Floor Valuation. Investor 3 Floor Valuation and Investor 3 Exit FMV shall be computed as defined in

**(xi) Redeemable / Convertible debentures in descending order of conversion/redemption:**

Particulars	Manner of conversion/redemption	Convertible into	Earliest date of conversion / redemption
Fully paid secured rated redeemable non-convertible debentures issued to Reliance Mutual Fund	Redemption	None	15 March 2019*
Zero coupon compulsorily convertible debentures issued to KKR Mauritius PE Investments II Limited	Conversion	Equity	12 March 2017*
Zero coupon secured rated redeemable non-convertible debentures issued to DSP BlackRock Income Opportunities Fund	Redemption	None	28 December 2016*
Secured rated redeemable non-convertible debentures issued to Aditya Birla Finance Limited	Redemption	None	27 December 2016*
Secured rated redeemable non-convertible debentures issued to ICICI Prudential Asset Management Company	Redemption	None	4 July 2016*
Zero coupon compulsorily convertible debentures issued to Arduino Holdings Limited	Conversion	Equity	31 December 2015*
Secured rated redeemable non-convertible debentures issued to Aditya Birla Finance Limited	Redemption	None	31 May 2015*

\*Refer (i) to (iv), (ix), (x) and 9(i).

(xii) There are no continuing default in the repayment of the principal loan and interest amounts with respect to the above loans.

(xiii) The aggregate amount of borrowing secured by personal guarantee of Director amounts to Rs. 9,820 million (Previous year: Rs. 9,510 million)

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the financial statements**

**6 Other long-term liabilities**

<b>Particulars</b>	<i>Rs. in million</i>	
	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
Others -		
Interest accrued but not due on borrowings	199.03	115.02
Creditors for expenses	11.69	9.70
	<b>210.72</b>	<b>124.72</b>

**7 Long-term provisions**

<b>Particulars</b>	<i>Rs. in million</i>	
	<b>As at 31 March 2015</b>	<b>As at 31 March 2014</b>
Provision for employee benefit		
- Gratuity [Refer note 31]	3.98	2.62
Others		
- Accrual of redemption premium on preference shares*	-	139.84
- Accrual of redemption premium on debentures	275.95	63.70
	<b>279.93</b>	<b>206.16</b>

\* As the redemption of preference shares is due within a period of 12 months from the date of the balance sheet, the same has been classified under short term provisions.

The disclosure of provisions movement as required under the provisions of Accounting Standard – 29 'Provisions, Contingent Liabilities and Contingent Assets' is as follows:

<b>Particulars</b>	<i>Rs. in million</i>	
	<b>Accrual of redemption premium on preference shares</b>	<b>Accrual of redemption premium on debentures</b>
Balance as at beginning of the year	139.84	63.70
Add: Provisions made during the year	72.50	212.25
Provision as at the end of the year	212.34	275.95
- Non-current	-	275.95
- Current	212.34	-

**8 Short-term borrowings**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured:</i>		
From related parties [Refer note 29]	-	15.66
<i>Secured:</i>		
From other parties		
- Tata Capital Limited	300.00	-
	<b>300.00</b>	<b>15.66</b>

**Unsecured short-term borrowings from Mysore Amalgamated Coffee Estates Limited amounting to Rs Nil (previous year: 15.66 million) -**

As per the terms of arrangement between the Company and the lender, the above interest-free unsecured loan is repayable on demand. The loan is availed for general operational requirements of the Company and is repaid during the year.

There are no default in the repayment of the principal loan amount as on balance sheet date.

**Secured short-term borrowings from from Tata Capital Limited [Principal amount of loan outstanding amounting to Rs. 300 million [Previous year - Rs. Nil] - Secured by** Security

- Pledge of 1,583,711 equity shares of Coffee Day Enterprises Limited pledged by Mr. V.G. Siddhartha having value not less than 200% of the facility amount.

- Mortgage of 6 acres residential land owned by Tanglin Developments Limited located at Mangalore.

- Personal guarantee of Mr. V.G Siddhartha

Any delay in repayment of dues under the agreement entails payment of penal interest @ 2% p.a. for the period of delay.

The loan is repayable in 12 months from the date of sanction, i.e; 16 December 2015.

The loan carries an interest rate of 14% p.a.

**9 Trade payables**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
- Dues to micro and small enterprises (refer note below)	-	-
- Dues to other creditors*	7.33	18.74
	<b>7.33</b>	<b>18.74</b>

\* Refer note 29 for the amount payable to related parties.

Note: 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. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2015 has been made in the financial statements based on information received and available with the Company. Further in view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier in this regard.

**10 Other current liabilities**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Current maturities of long-term debentures		
600 (Previous year: 600) 14.75% p.a. secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to Aditya Birla Finance Limited	600.00	600.00
750 (Previous year: 750) 14.5% p.a. secured rated redeemable non-convertible debentures of Rs. 1,000,000 each issued to ICICI Prudential Asset Management Company	750.00	750.00
Current maturities of long-term debt		
- from other parties		
- L & T Finance Limited	1,250.00	250.00
- Tata Capital Limited	420.00	560.00
- Kotak Mahindra Prime Ltd	500.00	-
- Kotak Mahindra Investments Ltd	200.00	-
Interest accrued but not due on borrowings	159.08	63.95
Advances from customers	2.99	3.41
Other payables		
- Creditors for expenses	0.72	0.71
- Accrued salaries and benefits	3.13	2.48
- Statutory dues	15.51	15.40
- Creditors for capital goods	0.70	2.85
	<b>3,902.13</b>	<b>2,248.80</b>

**(i) Secured rated redeemable non-convertible debentures issued to Aditya Birla Finance Limited -**

- As at the year end, the paid up value of these debentures is Rs. 600 million [i.e., 600 secured rated redeemable non convertible debentures of Rs.1 million each (previous year: 600)]
- Security
  - Pledge of a proportion of the shares of MindTree Limited and Coffee Day Global Limited held by the Company;
  - Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited;
  - Personal guarantee of Mr. V. G. Siddhartha.
- Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
- These debentures carry fixed maturity interest rate of 14.75% p.a. payable quarterly.
- The Company has an option of voluntary prepayment in certain circumstances. Further, the Company shall be entitled to exercise the call option on either the date falling on the expiry of 15 months from the allotment date and every 3 months thereafter either in partly or in full. Each debenture holder shall be entitled to exercise the put option on date falling on the expiry of 15 months from the allotment date and every 3 months thereafter and require the Company to redeem the debenture held by the said debenture holder, either in part or full. These debentures are redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 31 May 2015).

**(ii) Secured rated redeemable non-convertible debentures issued to ICICI Prudential Asset Management Company -**

- As at the year end, the paid up value of these debentures is Rs. 750 million [i.e., 750 secured rated redeemable non convertible debentures of Rs.1 million each (previous year: 750)]
- Security
  - Pledge of a proportion of the shares of MindTree Limited and Coffee Day Global Limited held by the Company;
  - Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited
  - Personal guarantee of Mr. V. G. Siddhartha.
- The loan carries an interest rate of 14.5% p.a.
- Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
- These debentures are redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 4 July 2016). The Company has an option of voluntary prepayment in certain circumstances. Further, the Company shall be entitled to exercise the call option on the date falling on the expiry of 12 months from the allotment date. Each debenture holder shall be entitled to exercise the put option on the date falling on the expiry of 12 months from the allotment date and require the Company to redeem the debenture held by the said debenture holder in full.

(iii) **From L & T Finance Limited [Principal amount of loan amounting to Rs. 250 million (Previous year - Rs. 250 million)-** Secured by

- ☐ Security
    - Pledge of a proportion of the shares of MindTree Limited and Coffee Day Global Limited held by the Company;
    - Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited;
    - Personal guarantee of Mr. V. G. Siddhartha
  - ☐ The loan carries an interest rate of 13.75% p.a. Internal rate of return.
  - ☐ Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
  - ☐ The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% either on the date falling on the expiry of 12 months from the avilment date and every 3 months thereafter either in part or in full subject to a minimum prepayment of Rs. 500 million per installment.
  - ☐ The lender is entitled to exercise the put option on date falling on the expiry of 18 months from the allotment date and every 3 months thereafter and require the Company to prepay the loan either in part or in full subject to a minimum prepayment of Rs. 500 million per installment or multiples thereof.
- The loan is repayable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 1 May 2015).

(iv) **From Kotak Mahindra Prime Limited [Principal amount of loan amounting to Rs. 500 million (Previous year - Nil)-** Secured by

- ☐ Security
    - Pledge of shares of MindTree Limited as acceptable by Kotak Mahindra Prime Limited (drawing power capped at 25 crores)
    - Pledge of 159,804 shares of Coffee Day Enterprises Limited (drawing power capped at 25 crores)
    - Personal guarantee of Mr. V. G. Siddhartha
  - ☐ The loan carries an interest rate of 15% p.a. compounded monthly.
  - ☐ The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2%.
  - ☐ Amounts unpaid on due date will attract overdue interest at 24% p.a compounded monthly
  - ☐ The borrower/lender can exercise the call and put option respectively on the expiry of six months from the date of disbursement.
- The loan is repayable at the end of 60 months from the date of issue.

(v) **From Kotak Mahindra Investments Limited [Principal amount of loan amounting to Rs. 200 million (Previous year - Nil)-** Secured by

- ☐ Security
    - Pledge of shares of MindTree Limited as acceptable by KMPL (drawing power capped at 10 crores)
    - Pledge of 864,920 shares of Coffee Day Global Limited (drawing power capped at 10 crores)
    - Pledge of shares of Sical Logistics Ltd towards additional security for the limit of 10 crores (against Mindtree shares)
    - Personal guarantee of Mr. V. G. Siddhartha
  - ☐ The loan carries an interest rate of 15% p.a. which should be debited to the loan account of the borrower.
  - ☐ The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2%.
  - ☐ Amounts unpaid on due date will attract overdue interest at 24% p.a compounded monthly
  - ☐ The borrower/lender can exercise the call and put option respectively on the expiry of twelve months from the date of disbursement.
- The loan is repayable at the end of 60 months from the date of issue.

(vi) **From Tata Capital Limited** - The details of interest rate, repayment terms, nature and value of securities furnished and guarantees given are disclosed under note 4(viii).

(vii) There are no continuing default in the repayment of the principal loan and interest amounts with respect to the above loans.

(viii) Refer 4(xiii) for the aggregate amount of borrowing secured by personal guarantee of Director.

**11 Short-term provisions**

Particulars	<i>Rs. in million</i>	
	As at 31 March 2015	As at 31 March 2014
Provision for employee benefits:		
- Gratuity [Refer note 31]	0.27	0.19
- Accrual of redemption premium on preference shares	212.34	-
	<b>212.61</b>	<b>0.19</b>

Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)  
Notes to the financial statements

12 Fixed assets

*Rs. in million*

Description	Gross block			Accumulated depreciation			Net block	
	As at 1 April 2014	Additions during the year	As at 31 March 2015	As at 1 April 2014	Charge for the year	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
<b>Tangible fixed assets - Owned</b>								
Buildings	106.73	-	106.73	16.93	5.34	22.27	84.46	89.80
Plant and machinery	3.82	1.20	5.02	1.53	0.30	1.83	3.19	2.29
Furniture and fittings	4.79	0.07	4.86	1.70	0.51	2.21	2.65	3.09
Vehicles	0.19	-	0.19	0.08	0.02	0.10	0.09	0.11
Office equipment	1.50	-	1.50	0.80	0.05	0.85	0.65	0.70
Computers	1.15	-	1.15	1.15	-	1.15	-	-
	<b>118.18</b>	<b>1.27</b>	<b>119.45</b>	<b>22.19</b>	<b>6.22</b>	<b>28.41</b>	<b>91.04</b>	<b>95.99</b>
<b>Intangible fixed assets - Owned</b>								
Software	0.20	-	0.20	0.13	0.07	0.20	-	0.07
	<b>0.20</b>	<b>-</b>	<b>0.20</b>	<b>0.13</b>	<b>0.07</b>	<b>0.20</b>	<b>-</b>	<b>0.07</b>
<b>Total</b>	<b>118.38</b>	<b>1.27</b>	<b>119.65</b>	<b>22.32</b>	<b>6.29</b>	<b>28.61</b>	<b>91.04</b>	<b>96.06</b>
<i>Previous year</i>	<i>117.95</i>	<i>0.43</i>	<i>118.38</i>	<i>15.48</i>	<i>6.84</i>	<i>22.32</i>	<i>96.06</i>	

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the financial statements**

**13 Non-current investments**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Long term investments - at cost less permanent diminution		
Trade - unquoted		
(i) Investment in equity shares of subsidiary companies -		
- Coffee Day Hotels and Resorts Private Limited	701.50	701.50
11,223,980 (Previous year: 11,223,980 ) equity shares of Rs 10 each, fully paid up		
- Tanglin Developments Limited	773.60	773.60
5,131,651 (Previous year: 5,131,651 ) equity shares of Rs 10 each, fully paid up		
- Amalgamated Bean Coffee Trading Company Limited	10,370.25	10,370.25
147,192,442 (Previous year: 147,192,442) equity shares of Rs 1 each, fully paid up		
- Global Technology Ventures Limited	1,353.72	1,353.72
30,922,186 (Previous year: 30,922,186) equity shares of Rs 10 each, fully paid up		
(ii) Investment in equity shares of a step subsidiary company -		
- Way2Wealth Securities Private Limited	719.78	719.78
77,729,800 (Previous year: 77,729,800) equity shares of Rs 2 each, fully paid up		
Other investments - quoted		
(i) Investment in trade equity shares of an associate company -		
- MindTree Limited		
8,730,884 (Previous year: 4365,442) equity shares of Rs 10 each, fully paid up	1,946.47	1,946.47
	<b>15,865.32</b>	<b>15,865.32</b>
Aggregate amount of quoted investments	1,946	1,946
Aggregate market value of listed and quoted investments	11,388	5,156
Aggregate amount of unquoted investments	13,919	13,919

**14 Long-term loans and advances**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured, considered good</i>		
<b>Loans and advances to related parties</b>		
Loans and advances to wholly owned subsidiary companies [Refer note 29 and note 32]	4,455.99	3,985.09
<b>Others</b>		
Security deposits	2.81	2.81
Advance tax including tax deducted at source, net of provision for tax	32.97	31.29
Loans and advance to employees	3.00	3.00
Prepaid expenses	26.97	55.17
Balance with government authorities	2.62	5.39
	<b>4,524.36</b>	<b>4,082.75</b>

**15 Other non-current assets**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Fixed deposit accounts with banks*	186.02	199.30
	<b>186.02</b>	<b>199.30</b>

\*represents balances held as security for loan availed by the Company.

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the financial statements**

**16 Trade receivables**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured, considered good</i>		
Receivables outstanding for a period exceeding six months from the due date	-	-
Other debts*	2.94	167.76
	<b>2.94</b>	<b>167.76</b>

\*Refer note 29 for the amount receivable from related parties.

**17 Cash and cash equivalents**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Cash and cash equivalents</b>		
Cash on hand	0.44	0.30
Balances with banks		
- in current accounts (Refer note below)	6.16	5.06
	<b>6.60</b>	<b>5.36</b>

**Note:**

(a) Fixed deposits with a original maturity period of less than 3 months are classified as "Cash and cash equivalents" and fixed deposits with a original maturity period of greater than 3 months, but with a maturity date of less than 12 months from balance sheet date are classified as "Other bank balances."

(b) Details of bank deposits:

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
(i) Bank deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	-
(ii) Bank deposits due to mature within 12 months of the reporting date included under 'Other bank balances'	-	-
(iii) Bank deposits due to mature after 12 months of the reporting date included under 'Other non - current assets' [Refer note 15]	186.02	199.30
	<b>186.02</b>	<b>199.30</b>

**18 Short-term loans and advances**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<i>Unsecured, considered good</i>		
<b>Advances recoverable in cash or in kind</b>		
- Related parties [Refer note 29 and note 32]	8.20	11.52
- Others	0.12	0.46
Prepaid expenses	250.82	300.00
	<b>259.14</b>	<b>311.98</b>

**19 Other current assets**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
Interest accrued but not due	0.48	1.62
	<b>0.48</b>	<b>1.62</b>



Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)  
Notes to the financial statements

20 Revenue from operations

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Sale of products</b>		
- Sale of coffee beans	70.17	-
- Sale of food, beverages and other items	40.89	22.50
- Sale of merchandise items	0.24	0.26
<b>Sale of service</b>		
- Income from hospitality services	67.72	70.22
<b>Other operating revenue</b>		
- Dividend income	126.60	84.74
- Income from consultancy services	-	179.78
<b>Details of taxes</b>		
Less: Sales tax	8.92	2.70
Less: LT	5.17	4.43
Less: Service tax	4.65	25.48
	<b>286.88</b>	<b>324.90</b>

21 Other income

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Profit on sale of shares	-	130.04
Interest income		
- Bank deposits	20.37	12.84
- Income tax refund	-	0.44
	<b>20.37</b>	<b>143.32</b>

22 Employee benefits expense

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Salaries and wages	45.57	39.48
Contribution to provident and other funds	1.48	1.30
Staff welfare expenses	1.29	1.74
	<b>48.34</b>	<b>42.52</b>

23 Finance costs

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Interest expense	1,242.00	919.85
Other borrowing costs	80.94	89.58
	<b>1,322.94</b>	<b>1,009.43</b>

Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)  
Notes to the financial statements

24 Other expenses

Particulars	Rs. in million	
	For the year ended 31 March 2015	For the year ended 31 March 2014
Advertisement expenses^	42.49	231.83
Rates and taxes	29.75	7.21
Legal and professional fees	13.20	3.48
Food, beverages and other consumables	9.13	8.33
Power and fuel	8.20	7.09
Rent [Refer note 28]	6.47	6.47
Repairs and maintenance		
- Machinery	1.48	1.99
- Buildings	0.92	0.81
- Others	5.81	3.09
Insurance	1.15	1.12
Travelling and conveyance	1.20	0.91
Communication expenses	0.44	0.44
Printing and stationery	0.67	0.36
Freight and handling charges	0.21	0.15
Miscellaneous expenses	0.31	0.20
	<b>121.43</b>	<b>273.48</b>

^ In the current year, the Company has recorded advertisement expense amounting to Rs. 15.99 million (previous year: Rs. 51.12 million) pertaining to earlier years.

Coffee Day Enterprises Limited (*erstwhile Coffee Day Enterprises Private Limited*)  
Notes to the financial statements

25 Commitments and contingent liabilities

*Rs. in million*

Particulars	As at	As at
	31 March 2015	31 March 2014
Corporate guarantee given for loan taken by group companies	300.00	568.29
Shares pledged for loan taken by a subsidiary	1,126.45	12.05
Other commitments towards advertisement contract entered by the Company	50.00	50.00

Details of guarantee:

The Company has furnished the following guarantees:

Party Name	As at	As at
	31 March 2015	31 March 2014
Way2Wealth Securities Private Limited	30.00	30.00
Coffee Day Global Limited ( <i>erstwhile Amalgamated Bean Coffee Trading Company Limited</i> )	-	26.83

Reconciliation of guarantees given as at the beginning and as at the end of the year:

Particulars	As at	As at
	31 March 2015	31 March 2014
<b>Way2Wealth Securities Private Limited</b>		
At the commencement of the year	30.00	30.00
Given during the year	-	-
Reduced during the year	-	-
At the end of the year	<b>30.00</b>	<b>30.00</b>
<b>Coffee Day Global Limited (<i>erstwhile Amalgamated Bean Coffee Trading Company Limited</i>)</b>		
At the commencement of the year	26.83	46.55
Given during the year	-	-
Reduced during the year	(26.83)	(19.72)
At the end of the year	<b>-</b>	<b>26.83</b>

26 Payments to the auditor

*Rs. in million*

Particulars	For the year ended	For the year ended
	31 March 2015	31 March 2014
Audit fees*	0.70	0.70
Reimbursement of expenses	0.02	0.02
	<b>0.72</b>	<b>0.72</b>

\* Excluding service tax

27 Earnings per share

Computation of earnings per share is as follows –

*Rs. in million*

Particulars	For the year ended	For the year ended
	31 March 2015	31 March 2014
Loss after taxation as per statement of profit and loss	(1,257.94)	(873.67)
Less: Dividend on non-cumulative preference shares (including tax attributable thereto)	-	-
<b>Net loss for basic / diluted earnings per share</b>	<b>(1,257.94)</b>	<b>(873.67)</b>

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

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
Number of equity shares at the beginning of the year*	14,246,727	14,246,727
Add: Weighted average number of equity shares issued during the year	53,849	-
Number of weighted average equity shares considered for calculation of basic earnings per share	14,300,576	14,246,727
Add: Bonus shares issued after the balance sheet date	102,140,857	102,140,857
Add: Dilutive effect of compulsorily convertible preference shares and compulsorily convertible debentures**	-	-
Number of weighted average shares considered for calculation of diluted earnings per share	<b>116,441,433</b>	<b>116,387,584</b>

\* In accordance with Accounting Standard 20 on 'Earnings Per Share', basic and diluted earnings per share is adjusted for 1:1 bonus issue for previous period presented.

\*\* As the effect of conversion of compulsorily convertible preference shares and compulsorily convertible debentures are anti-dilutive, dilutive effect for the current year and the previous year have been considered as Nil.

**Loss per share:**

Basic	(10.80)	(7.51)
Diluted	(10.80)	(7.51)

**28 Leases**

The Company leases land for operating resort under non-cancellable operating lease agreement. The Company intends to renew such lease in the normal course of its business. Total rental expense under non-cancellable operating lease was Rs. 6.32 million (Previous year: Rs. 6.32 million).

Future minimum lease payments under non-cancellable operating lease as at 31 March 2015 are as follows:

Particulars	<i>Rs. in million</i>	
	As at 31 March 2015	As at 31 March 2014
Not later than 1 year	4.54	4.33
Later than 1 year and not later than 5 years	18.12	19.58
More than 5 years	99.82	102.90

The Company leases office premises and staff quarters under cancellable operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total rental expense under cancellable operating leases was Rs. 0.16 million (Previous year: Rs. 0.16 million).

**29 Related parties disclosures**

**A. Enterprises where control exists**

- The related parties where control exists also include subsidiaries as referred in Note 1.1

**B. Parties where significant influence exists and with whom transactions have taken place:**

- Sivan Securities Private Limited
- Mysore Amalgamated Coffee Estates Limited

**C. Key management personnel**

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

- Mr. V.G. Siddhartha
- Mrs. Malavika Hegde
- Mr. Ram Mohan

The non executive directors on the Board of the Company are -

- Mr. Sanjay Nayar
- Mr. Naimesh Jaisingh
- Mr. Parag Saxena
- Mr. H.V Santhrupth
- Mrs. Niveditha K H

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the financial statements**

**D. The following is a summary of related party transactions.**

*Rs. in million*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Significant transactions with entities where control exists -</b>		
<b>Services rendered (Income from hospitality):</b>		
- Karnataka Wildlife Resorts Private Limited	16.66	14.67
<b>Services rendered (Income from consultancy services):</b>		
- Tanglin Developments Limited	-	160.00
<b>Rent paid:</b>		
- Coffee Day Global Limited (erstwhile Amalgamated Bean Coffee Trading Company Limited)	0.10	0.10
<b>Loans given to:</b>		
- Tanglin Developments Limited	3,912.79	278.90
- Coffee Day Hotels and Resorts Private Limited	1,788.91	2,235.00
<b>Loans recovered from:</b>		
- Tanglin Developments Limited	2,847.75	70.29
- Coffee Day Hotels and Resorts Private Limited	2,386.15	190.40
<b>Significant transactions with entities where significant influence exists -</b>		
<b>Services rendered (Income from hospitality services):</b>		
- Mysore Amalgamated Coffee Estates Limited	0.70	0.13
<b>Purchase of consumables:</b>		
- Mysore Amalgamated Coffee Estates Limited	0.75	0.06
<b>Loans received from:</b>		
- Sivan Securities Private Limited	-	98.30
- Mysore Amalgamated Coffee Estates Limited	1,858.39	113.01
<b>Loan repaid to:</b>		
- Sivan Securities Private Limited	-	112.31
- Mysore Amalgamated Coffee Estates Limited	1,874.05	97.35

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

*Rs. in million*

Particulars	As at 31 March 2015	As at 31 March 2014
<b>Short-term borrowing:</b>		
- Mysore Amalgamated Coffee Estates Limited	-	15.66
<b>Long-term loans and advances recoverable:</b>		
-Tanglin Developments Limited	2,990.01	1,924.98
- Coffee Day Hotels and Resorts Private Limited	1,465.97	2,060.11
<b>Trade payables:</b>		
- Mysore Amalgamated Coffee Estates Limited	0.18	0.60
<b>Trade receivables:</b>		
- Karnataka Wildlife Resorts Private Limited	1.05	3.33
- Tanglin Developments Limited	-	163.78
- Mysore Amalgamated Coffee Estates Limited	0.66	0.02
<b>Advances recoverable in cash or in kind</b>		
- Coffee Day Hotels and Resorts Private Limited	8.20	11.31
- Karnataka Wildlife Resorts Private Limited	-	0.22

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the financial statements**

**30 Segment reporting:**

The Company is the holding company of the Coffee Day Group. The investee companies have business interests across multiple sectors such as coffee and related business, leasing of commercial office space, financial services, integrated multimodal logistics, hospitality and IT/ ITeS. Other than being an investment company, on a standalone basis, the Company owns and operates a resort and also renders consultancy services.

Effective 1 April 2014, the Company has reorganized its business units. Consequently the financial reporting of the business unit performance to the Management has also been updated with the new organization structure. Pursuant to such re-organisation, Consultancy, Hospitality and Investment operations are identified as reportable business segments. The previous year figures have been presented after incorporating the necessary reclassification pursuant to this change in reportable segments.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Assets, liabilities, revenues and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while other costs, wherever allocable, are apportioned to the segments on an appropriate basis. Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as 'unallocated'.

The only geographical segment is India. Since the relevant information is available from the balance sheet and statement of profit and loss itself, the Company is not required to disclose the secondary segment information as per AS 17 - Segment Reporting.

**Primary segment information:**

<b>Particulars</b>	<i>Rs. in million</i>	
	<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>
<b>Segment revenues</b>		
Coffee Trading	66.51	-
Consultancy	-	179.78
Hospitality	93.77	70.00
Investment operations	126.60	-
	<b>286.88</b>	<b>249.78</b>
<b>Segment results</b>		
Coffee Trading	0.32	-
Consultancy	-	137.77
Hospitality	2.71	11.75
Investment operations	126.60	(230.65)
	<b>129.63</b>	<b>(81.13)</b>
Less: Unallocated expenses, net	(1,387.60)	(782.93)
<b>Loss before tax</b>	<b>(1,257.97)</b>	<b>(864.06)</b>
Less: Income tax	-	9.62
<b>Loss after tax</b>	<b>(1,257.97)</b>	<b>(873.68)</b>
<b>Capital expenditure</b>		
Coffee Trading	-	-
Consultancy	-	-
Hospitality	1.27	0.43
Investment operations	-	-
	<b>1.27</b>	<b>0.43</b>
<b>Depreciation</b>		
Coffee Trading	-	-
Consultancy	-	-
Hospitality	6.29	6.84
Investment operations	-	-
	<b>6.29</b>	<b>6.84</b>

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Segment assets</b>		
Coffee Trading	-	-
Consultancy	-	166.79
Hospitality	99.15	105.79
Investment operations	20,612.01	20,420.82
Unallocated	224.74	36.76
	<b>20,935.90</b>	<b>20,730.16</b>
<b>Segment liabilities</b>		
Coffee Trading	-	-
Consultancy	-	2.35
Hospitality	23.31	22.02
Investment operations	5.25	31.99
Unallocated	16,999.98	16,223.73
	<b>17,028.54</b>	<b>16,280.09</b>

**31 Gratuity plan**

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

**Reconciliation of the projected benefit obligations**

Particulars	Rs. in million	
	As at 31 March 2015	As at 31 March 2014
<b>Change in projected benefit obligation</b>		
Obligations at the beginning of the year	2.80	2.48
Service cost	0.64	0.72
Interest cost	0.34	0.25
Benefits settled	(0.23)	(0.14)
Actuarial (gain) / loss	0.70	(0.51)
<b>Obligations at year end</b>	<b>4.25</b>	<b>2.80</b>
<b>Change in plan assets</b>		
Contributions	0.23	0.14
Benefits settled	(0.23)	(0.14)
<b>Plans assets at year end, at fair value</b>	<b>-</b>	<b>-</b>
<b>Liability recognised in the balance sheet</b>	<b>4.25</b>	<b>2.80</b>
- Current	0.27	0.19
- Non-current	3.98	2.61

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

Particulars	Rs. in million				
	31 March 2015	31 March 2014	For the year ended		
			31 March 2013	31 March 2012	31 March 2011
Fair value of plan assets at the end of the year	-	-	-	-	-
Present value of defined benefit obligation at the end of the year	4.25	2.80	2.48	1.58	1.06
<b>Liability recognised in the balance sheet</b>	<b>(4.25)</b>	<b>(2.80)</b>	<b>(2.48)</b>	<b>(1.58)</b>	<b>(1.06)</b>
Experience adjustment on plan assets	-	-	-	-	-
Experience (gains)/losses on PBO	(0.17)	(0.02)	0.10	0.02	-
<b>Total (gain)/loss</b>	<b>(0.17)</b>	<b>(0.02)</b>	<b>0.10</b>	<b>0.02</b>	<b>-</b>

**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the financial statements**

*Rs. in million*

Particulars	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Gratuity cost for the year</b>		
Service cost	0.64	0.72
Interest cost	0.34	0.25
Actuarial (gain) / loss	0.70	(0.51)
<b>Net gratuity cost</b>	<b>1.68</b>	<b>0.46</b>
<b>Assumptions</b>		
Interest rate	7.90%	8.05%
Salary increase	8.00%	8.00%
Retirement age	60 years	60 years
Attrition rate	2-10% based on the age group	2-10% based on the age group
Mortality table	IALM (2006-08)	IALM (2006-08)

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

**32 Details of inter- corporate loans given**

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

Party name	Nature of relationship	Interest rate*	Repayment terms	Purpose
Tanglin Developments Limited	Subsidiary	0% p.a	On demand	General
Coffee Day Hotels and Resorts Private Limited	Subsidiary	0% p.a	On demand	General

\* Section 186 (7) of the Companies Act, 2013 ('the Act') states that no loan shall be given at a rate of interest lower than the prevailing yield of one year, three year, five year or ten year Government Security closest to the tenor of the loan. However, section 186 (11) of the Act grants exemption from application of Section 186 of the Act, to loans made by companies engaged in the business of providing infrastructure facilities. Schedule VI of the Act has defined infrastructure facilities to include tourism, including hotels, convention centres and entertainment centres. Since, the Company is in the business of operating resorts, it has obtained a legal opinion that it is exempt from the provisions of Section 186 of the Act. Accordingly, the Company has not charged interest in relation to loans provided to its subsidiaries.

**(b) Reconciliation of inter-company loans and advances given as at the beginning and as at the end of the year:** *Rs. in million*

Particulars	As at 31 March 2015	As at 31 March 2014
<b>(i) Tanglin Developments Limited</b>		
At the commencement of the year	1,924.98	1,716.36
Add: Given during the year	3,912.79	278.90
Less: Repaid during the year	(2,847.75)	(70.29)
At the end of the year	<b>2,990.01</b>	<b>1,924.98</b>
<b>(ii) Coffee Day Hotels and Resorts Private Limited-Long Term</b>		
At the commencement of the year	2,060.11	15.51
Add: Given during the year	1,774.36	2,235.00
Less: Repaid during the year	(2368.50)	(190.40)
At the end of the year	<b>1,465.97</b>	<b>2,060.11</b>
<b>(iii) Coffee Day Hotels and Resorts Private Limited- Short Term</b>		
At the commencement of the year	11.31	11.02
Add: Given during the year	14.55	4.12
Less: Repaid during the year	(17.65)	(3.83)
At the end of the year	<b>8.21</b>	<b>11.31</b>
<b>(iv) Karnataka Wildlife Resorts Private Limited</b>		
At the commencement of the year	0.22	-
Add: Given during the year	12.87	4.06
Less: Repaid during the year	(13.09)	(3.84)
At the end of the year	<b>-</b>	<b>0.22</b>



**Coffee Day Enterprises Limited (erstwhile Coffee Day Enterprises Private Limited)**  
**Notes to the financial statements**

<b>33 Details of non-current investments purchased and sold during the year:</b>							<i>Rs. in million</i>
<b>Particulars</b>	<b>Face value per unit</b>	<b>As at 31 March 2014</b>	<b>Purchased during the year</b>	<b>Sold during the year</b>	<b>As at 31 March 2015</b>		
<b>Trade investments - unquoted</b>							
<b>(a) Investments in equity instruments of subsidiaries (fully paid)-</b>							
- Coffee Day Hotels and Resorts Private Limited	Rs. 10	701.50	-	-	701.50		
- Tanglin Developments Limited	Rs. 10	773.60	-	-	773.60		
- Coffee Day Global Limited (erstwhile Amalgamated Bean Coffee Trading Company Limited)	Rs. 1	10,370.25	-	-	10,370.25		
- Coffee Day Trading Limited (erstwhile Global Technology Ventures Limited)	Rs. 10	1,353.72	-	-	1,353.72		
<b>(b) Investment in equity shares of a step subsidiary company -</b>							
- Way2Wealth Securities Private Limited	Rs 2	719.78	-	-	719.78		
<b>(c) Investment in equity shares of an associate company -</b>							
- MindTree Limited	Rs 10	1,946.47	-	-	1,946.47		

<b>34 Expenditure in foreign currency</b>				<i>Rs. in million</i>
<b>Particulars</b>		<b>For the year ended 31 March 2015</b>	<b>For the year ended 31 March 2014</b>	
Professional fees		0.66	6.95	
		<b>0.66</b>	<b>6.95</b>	

**35** As per the requirements of section 117C of Companies Act 1956, the Company is required to create a Debenture Redemption Reserve ('DRR') to which adequate amounts shall be credited out of its profits every year until such debentures are redeemed, and shall utilize the same exclusively for redemption of a particular set or series of debentures only. In the absence of profits, the Company has not transferred any amount to DRR during the year.

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

**37** The Company had entered into a definitive agreement, effective from 31 March 2014, with Tanglin Developments Limited ('TDL'), a related party, for providing project consultancy services such as project supervision, co-ordination, liaising with appropriate government authorities, develop project action plan, monitor project milestones, budget, changes approval, etc in respect of construction project undertaken by TDL. As per the terms of the agreement, for the services rendered by the Company to TDL for all the past years upto 31 March 2014, a one-time consultancy fee of Rs 160,000,000 has been charged and accordingly, the same had been recognised as revenue during the previous year.

As per our report of even date attached

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

for and on behalf of the Board of Directors of  
**Coffee Day Enterprises Private Limited**  
 (erstwhile Coffee Day Enterprises Private Limited)

**Supreet Sachdev**  
 Partner  
 Membership No. 205385

**V. G. Siddhartha**  
 Managing Director  
 DIN: 00063987

**Malavika Hegde**  
 Director  
 DIN: 00136524

Bangalore  
 Date: 14 July 2015

**Sadananda Poojary**  
 Company Secretary

**R Ram Mohan**  
 Chief Financial Officer

Bangalore  
 Date: 14 July 2015