

AUDIT REPORT  
&  
STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED  
31<sup>ST</sup> MARCH 2020

M/s.COFFEE DAY TRADING LIMITED

No.23/2, Coffeeday Square,  
Vittal Mallya Road,  
Bangalore - 560001

SUNDARESHA & ASSOCIATES  
Chartered Accountants,  
Professional Court, I Floor,  
27/7, 15<sup>th</sup> Cross,  
3<sup>rd</sup> Block, Jayanagar,  
BANGALORE – 560011



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of COFFEE DAY TRADING LIMITED**

**Report on the Audit of the Financial Statements**

**Disclaimer of Opinion**

We were engaged to audit the Ind AS financial statements of M/s.COFFEE DAY TRADING LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2020, and the Statement of Profit and Loss, (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

We do not express an opinion on aforesaid Ind AS financial statements of the entity. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Ind AS financial statements.

**Basis for Disclaimer of Opinion**

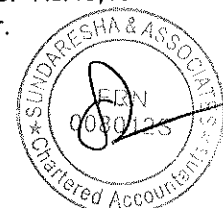
1. We draw attention to Note No.29 of the Ind AS financial statements which describe the details in respect of amounts due from M/s.Mysore Amalgamated Coffee Estates Limited (MACEL) to the extent of Rs.12,500 Lakhs. As explained to us the company is in the process of recovery of the dues from related parties and taken necessary action as stated in the said notes. In the absence of any conclusive evidence demonstrated by the company for recoverability of the same, we are unable to comment on the recoverability, requirement or otherwise of provision on those receivables and consequential impact on these financial statements.
2. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934.We draw attention to note no 31 of the financial statement which describes the circumstances under which the company has filed application seeking exemption from registering as Non-Banking Financial Company (NBFC). As at the date of this report, a response from Reserve Bank of India is awaited.

**Material Uncertainty Relating to Going Concern**

We draw your attention to note no 11 of the Ind AS Financial Statement, which describes about the sale of investment in equity shares of Mindtree Ltd and Global Edge Software Limited. Subsequent to sale of the said investments the company does not have any income generating assets except for investment in subsidiary and loans granted to related parties. These conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our report is not modified in respect of this matter.

**Emphasis of matter**

We draw your attention to Note No 23 (g) of the Ind AS Financial Statement, as stated in the note the company has not remitted income tax demand of Rs.4,155 Lakhs relating to financial year 2018-19 relevant to Assessment Year 2019-20 and advance income tax liability of Rs.40,15 Lakhs for the Assessment Year 2020-21. Our opinion is not modified in respect of this matter.





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### **Responsibility of Management and Those Charged With Governance for the Ind AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Ind AS Financial Statements**

Our responsibility is to conduct an audit of the entity's financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

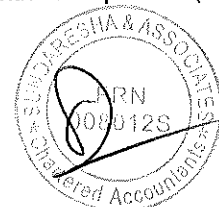
We are independent of the entity in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have not been able to obtain sufficient appropriate audit evidence because of the significance of the matters described in the Basis for Disclaimer of Opinion section above
- (b) We are unable to comment whether proper books of account as required by law have been kept by the Company, because of the matters described in the Basis for Disclaimer of Opinion section above.
- (c) The Balance Sheet, the Statement of Profit and Loss (including the Other Comprehensive Income), Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015.





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- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) The going concern matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (i) 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:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Bengaluru

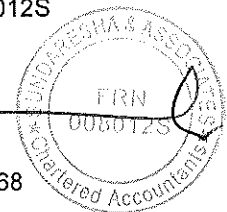
Date : 21.11.2020

For SUNDARESHA & ASSOCIATES  
Chartered Accountants  
Firm Registration No.008012S

  
(C RAMESH)

Membership No.022268  
Partner

UDIN:20022268AAAABX4230



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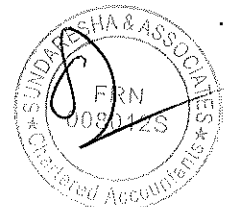
Annexure A to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Ind AS financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- i. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) According to the information and explanation given to us, the fixed assets have been physically verified by the management in a phased and periodical manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As explained to us, no discrepancies are noted on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company does not hold any immovable property.
- ii. According to information and explanation provided to us, the company did not hold any inventory during the year. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, company has not granted loans to any party covered in the register to be maintained under section 189 of the Companies Act, 2013 ("the Act").
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, to the extent applicable, with respect to the loans, investments, guarantee and security.
- v. The Company has not accepted any deposits from the public. Thus, paragraph 3(v) of the Order is not applicable.
- vi. As explained by the management, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's operations. Thus, paragraph 3(vi) of the Order is not applicable.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax deducted at source have been regularly deposited during the year by the Company with the appropriate authorities, except delayed payment of tax deducted at sources. The company has not remitted Advance income tax liability of Rs 4,015 Lakhs for the Assessment Year 2020-21. Further the company has not deducted tax at source on the expenses of Rs.530 Lakhs. As explained to us the company does not have liability in respect of provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess.

There are no material outstanding statutory dues as on the last day of the financial year, for a period of more than six months from the date they become payable, except the income tax demand of Rs.4,155 Lakhs relating to financial year 2018-19 relevant to Assessment Year 2019-20.

- b) According to information and explanations given to us, there are no statutory dues which have not been deposited on account of any disputes.





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- viii. The Company does not have any loans or borrowings from any financial institutions, banks, government or outstanding debentures during the year. Thus paragraph 3(viii) of the order is not applicable.
- ix. The company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x. According to the information and explanations given to us, and on the basis of test checks carried out in accordance with the generally accepted auditing procedure, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, the provisions of section 177 is complied with to the extent applicable and provisions of section 188 is not applicable to the Company. Details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, we have not come across any instances of non-cash transactions with directors or persons connected with him as contemplated in section 192 of the Act. Thus, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is required to be registered under section 45-IA of the Reserve Bank of India Act 1934. The financial income of the Company earned during the year ended 31 March 2020 constitutes more than 50% of its total income for the said period and financial assets constitutes more than 50% of its total assets as at 31 March 2020 there by requiring register as Non-Banking Financial Companies ('NBFC') with the Reserve Bank of India (RBI) as per the requirements of Section 45-IA of Reserve Bank of India Act. 1934, On 13 March 2020. The Company has made an application to the Deputy General Manager of the Department of Non-Banking Supervision requesting for a one-time exemption from obtaining registration as NBFC under the provisions of RBI. The Company is awaiting response from RBI.

Place: Bengaluru

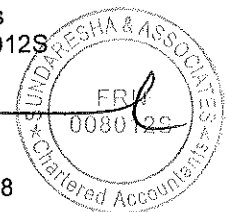
Date : 21.11.2020

For SUNDARESHA & ASSOCIATES,  
Chartered Accountants  
Firm Registration No.008012S

(C RAMESH)

Membership No.022268  
Partner

UDIN: 20022268AAAABX4230





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Annexure B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls with reference to financial statements of M/s. COFFEE DAY TRADING LIMITED ("the Company") as of 31 March 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Disclaimer of Opinion

Because of the reason stated in "Basis for Disclaimer of Opinion" paragraph, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial control over financial reporting and whether such internal financial controls were operating effectively as at 31 March 2020.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer per se does not affect our Disclaimer of Opinion on the financial statements of the Company.

Basis for Disclaimer of Opinion

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company had adequate internal financial controls over financial reporting with reference to these Ind AS financial statements as at March 31, 2020 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS financial statements.

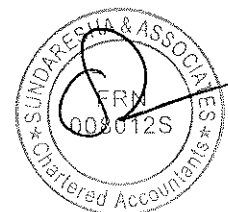
Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation and presentation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to the Ind AS financial statements based on our audit. We were engaged to audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the matter described in Disclaimer of Opinion paragraph above, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Place: Bengaluru

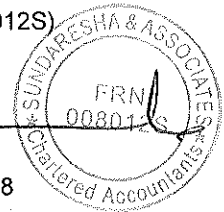
Date: 21.11.2020

For SUNDARESHA & ASSOCIATES  
Chartered Accountants  
(Firm Registration No.008012S)

  
(C.RAMESH)

Membership No.022268  
Partner

UDIN:20022268AAAABX4230



**COFFEE DAY TRADING LIMITED**

CIN: U74140KA2000PLC026366

**Balance Sheet as at 31 March 2020***Amount in Rs.lakhs*

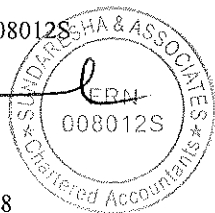
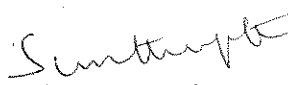
	Note	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2	4
Financial Assets			
- Investments	4	863	861
- Loans	5	321	321
Deferred tax assets (net)	6	5	1,577
Other non-current assets		9	11
<b>Total non-current assets</b>		<b>1,200</b>	<b>2,775</b>
<b>Current assets</b>			
Financial Assets			
- Cash and cash equivalents	8	13	12,528
- Loans	9	1,36,843	20,029
Other current assets	10	38	21
Assets classified as held for sale	11	-	11,206
<b>Total current assets</b>		<b>1,36,894</b>	<b>43,785</b>
<b>Total assets</b>		<b>1,38,094</b>	<b>46,559</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3,483	3,483
Other equity	13	1,25,897	38,093
<b>Total equity</b>		<b>1,29,380</b>	<b>41,576</b>
<b>Non-current liabilities</b>			
Provisions		-	-
Other non - current liabilities		-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities			
- Other financial liabilities	14	578	45
Current tax liability (net)		8,133	4,936
Other current liabilities	15	3	3
<b>Total current liabilities</b>		<b>8,714</b>	<b>4,984</b>
<b>Total equity and liabilities</b>		<b>1,38,094</b>	<b>46,560</b>
<b>Notes to Accounts</b>	1 to 38		
The notes referred to above form an integral part of the financial statements			

For *Sundaresha & Associates*

Chartered Accountants

Firm Registration No.008012S

  
**CA C Ramesh**  
 Partner

 Membership No.022268  
 Place: Bangalore  
 Date: 21.11.2020
For and on behalf of the Board of Directors of  
**Coffee Day Trading Limited**
  
**Hedna Vishnumurthy Santhrupth**  
 Director

 DIN: 02558716  
 Place: Bangalore  
 Date: 21.11.2020

  
**Deekshith K M**  
 Director

 DIN: 03505388  
 Place: Bangalore  
 Date: 21.11.2020

**COFFEE DAY TRADING LIMITED**

CIN: U74140KA2000PLC026366

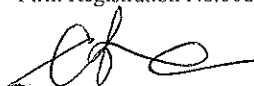
**Statement of Profit and Loss for the year ended 31 March 2020**

		Amount in Rs.lakhs	
	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Income</b>			
Revenue from operations	16	97,103	32,292
Other income	17	2	433
<b>Total income</b>		<b>97,105</b>	<b>32,726</b>
<b>Expenses</b>			
Purchase of stock in trade	18	-	16,029
Employee benefits expense	19	35	99
Finance costs	20	0	341
Depreciation and amortization expense	21	1	2
Other expenses	22	2,870	32
<b>Total expenses</b>		<b>2,906</b>	<b>16,503</b>
<b>Profit/(loss) before tax</b>		<b>94,199</b>	<b>16,222</b>
Tax expense:			
- Current tax	23	4,819	3,320
- Deferred tax	23	(2,369)	(949)
- MAT Credit Reversal	23	3,941	-
<b>Profit/(loss) for the period</b>		<b>87,808</b>	<b>13,851</b>
<b>Other comprehensive income:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Changes in fair value of FVOCI equity instruments		-	-
Re measurements of defined benefit plan actuarial gains/ (losses)		(4)	1
Income tax relating to items that will not be reclassified to profit or loss		(1)	(0)
<b>Other comprehensive income for the year</b>		<b>(4)</b>	<b>1</b>
<b>Total Comprehensive Income for the year</b>		<b>87,804</b>	<b>13,851</b>
<b>Earnings per equity share:</b>			
- Basic (Rs.)	26	252.09	39.76
- Diluted (Rs.)	26	252.09	39.76
Weighted average number of equity shares (Face Value of Rs.10/- Each)		3,48,32,339	3,48,32,339
<b>Notes to Accounts</b>	I to 38		
The notes referred to above form an integral part of the financial statements			

*For Sundaresha & Associates*

Chartered Accountants

Firm Registration No.008012S



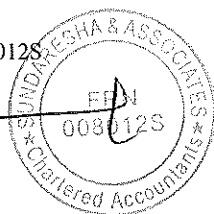
CA C Ramesh

Partner

Membership No.022268

Place: Bangalore

Date: 21.11.2020



For and on behalf of the Board of Directors of

Coffee Day Trading Limited


  
Hedna Vishnumurthy Santhrupth

Director

DIN: 02558716

Place: Bangalore

Date: 21.11.2020


  
Deekshith K M

Director

DIN: 03505388

Place: Bangalore

Date: 21.11.2020

COFFEE DAY TRADING LIMITED

Statement of Cash Flows for the Year ended 31 March 2020


	<i>Amount in Rs.lakhs</i>	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Cash flows from operating activities</b>		
Profit for the year	94,199	16,222
Adjustments:		
- Interest income (including fair value change in financial instruments)	-	(16)
- Interest on income tax refund	-	(0)
- Measurement of defined benefit plan	-	1
- Measurement of defined benefit plan	-	0
- Guarantee Income	(2)	(433)
- Dividend income	(300)	(1,165)
- Profit on sale of shares	(96,803)	(5,265)
- Loss on sale of shares	2,266	-
- Demat charges	4	-
- Gain on fair value change in Equity shares		(9,810)
- Interest expense (including fair value change in financial instruments)		341
- Depreciation and amortization	1	2
Operating cash flow before working capital changes	(635)	(123)
<i>Changes in</i>		
- Current and non-current financial assets	(1,16,814)	(3,842)
- Other current and non-current assets	(18)	(21)
- Current and non-current financial liabilities	533	23
- Other current and non-current liabilities	0	(3)
Cash generated from operations	(1,16,933)	(3,966)
Income taxes	(1,623)	(203)
<b>Cash generated from / (used in) operations</b>	<b>(1,18,556)</b>	<b>(4,169)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	1.17	(2)
Advances given		
(Investment in) / sale of subsidiaries, associates and joint ventures	1,05,743	5,511
Purchase / (sale) of financial instruments		
Demat charges	(4)	
Interest Income	-	16
Interest on income tax refund		0
Dividends received	300	1,165
<b>Net cash generated from/(used in) investing activities</b>	<b>1,06,040</b>	<b>6,691</b>
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>
<b>Increase in cash and cash equivalents</b>	<b>(12,515)</b>	<b>2,521</b>
Cash and cash equivalents at the beginning of the year	12,528	10,008
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>12,529</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks:		
- in current accounts	12	12,527
Cash on hand	1	1
Less: Book overdraft		
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>12,528</b>
The notes form an integral part of the financial statements		


For Sundaresha & Associates  
Chartered Accountants  
Firm Registration No.008012S

  
CA C Ramesh  
Partner  
Membership No.022268



For and on behalf of the Board of Directors of  
Coffee Day Trading Limited

  
Hedna Vishnumurthy Santhrupth  
Director  
DIN: 02558716

  
Deekshith K M  
Director  
DIN: 03505388

Place: Bangalore  
Date: 21.11.2020

Place: Bangalore  
Date: 21.11.2020

Place: Bangalore  
Date: 21.11.2020

**COFFEE DAY TRADING LIMITED**

**Condensed Statement of Changes in Equity for the year ended 31 March 2020**

**a Equity share capital**

	<i>Amount in Rs.lakhs</i>	
	As at 31 March 2020	As at 31 March 2019
<i>Equity shares of Rs 10 each issued, subscribed and fully paid</i>		
Balance at the beginning of the reporting year	3,483	3,483
Changes in equity share capital during the year	-	-
<b>Balance at the end of the reporting year</b>	<b>3,483</b>	<b>3,483</b>

**b Other Equity**

For the year ended 31 March 2020

	<i>Amount in Rs.lakhs</i>				
Particulars	Reserves and Surplus			Other comprehensive	Total other equity
	Securities Premium	Retained Earnings	Guarantee Equity	Measurement of defined benefit plan reserve	
Balance as at 1 April 2019	13,614	24,922	(444)	1	38,093
Profit or (loss) during the year	-	87,808	-	(4)	87,804
Guarantee Equity	-				-
<b>Balance as at 31 March 2020</b>	<b>13,614</b>	<b>1,12,730</b>	<b>(444)</b>	<b>(3)</b>	<b>1,25,897</b>

For the year ended 31 March 2019

	<i>Amount in Rs.lakhs</i>				
Particulars	Reserves and Surplus			Other comprehensive	Total other equity
	Securities Premium	Retained Earnings	Guarantee Equity	Measurement of defined benefit plan reserve	
Balance as at 1 April 2018	13,614	11,071	(63)	1	24,623
Profit or (loss) during the year	-	13,851		-	13,851
Other comprehensive income				1	1
Guarantee Equity	-		(381)	-	(381)
<b>Balance as at 31 March 2019</b>	<b>13,614</b>	<b>24,922</b>	<b>(444)</b>	<b>1</b>	<b>38,094</b>

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**COFFEE DAY TRADING LIMITED**

**Notes to the financial statements for the year ended 31 March 2020**

**1 Company background**

Coffee Day Trading Limited (formerly known as Global Technology Ventures Limited) ("the Company"), is engaged in the business promoting joint ventures with companies and technocrats for setting up information technology and related business, developing infrastructure for Information Technology companies, manufacture or deal in computer and related products, importers, exporters, processors, curers, wholesale traders in coffee and allied products.

The company was incorporated under the Companies Act 1956 on 9th February 2000.

The company is subsidiary of Coffee Day Enterprises Limited.

**2 Significant accounting policies**

**2.01 Basis of preparation and presentation**

**(a) Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013(to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

Accounting policies have been consistently applied except where the change is required by an Ind AS or change results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or condition on the entity's financial position, financial performance or cash flow.

**(b) Basis of measurement**

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i. Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments) and
- ii. Defined benefit and other long-term employee benefits.

**(c) Use of estimates and judgement**

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

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

**(d) Current versus non-current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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



**2.02 Property, plant and equipment.**

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet at their carrying value being the cost of acquisition or construction less accumulated depreciation.

The cost of property, plant and equipment includes freight, duties, taxes and other incidental expenses relating to the acquisition and installation of the respective assets. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. 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.

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

**Depreciation methods, estimated useful lives and residual value**

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

Asset Description	Method	Useful Life as adopted	Useful Life as per Schedule II of The Companies Act 2013
Computer equipment	SLM	2 Years	3 Years
Office equipment	SLM	3 Years	5 Years
Furniture and fixtures	SLM	3 Years	10 Years
Plant and Machinery	SLM	3 Years	15 Years

The management has identified useful life of the assets (tangible), which is different from the life as prescribed in Schedule II to the Companies Act, 2013, based on technical evaluation and estimates obtained by the management.

Residual value is estimated to be 5% of cost of asset.

**2.03 Impairment of assets**

The Company assesses at each balance sheet date 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.

**2.04 Inventories**

Inventories are valued at lower of cost or net realisable value.

**2.05 Revenue recognition**

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment, net of taxes or duties collected on behalf of the government.

**Sale of products**

Sale of goods is recognised when the property in the goods are transferred to the buyer for a price. In respect of forward sale where the price is fixed, revenue is recognised at the time of raising of the invoice itself.

**Sale of Services**

Revenue from consultancy services is recognised on rendering of related services and where reliable estimates can be made of amount recoverable and there is certainty of collection of the revenue.

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**Other income**

Interest income from term deposits is recognised using the time-proportion method, based on the rates implicit in the transaction.

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

**2.06 Leases**

**a) As a lessee**

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

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

**2.07 Financial Instruments**

**A Financial Assets (Investments and other financial assets)**

**a) Classification**

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company accounts for investments in subsidiaries, joint ventures and associates at cost.

In case of partial disposal of interest in subsidiary, associate or Joint venture, an entity shall account for any retained interest in the subsidiary, associate or joint venture in accordance with Ind AS 109 unless the retained interest continues to be subsidiary, associate or a joint venture, in which case the entity shall account for investments in subsidiaries, joint ventures and associates at cost.

The company classifies its non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction within one year.

**b) Initial recognition and measurement**

The company recognises financial assets when it becomes a party to the contractual provisions of the instrument. All financial assets are recognized at fair value on initial recognition. Trade receivables are measured at their transaction price, if the trade receivables do not contain a significant financing component in accordance with Ind AS 115. Transaction costs that are directly attributable to the acquisition of financial assets that are not at fair value through profit or loss, are added to the fair value on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Regular way purchase and sale of financial assets are accounted for at trade date.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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**c) Subsequent measurement**

Financial assets carried at amortised cost

A financial assets is measured at amortised cost if it is held within a business model whose objective is to hold asset in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is accounted in profit or loss using the effective interest rate method. Impairment losses, forex gain / loss and gain / loss on derecognition of financial asset in this category is recognised in profit or loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI, if it is held withing a business model whose objective is achieved by both from collection of contractual cash flows and selling the financial assets, where the assets' cash flows represent solely payments of principal and interest. Further equity instruments where the company has made an irrevocable election based on its business model, to classify as instruments measured at FVTOCI, are measured subsequently at fair value through other comprehensive income.

Debt instruments - Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised. Interest income from these financial assets is included in other income using the effective interest rate method.

Equity instruments - Movements in the carrying amount are taken to OCI and there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividend from such investments are recognised in profit or loss.

Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. All gains and losses are recognised in profit or loss.

**d) Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instruments.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37(b) details how the company determines whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach specified by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**e) Derecognition of financial assets**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognise the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained.

**B Financial liabilities**

**a) Classification**

The company classifies its financial liabilities in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.





**b) Initial recognition and measurement**

The company recognises financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized at fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities, that are not at fair value through profit or loss, are reduced from the fair value on initial recognition. Transaction costs that are directly attributable to the issue of financial liabilities at fair value through profit or loss are expensed in profit or loss.

**c) Subsequent measurement**

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

Amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Financial liabilities at fair value through profit or loss

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

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

**Derecognition of financial Liabilities**

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

**C Financial guarantee contracts**

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

**(i) as Guarantor**

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 109 and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

**(ii) as Beneficiary**

Financial guarantee contracts are recognised as a financial asset at the time the guarantee is taken. The asset is initially measured at fair value and subsequently amortised over the guarantee period.

Where guarantees in relation to loans or other payables are provided by group companies for no compensation, the fair values are accounted for as contributions and recognised as part of equity.

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**2.08 Employee benefits****a) Short-term benefit plans**

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

**b) Defined contribution plan**

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

**a) Defined benefit plans**

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

The Company's 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.

**c) Other long-term benefit plans**

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 of 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 compensated absences obligation is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, as at 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. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit and loss statement. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

**2.09 Foreign currency transactions****a) Functional and presentation currency**

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

**b) Transactions and balances**

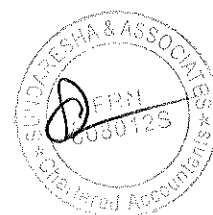
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign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

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

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

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The company has availed the option under paragraph 46A of Accounting Standard 11 "The Effects of Changes in Foreign Exchange Rates". Accordingly exchange differences on long term foreign currency monetary items, on account of depreciable capital asset is adjusted in the cost of the depreciable asset and would be depreciated over the balance life of the asset. The Company has elected to avail the exemption contained in IND AS 101 Appendix D Para D13AA where the first time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP.

#### 2.10 Offsetting financial instruments

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

#### 2.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of an optionally convertible or non convertible debentures is determined using a market interest rate for an equivalent government bond rate. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

#### 2.12 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period in which they are incurred. In case of term loans borrowing costs are recognized in the statement of profit and loss using the effective interest method.

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**2.13 Taxes****Current income tax**

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

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

Minimum alternate tax ('MAT') paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as 'MAT Credit Entitlement'. The company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period. Deferred tax asset is defined in Ind AS 12 to include the carry forward of unused tax credits. MAT Credits are in the form of unused tax credits that are carried forward by the company for a specified period of time. Accordingly, MAT Credit Entitlement is grouped with Deferred Tax Asset (net) in the Balance Sheet.

**Deferred tax**

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

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

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

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

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

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

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

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

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

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

#### 2.14 Provisions and contingent liabilities

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

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are 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.

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

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

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

#### Contingent liabilities recognised in a business combination

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

#### 2.15 Cash and cash equivalents

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

#### 2.16 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.

#### 2.17 Earnings per share

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

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

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

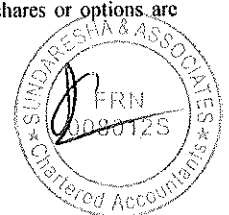
#### 2.18 Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the company performance and allocates resources based on an analysis of various performance indicators by business segments.

#### 2.19 Contributed equity

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

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

- 2.20 These financial statements are Separate Financial Statements of the company. The company has used exemption from preparation of consolidated financial statements, in accordance with para 4(a) of IND AS 110. M/s.Coffee day Enterprises Limited, the immediate parent company, has prepared consolidated financial statements that comply with INDASs and which are produced for public use. M/s.Coffee Day Enterprises Limited is incorporated in and conducting business in India. The said consolidated financial statements are obtainable at the registered office of the parent company, No.23/2, Coffeeday Square, Vittal Mallya Road, Bangalore 560001.

**List of subsidiaries with percentage holding –**

Name of the entity	Principal place of business (and Country of incorporation, if different)	Percentage of holding (%)	Method used to account for the investment
<b>DIRECT SUBSIDIARIES</b>			
Magnasoft Consulting India (P) Ltd	India	77.88%	Cost
<b>STEPDOWN SUBSIDIARIES</b>			
M/s. Magnasoft Europe Limited	United Kingdom	100%	NA
M/s.Magnasoft Spatial Services, Inc	United States of America	100%	NA
<b>ASSOCIATES</b>			
M/s. Mindtree Limited *	India	6.09%	NA

\*Refer Note no. 13



COFFEE DAY TRADING LIMITED

Notes to the financial statements for the year ended 31 March 2020

3 Property, plant and equipment

Amount in Rs.lakhs

Particulars	Owned				Total
	Plant and equipment	Furniture and fixtures	Office equipment	Computers	
<b>Cost or deemed cost:</b>					
Balance as at 1 April 2018	15	44	20	49	128
Additions			2	0	2
<b>Balance as at 31 March 2019</b>	<b>15</b>	<b>44</b>	<b>21</b>	<b>50</b>	<b>130</b>
Balance as at 1 April 2019	15	44	21	50	130
Additions	-	-	-	-	-
<b>Balance as at 31 March 2020</b>	<b>15</b>	<b>44</b>	<b>21</b>	<b>50</b>	<b>130</b>
<b>Accumulated depreciation</b>					
Balance as at 1 April 2018	14	44	19	47	124
Charge for the year		-	1	1	2
<b>Balance as at 31 March 2019</b>	<b>14</b>	<b>44</b>	<b>20</b>	<b>48</b>	<b>126</b>
Balance as at 1 April 2019	14	44	20	48	126
Charge for the year	-	-	1	0	1
<b>Balance as at 31 March 2020</b>	<b>14</b>	<b>44</b>	<b>21</b>	<b>49</b>	<b>128</b>
<b>Carrying amount:</b>					
Balance as at 31 March 2019	1	-	1	1	3
Balance as at 31 March 2020	1	-	0	1	2

*(Signature)*

*(Signature)*



**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**4 Non-current investments**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<i>Unquoted</i>		
(i) Equity investments		
- Subsidiaries:		
<i>Magnasoft Consulting India (P) Ltd</i>	863	861
26,185,728 (31 March 2019: 26,185,728) equity shares of Re. 1 each		
	<b>863</b>	<b>861</b>

**5 Non-current loans**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Security deposit	0	0
Loans to related parties:		
- M/s. Magnasoft Consulting India Pvt Ltd	321	321
	<b>321</b>	<b>321</b>

**6 Deferred tax assets, net**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Depreciation on Fixed assets	4	4
Deffered tax on Fair valuation of Financial Instruments - FVTPL	-	(2,370)
Defined benefit obligations	2	2
Minimum Alternate Tax credit entitlement		3,941
	<b>5</b>	<b>1,577</b>

**7 Other non-current asset**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Gratuity asset	9	11
	<b>9</b>	<b>11</b>

**8 Cash and cash equivalents**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Balances with banks		
- in current accounts	12	12,527
Cash on hand	1	1
	<b>13</b>	<b>12,528</b>

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**9 Current loans**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Loans to related parties:		
- M/s. Tanglin Development Limited	26,232	20,029
- M/s. Mysore Amalgamated Coffee Estates Limited	12,500	-
- M/s. Tanglin Retail Realty Developments Private Limited	98,111	-
	1,36,843	20,029

**10 Other current assets**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Advances other than capital advances:		
Staff advances	20	21
Prepaid expenses	0	0
balances with Government Authorities	0	0
Advances to related parties	17	-
	38	21

**11 Assets classified as held for sale**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Investment in equity shares		
Quoted		
M/s.Mindtree Limited *	-	1,008
Nil (31 March 2019: 9,994,244) equity shares of Rs.10/- each		
Unquoted		
M/s.Global Edge Software Pvt Ltd **	-	10,199
Nil (31 March 2019: 3,26,017) equity shares of Re.1/- each		
	-	11,206

\* The company had investment in Associate M/s.Mindtree Limited, and the same was accounted at cost. During the previous year the company decided to sell stake in Mindtree Limited, vide resolution passed in board meeting dated 21.01.19 Accordingly the investment is classified as "Asset held for sale and valued at lower of "carrying cost" and "fair market value (less cost to dispose)". Later during the previous year 6,00,000 shares have been sold

On 18 March 2019, the Holding Company had entered into an agreement to sell the shares of Mindtree Limited held by the Company and its subsidiary to Larsen and Toubro Limited at an agreed price of Rs 980 per share subject to certain terms and conditions as per the agreement. On 30 April 2019, the transaction for sale of Mindtree Limited has been completed and the Company along with its Holding Company had received the entire agreed consideration on 3 May 2019. During the year ended 31 March 2020, the company has recorded a gain of Rs.96,803 lakhs with respect to sale of its equity stake in Mindtree Limited. The gain is arrived net of transaction costs.

\*\*During financial year 2017-18 the company has sold 61,94,326 shares out of the total 65,20,346 shares held in the Associate, M/s.Global Edge Software Private Limited. During the year the company sold the balance shares

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**COFFEE DAY TRADING LIMITED**  
Notes to the financial statements for the year ended 31 March 2020

12 Share capital	Amount in Rs.lakhs (except share data)	
	As at 31 March 2020	As at 31 March 2019
(a) Particulars		
Authorised 3,50,00,000 (31 March 2019: 3,50,00,000) equity shares of Re 10 each	3,500	3,500
	<b>3,500</b>	<b>3,500</b>
Issued, subscribed and fully paid up 3,48,32,339 (31 March 2019: 3,48,32,339) equity shares of Re 10 each	3,483	3,483
	<b>3,483</b>	<b>3,483</b>

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

	Amount in Rs.lakhs (except share data)			
	As at 31 March 2020		As at 31 March 2019	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	3,48,32,339	3,483	3,48,32,339	3,483
Add: Shares issued/converted during the year	-	-	-	-
Number of shares outstanding at the end of the year	3,48,32,339	3,483	3,48,32,339	3,483

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

The Company has one class of equity shares having a par value of Rs 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts if any, in proportion to their shareholding.

(d) Particulars of each class of shares held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company

Particulars	As at	As at
	31 March 2020	31 March 2019
M/s. Coffee Day Enterprises Ltd (Holding Company) (3,09,22,186 (March 2019: 3,09,22,186) equity shares of Rs 10 each)	3,09,22,186	3,09,22,186

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

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	% of holding	No of shares	% of holding	No of shares
M/s. Coffee Day Enterprises Ltd (Holding Company)	88.77%	3,09,22,186	88.77%	3,09,22,186

(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.

13 Other equity	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Particulars		
Securities premium	13,614	13,614
Guarantee Equity	(444)	(444)
Retained earnings	1,12,730	24,922
Remesurement of defined benefit through other comprehensive income.	(3)	1
	<b>1,25,897</b>	<b>38,093</b>

Nature and purpose of other reserves:

**Securities premium reserve:**

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

**Guarantee Equity :**

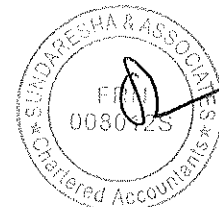
Represents guarantee premium charged or incurred to holding company or group companies where the company has granted or received financial guarantee.

**Retained Earnings:**

Retained Earnings comprise of the company's accumulated undistributed earnings / (losses).

**Remesurements of defined benefit plan liability/asset**

Remesurements of defined benefit plan liability/asset comprises actuarial gains or losses and returns on plan asset, if any, excludes interest income.



**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**14 Other current financial liabilities**

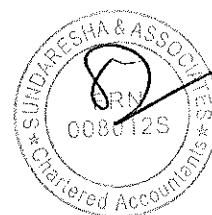
Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Others		
- accrued expenses	557	24
- employee dues	21	21
	578	45

**15 Other current liabilities**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Statutory dues	1	3
Advance from customer	2	-
	3	3

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**16 Revenue from operations**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Sale of products</b>		
- Sale of coffee beans, including traded goods	-	16,036
<b>Other Operating revenue</b>		
- Interest income	-	16
- Dividend income	300	1,165
- Profit on sale of shares	96,803	5,265
- Income on fair valuation of shares	-	9,810
	97,103	32,292

**17 Other income**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Other non-operating income</b>		
- interest on income tax refund	-	0
- Guarantee Income	2	433
- Excess Provision written back	1	-
	2	433

**18 Cost of materials consumed**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Purchase of traded goods</b>		
- coffee beans	-	16,029
	-	16,029

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**19 Employee benefits expense**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries and wages	34	98
Gratuity	-	0
Staff welfare expenses	1	1
	35	99

**20 Finance costs**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on Statutory remittances	0	0
Interet on income tax	-	341
	0	341

**21 Depreciation and amortization expense**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation of property, plant and equipment (refer note3)	1	2
	1	2

**22 Other expenses**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Travelling and conveyance	2	3
Legal, professional and consultancy charges	590	17
Payment to Auditor's	7	7
Rates and taxes	0	0
Communication expenses	-	-
Office maintenance and utilities	0	0
Demat charges	4	4
Miscellaneous expenses	1	1
Loss on sale of shares	2,266	-
	2,870	32

*(Handwritten initials)*



**COFFEE DAY TRADING LIMITED**  
Notes to the financial statements for the year ended 31 March 2020

**23 Income tax**

**(a) Major components of income tax expense for the years ended 31 March 2020 and 31 March 2019:**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Current income tax:</b>		
Current income tax charge	4,015	3,320
Adjustments in respect of current income tax of previous year	804	1
	<u>4,819</u>	<u>3,320</u>
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	-2,369	2,260
Minimum Alternate Tax credit entitlement reversal	3,941	(3,230)
Minimum Alternate Tax credit entitlement earlier years		21
	<u>1,572</u>	<u>(949)</u>
<b>Income tax expense reported in the statement of profit or loss</b>	<b>6,391</b>	<b>2,372</b>

**(b) Deferred tax related to items recognised in OCI during in the year: 31 March 2020 and 31 March 2019**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b>Deferred tax:</b>		
Re measurements of defined benefit plan actuarial gains/ (losses)	(1)	(0)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(1)</b>	<b>(0)</b>

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:**

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/ (loss) before income tax	94,199	16,222
Indian tax rate	25.17	29.12
Tax at the Indian tax rate	23,708	4,724
Non-deductible expenses for tax purposes:		
- Other non-deductible items	(2,231)	(618)
Adjustments in respect of current income tax of previous years	804	22
Adjustments in respect of MAT credit reversal on opting 115BAA	3,941	-
Income subject to lower tax Rate	(19,756)	(1,417)
Tax exempt income	(75)	(339)
Utilisation of previously unrecognised tax losses	-	-
<b>Income tax expense</b>	<b>6,391</b>	<b>2,372</b>

**(d) Amounts of current and deferred tax directly recognised in equity is Rs.Nil (PY: Rs.Nil)**

**(e) Amount for which no deferred tax asset is recognised**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Unused tax losses	1,043	1,218.21
Unused tax losses expired during the year	(1,043)	(175)
	-	1,043
Tax rate	25.17	29.12
Potential tax benefit	-	304

Unused tax losses of previous years lapsed on exercising option under section 115BAA of Income tax Act 1961

**(f) Uncertain tax position**

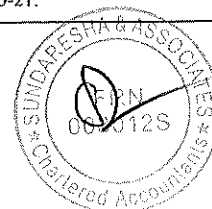
There are no uncertain tax positions during the year.

**(g) The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws(Amendment) Ordinance, 2019. Accordingly MAT Credit of Rs 3,940 lakhs is reversed during the quarter.**

The company has not remitted income tax demand of Rs 4,154 lakhs relating to financial year 2018-19 relevant to Assessment Year 2019-20.

The company has not remitted Advance tax liability of Rs 4,015 lakhs for the Assessment Year 2020-21.

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**24 Contingent liabilities, commitments and contingent assets**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Contingent liabilities:</b>		
Claims against the Group not acknowledged as debt	-	-
Company has provided its bank deposits as security for loan taken by the subsidiary company M/s.Magnasoft Consulting India Private Limited to the tune of	-	-
Shares pledged in connection with finance raised by Group Companies	-	94,396

**25 Auditor's remuneration**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>As auditor</b>		
- for statutory audit	6	6
- for taxation matters	-	3
- Goods & service tax on the above	1	2
	7	11

**26 Earnings per share (EPS)**

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

Particulars	Amount in Rs.lakhs (except share data)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit/ (loss) after taxation as per statement of profit and loss (for basic EPS)	87,808	13,851
<b>Net profit/ (loss) for basic earnings per share</b>	<b>87,808</b>	<b>13,851</b>

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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares at the beginning of the year	3,48,32,339	3,48,32,339
Add : Dilutive effect of potential ordinary shares	-	-
<b>Number of weighted average equity shares considered for calculation of diluted earnings per share</b>	<b>3,48,32,339</b>	<b>3,48,32,339</b>

**(iii) Earnings per share:**

- Basic (Rs.)	252.09	39.76
- Diluted (Rs.)	252.09	39.76

**27 Balance confirmation**

Confirmation of receivables and payable balances have not been received by the Company, hence, reliance is placed on the balances as per books. In the opinion of the management, the amounts are realisable/ payable in the ordinary course of business.

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**28 Dues to Micro and Small Enterprises**

The Company has no dues to Micro and Small Enterprises based on information received and available with the Company.

- 29 Group Chairman and Managing Director of Holding company demised on 30 July 2019. The Board of Directors of the Holding Company at their meeting held on 30 August 2019 had appointed Mr. Ashok Kumar Malhotra, retired DIG of Central Bureau of Investigation (CBI) who is assisted by Agastya Legal LLP lead by its senior partner Dr. M R Venkatesh and other professionals as decided by Mr Ashok Kumar Malhotra to investigate the circumstances leading to the statements made in the letter of former Chairman late V. G. Siddhartha and to scrutinise the books of accounts of the Holding Company and its subsidiaries. the investigation report was submitted to the Board of CDEL by the investigators on July 24, 2020

On receipt of the summary of the Investigation report addressed to the Board of Coffee Day Enterprises Limited (the holding company of the company). The management of the company noted it and forwarded it to the Board of Mysore Amalgamated Coffee Estates Limited and have asked them to provide the with a repayment plan within 15 days for the amount due to the company as on 31st July 2019.

The Board of Coffee Day Enterprises Limited (the holding company of the company) authorized its Chairman to appoint an ex-judge of the Hon. Supreme Court or the Hon. High Court, or any other person of eminence, to suggest and oversee actions for recovery of the dues from Mysore Amalgamated Coffee Estates Limited and to help on any other associated matters as reported to stock exchange dated 24.07.2020.

In the background of above the Board of Directors of holding company M/s.CoffeeDay Enterprises Limited, in the board meeting held on 21.08.2020, appointed Retired Hon'ble Justice Sri.K.L.Manjunath, former Judge of Hon'ble High Court of Karnataka, to suggest and oversee actions for recovery of the dues from MACEL and to help on any other associated matters.

The holding company M/s.CoffeeDay Enterprises Ltd vide its letter dated 21.08.2020 has made a Disclosure under Regulation 30 of SEBI (LODR) Regulations, 2015 to the National Stock Exchange of India Ltd, Manager – Listing, and Bombay Stock Exchange Limited, that the company has appointed Retired Hon'ble Justice Sri.K.L.Manjunath former Judge of Hon'ble High Court of Karnataka to suggest and oversee actions for recovery of dues from Mysore Amalgamated Coffee Estates Ltd.

In view of this, no provision has been made for doubtful debts by the Management on the outstanding amount receivable from M/s.Mysore Amalgamated Coffee Estates Ltd as on 31.03.2020 to the extent of Rs. 12,500 lakhs

**30 Impact of COVID-19**

During the year there is outbreak of pandemic COVID-19 across the globe, including India, and caused casualties. This also has prompted nations to go under lockdown, and has impacted the economy as a whole. India is also under complete lock down from last week of the financial year 2019-20 and continued in the financial year 2020-21.

Further the company has considered the possible effects that may result from the pandemic relating to COVID-19 on the financial statements and management is of the view that the impact of COVID – 19 is not material.

- 31 The financial income of the Company earned during the year ended 31 March 2020 constitutes more than 50% of its total income for the said period and financial assets constitutes more than 50% of its total assets as at 31 March 2020 thereby requiring register as Non-Banking Financial Companies (NBFC) with the Reserve Bank of India (RBI) as per the requirements of Section 45-IA of Reserve Bank of India Act, 1934, On 13 March 2020, the Company has made an application to the Deputy General Manager of the Department of Non-Banking Supervision requesting for a one-time exemption from obtaining registration as NBFC under the provisions of RBI. The Company is awaiting response from RBI.

- 32 As per the section 203 the company is required to appoint Managing Director/ Chief Executive Officer, full time company secretary and Chief Financial officer. However the Managing director has resigned w.e.f. 09.11.2020, the Company Secretary has resigned w.e.f 29.06.2019 and The Chief Financial Officer of the company resigned w.e.f 20.09.2019, the company is in process of appointing new Managing Director/ Chief Executive Officer, Company Secretary and Chief Financial Officer.

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**COFFEE DAY TRADING LIMITED****Notes to the financial statements for the year ended 31 March 2020****33 Segment information**

The company has identified business segments as primary reporting format. The company has identified two reportable segments Coffee Trading & Venture Promotion. Segments have been identified and reported taking into account nature of products and services, the different risks and returns. The accounting policies for the segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting.

**Reportable segments**

a) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Unallocated".

b) All segment assets and liabilities which arise as a result of operating activities of the segment are recognized in that segment. Unallocated assets and liabilities are those which are not attributable to any of the segments.

**c) Information about major customers**

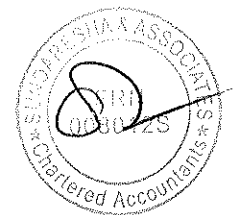
Revenue of Rs.96,803 lakhs (31 March 2019: Rs.15,985 lakhs) is derived from one (31 March 2019: one) major customers which amount to more than 10% of the entity's revenue from operations.

<i>Amount in Rs.lakhs</i>				
March 2020	Coffee Trading	Venture Promotion	Unallocated	Total
Segment Revenue				
External sales	-	97,105		97,105
	-	97,105	-	97,105
Segment expenses	-	4	2,902	2,906
Segment result	-	97,101	-	97,101
Less: Unallocated Expense Net of unallocated income				2,902
Net Profit before tax of the company				94,199
Segment assets	-	1,37,705	388	1,38,094
Segment liabilities	-	-	8,714	8,714

<i>Amount in Rs.lakhs</i>				
March 2019	Coffee Trading	Venture Promotion	Unallocated	Total
Segment Revenue				
External sales	16,036	16,256	433	32,726
	16,036	16,256	433	32,726
Segment expenses	16,029	4	470	16,503
Segment result	7	16,252	-	16,259
Less: Unallocated Expense Net of unallocated income				37
Net Profit before tax of the company				16,222
Segment assets	-	20,890	25,669	46,559
Segment liabilities	-	-	4,984	4,984

Company operates only in India and all assets and liabilities of the company are situated in India.

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

**34 Related party transactions**

**A. Parent entities:**

M/s.Coffee Day Enterprises Limited

**B. Subsidiaries:**

M/s. Magnasoft Consulting India Private Limited

M/s. Magnasoft Europe Limited

M/s. Magnasoft Spatial Services, Inc

**C. Associate:**

M/s. Magnasoft Bim Engineering Pvt Ltd (From 06.04.2018 to 28.12.2018)

**D. Companies under common control with whom transactions have taken place:**

M/s. Tanglin Developments Limited

M/s. Tanglin Retail Reality Developments Private Limited

M/s. Coffee Day Hotels and Resorts Private Limited

M/s. Coffee Day Consolidated Private Limited

**E. Other related parties and with whom transactions have taken place.**

M/s. Mysore Amalgamated Coffee Estates Limited

M/s.Sampigehutty Estates Pvt Ltd

M/s.Sivan Securities Pvt.Ltd

M/s.Kathlekhan Estates Private Limited

**F. Key management personnel**

Mr. Shankar Venkataraman

Mrs.Poornima Jairaj

Mr. K M Deekshith

Mr. Hedna Vishnumurthy Santhrupth

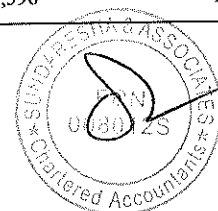
Mr. Sreedhar Basavegowda

Mr. Philip Thomas Athyal - CFO (Upto 20.09.2019)

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

Particulars	<i>Amount in Rs.lakhs</i>	
	For the year ended 31 March 2020	For the year ended 31 March 2019
<b><u>Parent Company</u></b>		
<b><u>Revenue transactions</u></b>		
<b><u>Guarantee income</u></b>		
Coffee Day Enterprises Ltd.	-	50
<b><u>Subsidiary Companies</u></b>		
<b><u>Capital transactions</u></b>		
<b><u>Loan / Advance Provided</u></b>		
Magnasoft Consulting India Pvt Ltd	-	278
<b><u>Loan / Advance recovered</u></b>		
Magnasoft Consulting India Pvt Ltd	-	1
<b><u>Revenue transactions</u></b>		
<b><u>Guarantee income</u></b>		
Magnasoft Consulting Indai Pvt Ltd	2	3
<b><u>Associate Companies</u></b>		
<b><u>Capital transactions</u></b>		
<b><u>Investment in Associate</u></b>		
Magnasoft Bim Engineering Pvt Ltd	-	1
<b><u>Company under common control</u></b>		
<b><u>Capital transactions</u></b>		
<b><u>Loans / advance provided</u></b>		
Tanglin Developments Limited	8,599	16,684
Tanglin Retail Reality Developments Private Limited	98,111	-
<b><u>Loan / Advance recovered</u></b>		
Tanglin Developments Limited	2,396	13,029

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**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

Revenue transactions

Guarantee income

Tanglin Developments Limited	-	231
Tanglin Retail Reality Developments Private Limited	-	113
Coffee Day Hotels and Resorts Private Limited	-	13
Coffee Day Consolidated Private Limited	-	25

Other related parties

Capital transactions

Loans / advance provided

Mysore Amalgamated Coffee Estates Limited	12,500	25,002
M/s.Sampigehutty Estates Pvt Ltd	17	-
M/s.Sivan Securities Pvt.Ltd	0	-

Loan / Advance recovered

Mysore Amalgamated Coffee Estates Limited	-	25,002
Kathlekhan Estates Private Limited	2	-

Revenue transactions

Coffee bean purchases

Kathlekhan Estates Private Limited	-	16,029
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Coffee bean sales

M/s.Sampigehutty Estates Pvt Ltd	-	15,985
M/s.Sivan Securities Pvt.Ltd	-	51

Key management personnel

Revenue transactions

Managerial Remuneration

Mr. Shankar Venkataraman	-	58
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**H. The following is a summary of balances receivable from and payable to related parties:**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Balance receivable		
<u>Subsidiary Companies</u>		
Magnasoft India Private Limited	321	321
<u>Company under common control</u>		
Tanglin Developments Limited	26,232	20,029
Tanglin Retail Reality Developments Private Limited	98,111	-
<u>Other related parties</u>		
Mysore Amalgamated Coffee Estates Limited	12,500	-
<u>Key management personnel</u>		
Balance receivable	20	(1)
Salary advance- Mr. Shankar Venkataraman	20	(1)

**F. Terms and conditions**

All outstanding balances with these related parties are priced on an arm's length basis and are to be settled in cash within the credit period allowed as per the policy. None of the balances is secured. No expense has been recognised in the current year or prior year for bad or doubtful debts in respect of amounts owed by related parties.

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**COFFEE DAY TRADING LIMITED**
**Notes to the financial statements for the year ended 31 March 2020**
**35 Gratuity plan**
**Defined contribution plan**

The following table sets out the status of the funded gratuity plan as required under revised INDAS 19 'Employee benefits'.

**Reconciliation of the projected benefit obligations**

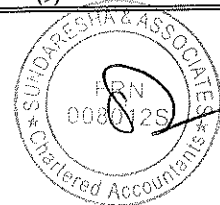
Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Change in projected benefit obligation:</b>		
Obligations at the beginning of the year	5	23
Obligation acquired on acquisition during the year		
Included in profit and loss:		
- Service cost	1	1
- Interest cost	0	1
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic asst	(0)	-
- Actuarial (gains)/ losses arising from changes in financial assumpt	0	0
- Actuarial (gains)/ losses arising from experience adjustments	(1)	(1)
- Return on plan assets excluding interest income		
- Others (specify nature)	-	-
Benefits settled	-	-
Past service cost	-	(19)
Others (specify nature)		
<b>Obligations at year end</b>	<b>5</b>	<b>5</b>
<b>Change in plan assets:</b>		
Plans assets at the beginning of the year, at fair value	15.97	15
Plan assets acquired on acquisition during the year		
Included in profit and loss:	0.47	
- Interest income		
- Expected return on plan assets	1.22	1
Included in other comprehensive income:		
- Expected return on plan assets		
- Actuarial (loss)/gain	(0)	(0)
Contributions		
Benefits settled		
<b>Plans assets at year end, at fair value</b>	<b>18</b>	<b>16</b>

**Reconciliation of asset ceiling during inter-valuation period:**

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Opening value of asset ceiling	-	-
Interest on opening balance of asset ceiling	-	-
Remeasurements due to:		
Change in surplus/deficit	4	-
<b>Closing value of asset ceiling</b>	<b>4</b>	<b>-</b>

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

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Fair value of plan assets:</b>		
- Others	18	16
Present value of defined benefit obligation at the end of the year	5	5
Remeasurements in asset ceiling	4	-
<b>Liability recognised in the balance sheet</b>	<b>(9)</b>	<b>(11)</b>



**COFFEE DAY TRADING LIMITED**

Notes to the financial statements for the year ended 31 March 2020

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Gratuity cost for the year</b>		
Included in profit and loss:		
- Service cost	0.61	1
- Interest cost	0.32	1
- Return on plan assets excluding interest income	(1)	(1)
- Others (specify nature)	-	-
Benefits settled	-	-
Past service cost	-	-
Others (specify nature)	-	-
<b>Net gratuity cost</b>	<b>(0)</b>	<b>0</b>

Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
<b>Amounts Recognized in Other Comprehensive Income (OCI)</b>		
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	(0)	
- Actuarial (gains)/ losses arising from changes in financial assumptions	0	0
- Actuarial (gains)/ losses arising from experience adjustments	(1)	(1)
- Return on plan assets excluding interest income	0	0
- Others (specify nature)		
Remeasurements in asset ceiling	4	-
Benefits settled	-	-
Past service cost	-	-
<b>Obligations at year end</b>	<b>4</b>	<b>(1)</b>

Assumptions		
Interest rate	6.80%	7.40%
Salary increase	4.00%	4.00%
Attrition rate	10.00%	10.00%
Retirement age	58 years	58 years
Mortality table	IALM (2012-14) Ultimate	IALM (2006-08) Ultimate

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

Assumptions regarding future mortality have been based on published statistics and mortality tables.

**Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions

Particulars	Amount in Rs.lakhs	
	For the year ended 31 March 2020	For the year ended 31 March 2019
	Amount	Amount
<b>Discount rate</b>		
Discount Rate - 50 basis points	4.57	4.77
Discount Rate + 50 basis points	4.89	4.47
<b>Future salary growth</b>		
Rate - 50 basis points	4.90	4.46
Rate + 50 basis points	4.56	4.78

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

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COFFEE DAY TRADING LIMITED

Notes to the financial statements for the year ended 31 March 2020

35 Financial instruments - fair value measurement

(a) Accounting classification and fair value

Particulars	Amount in Rs.lakhs			
	As at 31 March 2020		As at 31 March 2019	
	Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets:</b>				
<i>Measured at Fair value through profit &amp; loss</i>				
Investment in Equity Shares	-	-	10,199	10,199
<i>Measured at amortised cost:</i>				
Cash and cash equivalents	13	*	12,528	*
Non-current Loans	321		321	
Loans	1,36,843	*	20,029	*
Security Deposit	0	*	0	*
<b>Total</b>	<b>1,37,177</b>	<b>-</b>	<b>32,879</b>	<b>-</b>
<b>Financial liabilities</b>				
<i>Measured at amortised cost:</i>				
Other financial liabilities	578	*	45	*
<b>Total</b>	<b>578</b>	<b>-</b>	<b>45</b>	<b>-</b>

\* The management assessed that that the fair value of cash and cash equivalents, short term loans, other current liabilities, trade receivable, trade Payable approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2020</b>					
<i>Measured at Fair value through Profit and loss</i>					
Investment in Equity		-	-	-	-
<b>As at 31 March 2019</b>					
<i>Measured at Fair value through Profit and loss</i>					
Investment in Equity instruments	11	-	-	10,199	10,199

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

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

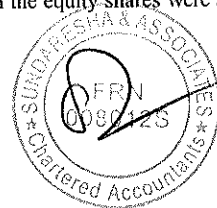
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

(c) Valuation technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values

- The fair values of the unquoted equity shares have been estimated using the price at which the equity shares were sold in the recent past.

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COFFEE DAY TRADING LIMITED

Notes to the financial statements for the year ended 31 March 2020

(d) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year ended 31 March 2020 and 31 March 2019

	Unlisted equity securities
<b>As at 31 March 2018</b>	389
Acquisitions	-
Gains/(losses) recognised in profit or loss	9,810
Gains/(losses) recognised in other comprehensive income	-
<b>As at 31 March 2019</b>	10,199
Acquisitions	-
Gains/(losses) recognised in profit or loss	(2,266)
Gains/(losses) recognised in other comprehensive income	-
<b>As at 31 March 2020</b>	7,933
Unrealised gains/(losses) recognised in profit and loss related to assets and liabilities held at the end of the reporting period	
Line item in which unrealised gain / (loss) is recognised	Revenue from operations
31 March 2020	-
31 March 2019	9,810

(c) Valuation inputs and relationships to fair value

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used:

Particulars	Level of hierarchy	Fair Value as at		Significant unobservable inputs	Sensitivity
		31-Mar-20	31-Mar-19		
i) Financial instruments measured at fair value				For 31.03.19	For 31.03.19
Non-current investments		-	10,199	Value per share considered as per concluded share purchase agreement	The price is as fixed in binding agreement
				For 31.03.20	
				There is no investments as on 31.03.2020	

Inputs used - Price at which the investment is sold in the recent past

37 Financial instruments - risk management

The company's activities expose it to market risk.

(a) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The management, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

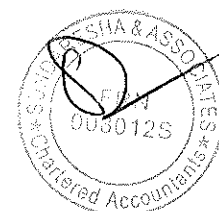
Board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company.

(b) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

Impairment losses on financial assets recognised in profit or loss were as follows.

	For the year ended 31 march 2020	For the year ended 31 march 2019
Impairment loss on trade and other receivables	-	-
Impairment loss on debt securities at amortised cost	-	-
<b>Total</b>	-	-



COFFEE DAY TRADING LIMITED

Notes to the financial statements for the year ended 31 March 2020

(c) Liquidity risk

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

Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. This is generally carried out in accordance with practice and limits set by the company.

i) Financing arrangement

The company does not have any undrawn borrowing facilities as at the end of the reporting period ( 31 March 2019 - Nil)

As at 31 March 2020	Carrying amount	Total	Repayable on demand	Amount in Rs.lakhs			
				1-12 months	1-2 years	2-5 years	More than 5 years
Other financial liabilities	578	578		578			
	578	578	-	578	-	-	-

As at 31 March 2019	Carrying amount	Total	Repayable on demand	Amount in Rs.lakhs			
				1-12 months	1-2 years	2-5 years	More than 5 years
Other financial liabilities	45	45	-	45	-	-	-
	45	45	-	45	-	-	-

(d) Market risk

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

i) Currency risk

The Company is not exposed to currency risk.

38 Capital management

The Company's policy is to maintain an optimum capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

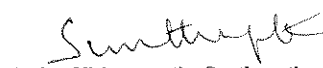
Particulars	Amount in Rs.lakhs	
	As at 31 March 2020	As at 31 March 2019
Borrowings	-	-
Other payables	578	45
<b>Debt</b>	<b>578</b>	<b>45</b>
As percentage of total capital	0.44%	0.11%
<b>Equity</b>	<b>1,29,380</b>	<b>41,576</b>
As percentage of total capital	99.56%	99.89%
<b>Total capital (debt and equity)</b>	<b>1,29,958</b>	<b>41,621</b>

For Sundaresha & Associates  
Chartered Accountants  
Firm Registration No.008012S

  
CA C Ramesh  
Partner  
Membership No.022268  
Place: Bangalore  
Date: 21.11.2020



For and on behalf of the Board of Directors of  
Coffee Day Trading Limited

  
Hedna Vishnumurthy Santhrupth  
Director  
DIN: 02558716  
Place: Bangalore  
Date: 21.11.2020

  
Deekshith K M  
Director  
DIN: 03505388  
Place: Bangalore  
Date: 21.11.2020

