COFFEE DAY ENTERPRISES LIMITED

To,

National Stock Exchange of India Limited
Manager-Listing
Exchange Plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400 051
Tel No. 022-2659 8237/38
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BSE Limited
General manager-DSC
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai – 400 001
Tel No. 022-2272 2039/37/3121
corp.relations@bseindia.com

Dear Sirs,

28th September, 2017

Regulation 34 of SEBI (LODR), 2015: Submission of Annual Report for FY 2016-17

We are forwarding herewith the Annual Report for the FY 2016-17 as required under regulation 34 of *SEBI (LODR) Regulations, 2015*, as duly approved and adopted by the members at the annual general meeting as per the provisions of Companies Act, 2013.

Kindly take the same on record

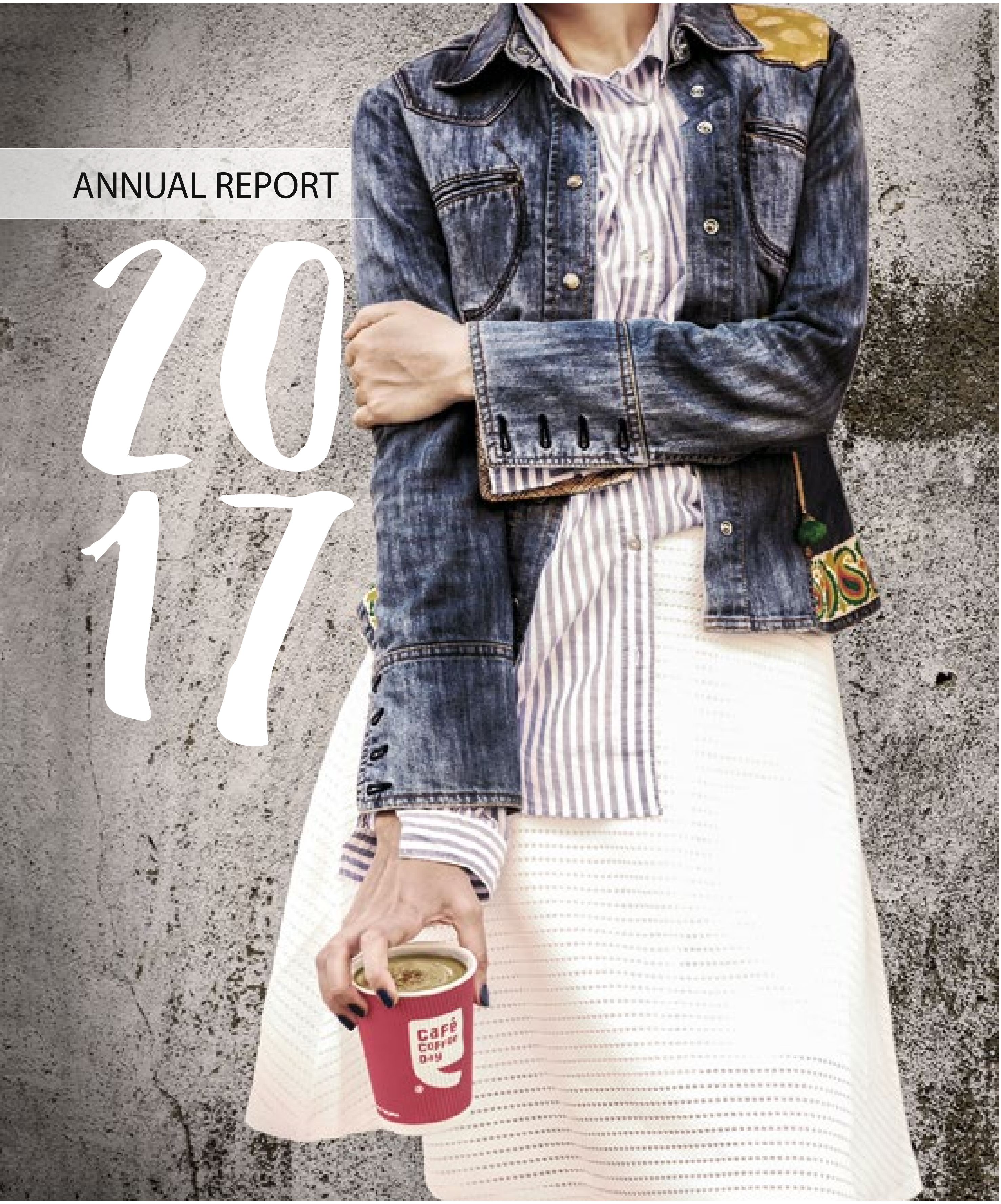
Thanking you

For Coffee Day Enterprises Limited

COFFEE DAY ENTERPRISES LTD. Company Secretary

Sadananda Poojary
Company Secretary & Compliance Officer

ANNUAL REPORT 2017



Coffee Day Enterprises Limited

the lifestyle brew!

Coffee Day Enterprises, on the back of the iconic Café Coffee Day lifestyle brand, is expected to emerge as a significant beneficiary of revival in India's urban discretionary consumption space.

Today, with 1,682 stores spread across 241 Indian cities and towns (as on 31 March 2017), Café Coffee Day is not only India's largest chain of coffee stores but also an integrated 'bean-to-cup' group model that ensures that only the finest and most delectable coffee reaches our consumers.

With a solid track record of having reported a 15% CAGR gross retail revenue growth of coffee business over the last five years, the Company is well-positioned to capitalise on prevailing opportunities and grow stronger value-creation platforms.

message from the chairman

Dear Shareholders

I am delighted to share the progress made in the last year on the occasion of our second year as a public listed company.

Since the inception of our brand Café Coffee Day in 1996, we have continued in our pursuit of turning coffee into a social idea. In a fast-changing world, our drive to promote a coffee drinking culture and offer a space for people to connect over a cup has remained constant. Today, with over 2500 cafés, express outlets, coffee points and over 41,500 vending machines in a vast majority of corporates, we are touching the hearts of millions of Indians each day across more than 1000 cities and towns.

Today, India is going through an important phase of transition, with GST and Digitisation revolutionising the way business is conducted, and we are gearing up to deliver in this New Age.

FY17: THE YEAR IN A NUTSHELL

With strong business fundamentals and a slew of innovative Food & Beverage launches, our coffee retail business reported a robust gross operational revenue growth of 14% and retail EBIDTA growth of 8% over the last year. While the Food & Beverage retail market landscape continues to look challenging, I am pleased to share that Café Coffee Day recorded another year of positive same-store-sales growth of 5.02% in FY17. The performance is a testimony of our strongly focused consumer engagement model built over the years.

FY17 was another interesting year with a healthy mix of new initiatives and expansion based on strong fundamentals.

Our home delivery business expansion continued and we got closer to our consumer than ever before by delivering across 7 major cities. Based on strong consumer insights, we kept delighting the market with refreshing launches like Inverted Cappuccino, Filter Coffee, wellness range of coconut drinks, sugarcane juice, international burgers and sundaes at the café, alongside our new energy drink 'Storm', 'Soul' mineral water, and our cold coffee 'Frappe Chill' in the packaged products category.

The response to our mobile app has been heartening, with over 3 million downloads in a year. This drive towards a data-rich organisation is helping us build superlative loyalty, and the app has further shrunk the distance between our brand and consumers.

Beyond cafés, we are strengthening the reach to our customers by expanding proactively into the corporate segment. With unique smart solutions, our vending machines have made steady inroads into the corporate sector in FY17. With an eye on growing this business, we are deepening our focus on hotels, restaurants and non-traditional channels as business verticals.

THE COFFEE INDUSTRY: A LOT CAN HAPPEN OVER COFFEE

As a group which goes beyond coffee, our core remains intact. While the category is still nascent, the café chain market has been growing at a CAGR of 20% since 2014, and our belief in its huge potential is supported by the robust Indian consumption story:

- **Consumer market of the future:** This is fuelled by favourable demographics of a young India with the median age at 27 years.
- **Increasing per capita consumption over the years:** Our GDP has been growing at over 7%, and this augurs well for the economy. Consistent growth will ensure increase in disposable incomes and aspirations beyond metros, and a new Indian consumption story will emerge.

AN EXPANDED PORTFOLIO: OUR RESILIENT SELF-PROPELLED BUSINESSES

Our diverse businesses are charting their own course successfully. They continue to be self-sustaining, with robust internal revenue generators in place. At the group level, our consolidated gross revenue increased by 15% and achieved a profit after tax of Rs.46.2 Cr in FY17. I am pleased to share key performance highlights:

SICAL

With the implementation of 'Make in India' and other government initiatives, the logistics industry is set to become more centralised, efficient and tax compliant. Third party logistics and supply chain management are gaining traction and are set to consolidate in the coming years, especially in industries such as automobiles, pharmaceuticals, consumer durables and FMCG.

The Company's growth (Gross revenues growth of 21% and EBIDTA growth of 43%) has been propelled by new business initiatives and additional contract gains. SICAL Iron Ore Terminals Limited, a subsidiary of SICAL Logistics Limited, has executed the License Agreement with Kamarajar Port for the modification of the existing iron ore terminal to handle common user coal. The financial closure and approval of the Detailed Project Report have been cleared, and the Company is in the process of implementing the project.

TANGLIN DEVELOPMENTS

The growth of commercial real estate technology parks depends on the service and industrial sectors, where India continues to be an attractive destination for major international players. Tanglin offers customised facilities in infrastructure for various technology enterprises in Bengaluru and Mangaluru. Here, our gross revenue continues to increase steadily and has touched Rs.139.2 Cr in FY17. Our 3.3 million square feet on offer continue to yield rental returns, while another 7,50,000 square feet will be occupied by our clients within the forthcoming year.

WAY2WEALTH

Our investment advisory and financial intermediation enterprise focuses on qualitative financial products and long-term wealth creation. Following regulatory initiatives by the government, our financial markets have seen greater participation and economic activity. We expect a continuation of these trends going forward.

WE ARE A PART OF SOCIETY

With a commitment to strengthen the communities with whom we work, our coffee is selected and purchased ethically, ensuring that it protects the ecological balance of our UTZ certified plantations and surrounding forest areas, while safeguarding the interests of coffee growers.

We also contribute to society with the following long-term initiatives:

Yuva - Harnessing youth potential: Yuva, our vocational training college, is managed by the SVGH Trust, offering a fully funded programme for rural youth from underprivileged backgrounds to learn hospitality and life skills. Over a period of 12 years, our team at Yuva has trained and helped 6000 youth become self-sufficient.

Encouraging 'Silent Brewmasters': We are engaged in a partnership with NGOs 'Enable India' and 'Gram Tarang' to employ youth with disabilities. We have employed more than 150 professionals with speech and hearing impairment – our Silent Brewmasters – and are committed to increasing this count over the years.

THE ROAD AHEAD

As we look towards the future, I would like to reiterate our commitment to enhancing shareholder value for Coffee Day Enterprises Limited. We aspire to deliver sustainable growth, which is ahead of the country's GDP and sets up good performance benchmarks in the industry.

While considerable groundwork is yet to be done, the group is making good headway, with certain key factors that will ensure our success on the road ahead:

Exciting Innovations: In response to an increase in consumer preferences for a healthier lifestyle, we are continuously evolving our menu.

Going Digital: Technology has disrupted our way of life like never before, and we will keep investing in it to engage with young consumers through apps, thus getting nuanced insights into customer behaviour.

Great Consumer Connect: Incomparable reach across the country with good value has ensured that we become an inseparable part of consumer lives. New age products and contemporary cafés will further strengthen this relationship.

THE POWER OF HUMAN CAPITAL

Our ability to scale up has been possible due to significant additions to our middle management, including women in leadership roles. I am proud of our seasoned leadership and the foundation they are creating for a promising future. The aim has been to deepen our expertise in two main areas:

- **Growth Mindset**: Through sales capability across businesses
- **Innovation Mindset**: Through design capability (across new product development, store design and the corporate design team)

We are also building strength at the base of the pyramid through our Management Trainee Programme, expanding capacity and capability to create a pipeline of future leaders.

As always, I would like to thank you, our shareholders, for reposing your trust in us. As a performance-driven company at the cusp of exponential growth, with lots of coffee and conversations, we will create greater value for stakeholders and society.

Lets keep brewing new possibilities!

Best regards,

Mr. V.G. Siddhartha
Chairman and Managing Director

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coffee day enterprises, the parent company of the coffee day group, has diversified business interests in the areas of coffee retailing and trading, technology parks, logistics, investments, hospitality and financial services.

OUR VISION

We are where coffee is today and where it's going next. We bring coffee from the bean to the cup. Over time we've developed the science of nurturing the yield, how to roast it to coax just the right flavor from it and how to extract that flavor into the brew. Yet, we do more than please the palate. In every bean, we see the potential of each day ready to be released.

Coffee is our purpose. It inspires us because we can see the boundless possibilities in the lives of our guests.

OUR MISSION

To find and extract the boundless potential in all that we do—just as we have for every cup of coffee.

ABOUT US

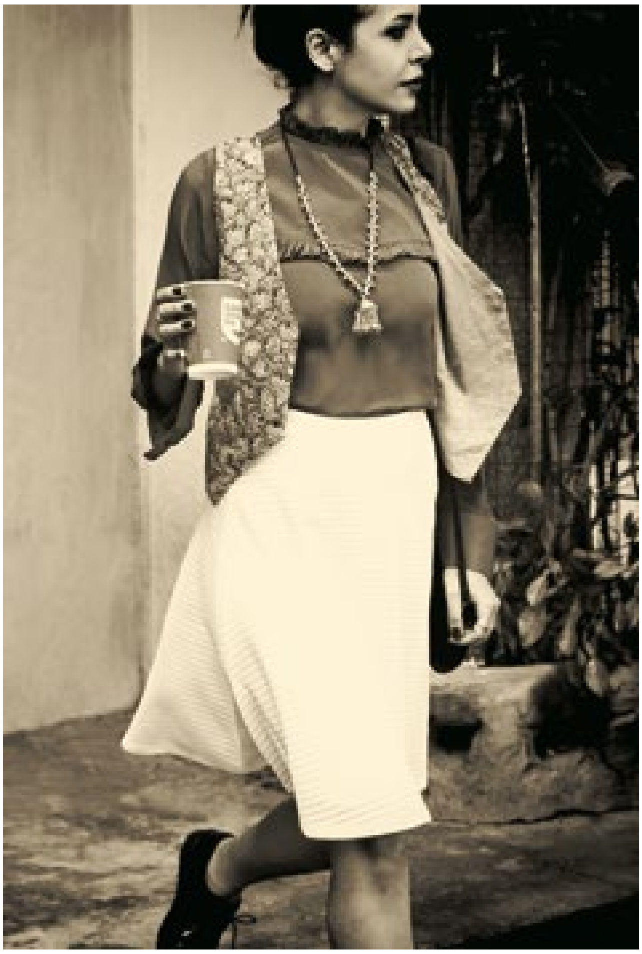
Coffee Day Enterprises, through its subsidiaries, operates in the chained café segment in India under its flagship business, Café Coffee Day. The Company opened its first Café Coffee Day outlet in Bengaluru in 1996 and currently has a network of 1,682 café outlets across 241 cities and 537 Coffee Day Xpress kiosks across 22 cities in India. The Company possesses the largest network of cafés compared to any other player in the segment. With a rapidly sprawling network, the Company is better positioned than its competitors to capture the benefits of rising middle-class income levels, which would aid in increasing discretionary consumer spending.

SUBSIDIARIES (MAJOR)

- Sical Logistics Limited; logistics and warehousing; primed to capture the benefits arising out of GST
- Way2Wealth Securities Private Limited; financial services; extensive network which makes it well-positioned to capture growth in financial services penetration in India
- Tanglin Developments Limited; Tech Park in Bengaluru and Mangaluru; assets well-placed in high-growth micro-markets
- Coffee Day Hotels and Resorts operates under the brand name 'The Serai' in Chikmagalur, Bandipur, Kabini and Barefoot Resort in the Andamans; growing need for leisure and downtime among hectic lifestyles

Coffee business: The Company is engaged in the coffee business through its subsidiary, Coffee Day Global Ltd and its subsidiaries. Besides, it has the largest chain of cafés in India. The Company is also into the vertically-integrated coffee business, which ranges from procuring, processing and roasting coffee beans to retailing coffee products across various formats. In the retail café business, Café Coffee Day, The Lounge and The Square constitute the café network outlets.

Logistics: Sical Logistics, a listed entity on the BSE and NSE, is a subsidiary of CDEL and is in the business of providing integrated logistics solution. The Company has an equity holding of 52.83% in Sical Logistics.



Technology parks: Tanglin Developments, a fully-owned subsidiary, is engaged in the development and management of technology parks and related infrastructure, offering customised infrastructure facilities for IT-ITeS enterprises. TDL has two technology parks, 'Global Village' and 'Tech Bay'. They are situated in Bengaluru and Mangaluru, respectively.

Hospitality: The Company owns and operates three luxury resorts, two of which are operated by Coffee Day Hotels & Resorts Pvt Ltd, a fully-owned subsidiary. The luxury resorts are operated under the brand 'The Serai'. The resorts are situated at three locations in Karnataka, viz. Chikmagalur, Bandipur and Kabini. The Company also holds a minority interest in and manages a luxury resort in Andaman and Nicobar Islands.

Financial services: Way2Wealth Securities Pvt Ltd, a subsidiary of CDEL, is a retail-focused investment advisory company with branches (owned and franchised) across 21 states in India. It is in the business of providing wealth management, broking, portfolio management and investment advisory services. The Company has an equity holding of 85.53% in Way2Wealth Securities Pvt Ltd. Besides these businesses, the Company also has an equity holding of 16.70% (effective holding being 15.99%) in IT company MindTree, which is listed on the BSE and NSE.

CERTIFICATIONS

- CE marking for vending machines
- Quality Management Systems certification, ISO 9001:2008 for design, development, production (assembly) of coffee and beverage vending machines assembly unit (B2C plant)
- RoHS certification
- Halal Certification
- Sustainable Supply Chain – UTZ Certification
- Rainforest Alliance Certification
- Food Safety Management Systems Certification for Roasting Unit - ISO 22000:2005 and BRC Issue-6 certifications for processing and packaging of roasted coffee beans and powder.
- Food Safety Management Systems Certification for CCD (pan-India) - ISO 22000:2005 certification for handling, preparing and serving food and beverages in cafés

AWARDS AND ACCREDITATIONS

2007 - Café Coffee Day won the Times Food Award under the category of "Best Coffee Bar" from Times of India

2008 - Café Coffee Day won the Burrper's Choice Award for being voted as the "Coolest Café" by users of burrp.com

2009 - CDGL won the award for "Retailer of the Year" under the category of Food & Beverages (catering services) by Asia Retail Congress 2009

2011 - Café Coffee Day won the Indian Hospitality Excellence Award under the category of "India's Most Popular Coffee Joint: 2010"

2012 - Café Coffee Day was ranked as 26th Most Trusted Service Brand in India and as 2nd Most Exciting Brand under the category of "Food Services" in India under a survey done by Brand Equity (Economic Times)

2012 - Café Coffee Day won the Best Coffee Bar Award from mouthshut.com

2013 - Café Coffee Day was ranked as 26th Most Trusted Service Brand in India under a survey done by Brand Equity (Economic Times)

2013 - Café Coffee Day was awarded 'The NCPEDP – Shell Helen Keller Award 2013' by National Centre for Promotion of Employment for Disabled People for being a role model company in helping to generate employment opportunities for person with disabilities

2013 - CDGL was awarded as the Best Retailer under the category of "Best Customer Service in Café Restaurant" by Star Retailer Awards 2013

2013 - Café Coffee Day won the Brand Excellence Award in retail sector from ABP news

2014 - CDGL was awarded bronze prize by the Coffee Board of India for being the third best exporter of green coffee during 2012-13

2014 - CDGL was awarded 'Retailer of the Year' (Organisation Food and Grocery) for retail excellence by ABP News

2014 - CDGL was awarded 'Retailer of the Year' for brand excellence by ABP News

2014 - Café Coffee Day was ranked as 22nd Most Trusted Service Brand in India, as 27th Most Exciting Brand in India and as 2nd Most Exciting Brand under the category of 'Food Services' in India, under a survey done by Brand Equity (Economic Times)

2014 - Our Promoter was awarded with 'ET Retail Hall of Fame' for his contribution to the growth in retail sector

2015 - Café Coffee Day was awarded 'Champion Employer' by MORD (Ministry of Rural Development) to set up a skill training academy to train youth of India. This is part of the Government's 'Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY) initiative to impart skills to rural and urban underprivileged youth and generate employability.

2015 - Café Coffee Day was ranked as 4th Most Trusted Brand in India in the Foods Services and as 4th Most Exciting Brand under the QSR category in India, under a survey done by Brand Equity (Economic Times)

2016 - Café Coffee Day received the award in the best 'Café Restaurant' category at the 5th Annual Indian Retail & e-Retail Awards 2016

2017 – Won Bronze at the prestigious Goafest Creative ABBY 2017 Awards in the Retail Advertising category for 'Magical Brews' PR Campaign

2017 – Café Coffee Day profiled in The Economic Times 'Iconic Brands of India' feature

2017 - Café Coffee Day declared the 'Best Player in Coffee Chain' category in the country in The Week survey done in partnership with IMRB - India's Best Restaurants-2017

OUR LISTING

Raising Rs.1,150 crore through a recent IPO (November 2015), the Company commands a market capitalization of Rs.4,791.60 crore as on 31st March 2017. 52.62% of the Company's equity is owned by the promoter group.

our board of directors

MR. V. G. SIDDHARTHA
Chairman and Managing Director

MR. S. V. RANGANATH
Independent Director

MR. M. D. MALLYA
Independent Director

DR. ALBERT HIERONIMUS
Independent Director

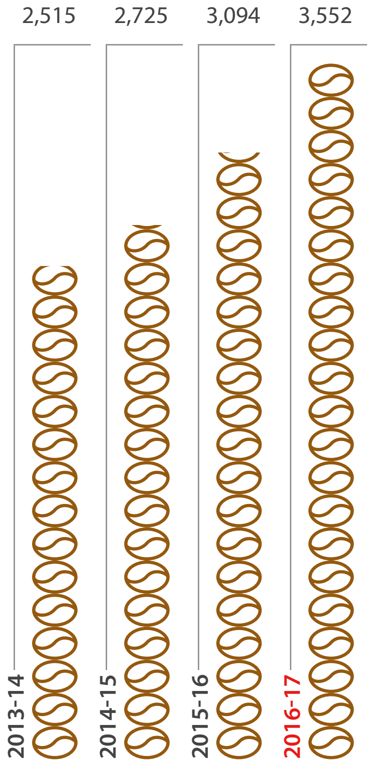
MR. SANJAY OMPRAKASH NAYAR
Non-Executive,
Nominee Director

MRS. MALAVIKA HEGDE
Non-Executive,
Non-Independent Director

our financial journey

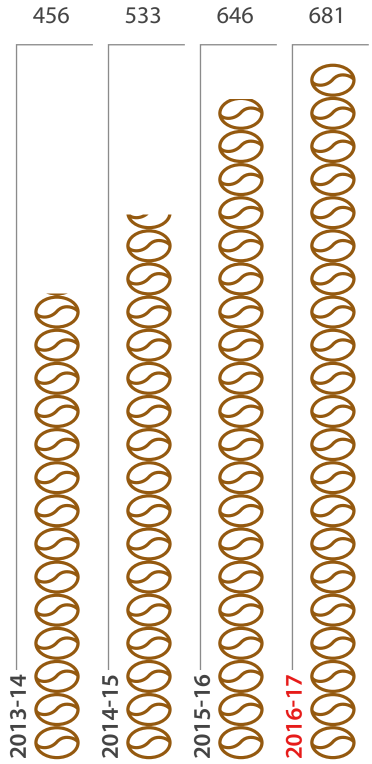
At our Company, our revenues grew from Rs.3, 094 crore in FY 2015-16 to Rs.3,552 crore in FY2016-17 as we were successful in establishing and monetizing the café culture in the country through providing our customers with a superlative experience, great service and an innovative menu.

GROSS REVENUES (RS.CRORE)



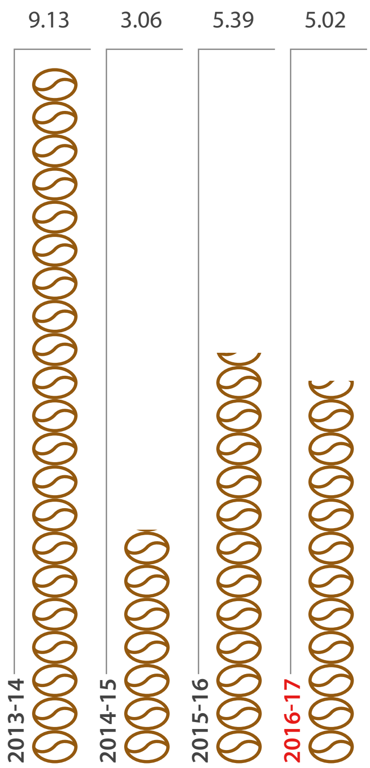
Our EBITDA grew at 5.4% in FY2017 compared to previous year FY2016 on account of increase in revenue and efforts in cost reduction.

EBITDA (RS.CRORE)



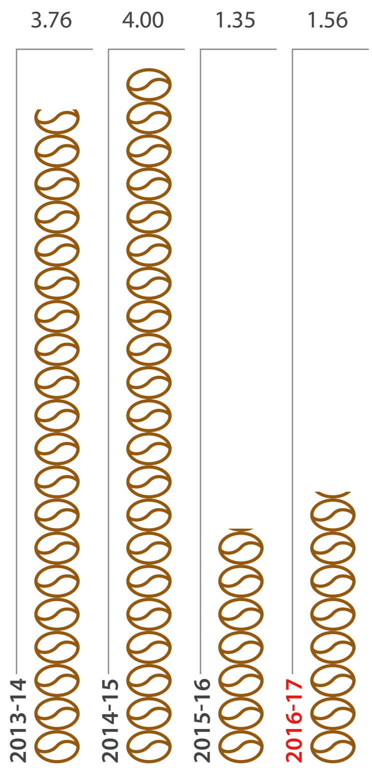
Our same store sales (SSSG) at 5.02 % in FY2016-2017 as against 5.39% during the previous fiscal year due to a decrease in discretionary spending.

SSSG (%)



At our Company, we reported a debt-equity ratio of 1.56x, which is reasonable considering the business requiring constant capital for investment and growth.

DEBT-EQUITY RATIO



our business drivers

LARGE AND DIVERSIFIED STORE BASE

Coffee Day Enterprises operates the largest network of cafés compared to any other peer. Besides, the Company possesses the largest number of consumer touch-points compared to any other company operating in the café retail space.

With a sprawling network of 1682 Café Coffee Day outlets spread across 241 cities and towns in India and 537 Coffee Day Xpress kiosks, Coffee Day Enterprises is better-positioned than its peers to capture the benefits of rising middle-class income levels, which would aid in increasing discretionary consumer spending.

CONSISTENT TOPLINE GROWTH

Our topline has grown at a healthy 10.4% CAGR over the past five years ending FY2016-17. Moreover, our coffee and related business segments, which contributed 51% to total sales in FY2016-17, and also the retail gross revenue grew at a steady pace of 15% CAGR during the same period. At our Company, we have also been able to maintain competitive prices across product offerings at our outlets (vis-à-vis peers), which has helped drive revenues for the coffee business.

STRONG BRAND IDENTITY IN FORM OF 'CAFÉ COFFEE DAY'

The flagship café business, Café Coffee Day, has a strong and undisputed brand recall in the minds of consumers and has a significant following, especially among India's youth, with the result of generating repetitive footfalls. With India being a young country (median age of ~27 years), Café Coffee Day will be a direct beneficiary of the premiumisation in the beverages industry and growing brand consciousness among the youth on the back of an increase in consumer preference for quality products.

corporate social responsibility

We foster a socially-responsible corporate culture by following a balanced approach to business, addressing social and environmental challenges through required investments, technological upgradation, necessary resource allocation and stakeholder engagement.

CSR VISION

Ensuring healthy and sustainable environmental practices with a vision of socio-economic development of the community in which we operate through various initiatives so as to build a better tomorrow.

CSR MISSION

- To be a responsible organisation
- To empower the marginalised by generating sustainable livelihood
- Ensuring environmental sustainability through ecological conservation and regeneration and promoting bio-diversity

ACTIVITIES

Finding potential in coffee is a vital part of our success. That's why our diversified businesses find potential in everything we do. Likewise, our CSR activities also revolve around finding potential in the people, society and the environment. Bringing people together and making a difference in people's lives by inspiring change is an integral part of our social activity.

Our multi-disciplinary team involves personnel from various sectors such as the EHSS (environment, health, safety and social), development sector, sustainability, R&D, food safety management and external consultants. The team proactively engages in finding efficient methodologies for our CSR initiatives with a vision, which effectively translates into a robust and sustainable CSR strategy.

ETHICALLY PURCHASED AND RESPONSIBLY PRODUCED PRODUCTS

Our determination towards sustainability can be established by our UTZ and Rainforest Alliance certifications for our major coffee suppliers' estates.

Coffee Day Global was the first Company in India to obtain UTZ certification for some of its estates and processing facilities at Hassan for responsible coffee production. This certification acknowledges that the Company adheres to the international standards which represent the blueprint designed to conserve bio-diversity by ensuring environmental sustainability through ecological conservation and regeneration, and also improve livelihoods in the value chain by ensuring socio-economic community development.

We are committed to offering only ethically-purchased and responsibly-produced products of the highest quality. We honor this commitment through our coffee purchasing practices. The UTZ code of conduct sets guidelines for better farming methods and working conditions, as well as better care for nature and future generations. It makes the farmland more sustainable and improves the life of workers and their families by enabling them to sell their coffee at a premium. This enables us to balance profitability with a social conscience. By adhering to the above, the group is working towards enhancement of the social, environmental, managerial and economic conditions of coffee farmers across the supply chain.

We are also promoting UTZ certification program for our other coffee suppliers' estates (over 240 planters owning around 21,000 acres of coffee estates) located in the districts of Chikmagalur and Hassan.

Another notable achievement for us has been the certification of Rainforest Alliance for our promoter's major coffee estates. This has just strengthened our endeavour in mitigating the impact of climate change.

SUSTAINABLE EMPLOYEE ENGAGEMENT AND LIVELIHOOD-ENHANCING VOCATIONAL SKILLS.

We have succeeded in establishing strategic partnerships with various training bodies, non-governmental organisations and Government authorities through the years which help us in providing skill training and employability to the underprivileged.

To name a few, Dr. Reddy's Foundation (pan-India), Gram Tarang Foundation (Odisha) and Sarthak (North India) have been instrumental in helping us make a valuable contribution towards the cause. Our longstanding association with the Ministry of Rural Development has assisted us in providing globally-relevant employability to rural youth.

Our social transformation initiative is led by SVGH Vocational Training College located at Chikmagalur. It lays the foundation of Coffee Day's value system. The Foundation's aim is to promote education within economically underprivileged rural youth and support them to be independent and responsible. The college has successfully trained over 6,000 students, many of whom have found employment at the Company's outlets across the country. The entire expense of the course, including education, food, accommodation, uniforms and transport facilities is borne by the promoter.

In states like Jammu and Kashmir and Odisha, the majority of the population, particularly those residing in villages and rural areas, do not have access to vocational education or employment opportunities. In our endeavour to embrace corporate social responsibility, we have created avenues for youth that empower them to realise their potential and to move from a state of 'anticipated opportunity' to that of 'realised opportunity'.

DIFFERENTLY-ABLED: SILENT BREWMASTERS

Coffee Day Global has tied up with NGOs 'Enable India' and 'Gram Tarang' to employ differently-abled individuals at suitable positions across several divisions of the Company. We recognise social responsibility as an integral part of our corporate citizenship. Motivated by our value system, we commit to nurture societies through inventive and pioneering solutions to satisfy evolving societal needs with a special emphasis on people with disability. Over 150 speech and hearing impaired people are employed at our cafés, fondly called the 'silent brewmasters'. Café Coffee Day also provides employment to the differently-abled youth not only to open up a source of livelihood but also to encourage them to be independent and self-reliant.

PROMOTING GENDER EQUALITY AND EMPOWERING WOMEN

We believe that women play a central role in the entire development process. Therefore, at Coffee Day, we are extremely focused on having a diverse workforce by recruiting, training and promoting qualified female employees. We strive to ensure their overall well-being and to ensure this we have an active sexual harassment prevention/redressal committee. It is ensured that all types of grievance related to the workplace are redressed without any undue delay and in a fair manner conducive for better employer and worker relations.

Women formed 24.5% of the workforce in FY2016-2017 as compared to 23.48% in FY2015-2016. It has been a continuous effort to increase the proportion of women employees in the organisation.

ENERGY MANAGEMENT

Energy conservation continued to be a priority area for the Company. During the FY 2016-2017, the Company undertook various initiatives to conserve energy and reduce its environmental impact by conducting energy audits and introducing innovative ways of saving power. Few of the initiatives are listed below:

- Advanced energy saving gadgets were installed, like capacitor banks, LED lights, and indigenised components like thermo-controllers for ovens, etc.
- Energy Audits: This includes the use of a high-end online energy monitoring system across majority of CCD outlets. Today, with Internet of Things, it is possible to remotely monitor and manage energy usage and take timely actions to stop inefficiencies.

The above mentioned initiatives have reduced energy consumption by 8-9% in FY2016-2017 as compared to FY 2015-2016.

WASTE MANAGEMENT

We have a balanced approach to business which addresses social and environmental challenges through required investments, technological upgradation, necessary resource allocation and stakeholder engagement.

Coffee by-products, including husk, are used as energy/raw material in briquettes for manufacturing and other industries for composting. Leftover lamination paper used in packing materials is distributed to children in Government schools for book-binding.

MISCELLANEOUS ACTIVITIES

We strive to preserve the natural beauty and history, along with the natives of the land by investing in good agricultural practices and eco-conservation which ensures that the original forest cover of the region remains intact.

We have undertaken various initiatives to promote the use of eco-friendly cooking stoves among the workers of coffee estates. In our initiative to reduce our environmental impact, we have banned the use of plastics bags in all the outlets of the Company and introduced eco-friendly paper bags to serve the purpose.

Our CSR initiatives prioritised food safety management systems in delivering safe food to our consumers and to comply with the new regulations.

After being certified for meeting international standards in food safety management system (FSMS) with BRC, ISO 22000:2005 for our roasting unit, we were successfully re-certified with ISO 22000:2005 for our café outlets, pan-India during the previous fiscal year.

corporate information

BOARD OF DIRECTORS

Mr. V.G. Siddhartha
Chairman and Managing Director

Mr. S.V. Ranganath
Independent Director

Mr. M.D. Mallya
Independent Director

Dr. Albert Hieronimus
Independent Director

Mr. Sanjay Omprakash Nayar
Non- Executive, Nominee Director

Mrs. Malavika Hegde
Non -Executive,
Non Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Sadananda Poojary

CHIEF FINANCIAL OFFICER

R. Ram Mohan

REGISTERED OFFICE

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

BANKERS

Corporation Bank

Axis Bank Limited

Karnataka Bank Limited

State Bank of Mysore

AUDITORS

B S R & CO LLP
Chartered Accountants

Maruti Infotech Centre

11-12/1, Inner Ring Road, Koramangala,
Bengaluru 560071

REGISTRAR AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PRIVATE LIMITED

C-101, 204 Park,
LBS Marg, Vikhroli (West),
Mumbai-400 083

COMPOSITION OF COMMITTEES

AUDIT COMMITTEE

Mr. S.V. Ranganath
Chairperson-Independent

Dr. Albert Hieronimus
Member-Independent

Mr. V.G. Siddhartha
Member-Executive

NOMINATION & REMUNERATION COMMITTEE

Mr. S.V. Ranganath
Chairperson-independent

Dr. Albert Hieronimus
Member-Independent

Mrs. Malavika Hegde
Member-Non-Executive

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mrs. Malavika Hegde
Chairperson- Non-Executive

Mr. V.G. Siddhartha
Member-Executive

Mr. S.V. Ranganath
Member-Independent

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. S.V. Ranganath
Chairperson- independent

Mr. V.G. Siddhartha
Member-Executive

Mrs. Malavika Hegde
Member-Non-Executive

RISK MANAGEMENT COMMITTEE

Mr. V.G. Siddhartha
Chairperson-Executive

Mrs. Malavika Hegde
Member- Non-Executive

ADMINISTRATION COMMITTEE

Mr. V.G. Siddhartha
Chairperson-Executive

Mrs.Malavika Hegde
Member- Non-Executive

SECRETARIAL AUDITOR

HRB & Co. Secretaries

INTERNAL AUDITOR

ABS & Co.

management & governance

board's report

Dear Shareholders,

The Board of Directors present you the Ninth Annual Report on business and operations along with the audited financial statements and the auditor's report of your Company for the financial year ended 31st March 2017.

FINANCIAL HIGHLIGHTS:

Amount In Rs.Million

Particulars	Coffee Day Enterprises Limited	Coffee Day Enterprises Limited	Coffee Day Global Limited	Coffee Day Global Limited
	(Consolidated)	(Consolidated)	(Consolidated)	(Consolidated)
	FY 17	FY 16	FY 17	FY 16
Gross Operational Revenue	35519	30943	17728	15520
Finance charges	3172	3595	479	493
Depreciation	2268	2517	1633	1526
Profit Before Tax	1371	350	498	393
Income Tax	555	446	230	150
Profit for the period	**462**	**-425**	**264**	**241**

PERFORMANCE OVERVIEW

During the fiscal year ended 31st March 2017, consolidated gross revenue grew by 15% driven by strong impetus from Coffee and Multimodal Logistics. The retail gross revenue in the coffee business contributed by a growth of 14%. Consolidated Profit after tax and exceptional is Rs.462 Million for the year 2017 compared to loss of Rs.425 Million for the previous year.

A detailed performance analysis is provided in the Management Discussion and Analysis segment which is annexed to this report.

STATE OF COMPANY'S AFFAIRS

The state of Company affairs forms part of Management Discussion & Analysis Report.

DIVIDEND

The Board of Directors of your Company has not recommended any dividend for the financial year 2016-17.

TRANSFER TO RESERVES

The Company has not transferred any amount to reserves during the year and hence no information as per the provisions of Section 134 (3) (j) of the Companies Act, 2013 has been furnished.

ISSUANCE OF NON-CONVERTIBLE DEBENTURES (NCD'S)

The Company had during the Financial year 2016-17, sought shareholders approval in the Annual General Meeting for issuance of NCD's for an amount not exceeding Rs.550 Crores. On 11th March 2017 the Board of Directors at its meeting issued NCD's for an amount of Rs.290 Crores for Identifiable Investors and on 30th March 2017 the Board of Directors at its meeting issued NCD's for an amount of Rs.150 Crores for the purpose of restructuring its existing debts.

APPROVAL OF MERGER BETWEEN COFFEE DAY OVERSEAS PRIVATE LIMITED WITH COFFEE DAY ENTERPRISES LIMITED

The Scheme of Amalgamation between COFFEE DAY OVERSEAS PRIVATE LIMITED with COFFEE DAY ENTERPRISES LIMITED was approved by the Board of Directors at the Meeting held on 11th August, 2016 and the approvals were sought from all the respective authorities viz; Competition Commission of India, Bombay Stock Exchange, National Stock Exchange of India Limited (Designated Stock Exchange) and vide the National Company Law Tribunal Order dated 02nd February 2017, ordered a Shareholders Meeting on 10th March 2017 and the same was passed with requisite majority approving the merger.

POSTAL BALLOT

National Stock Exchange of India vide its observation letter had ordered a Postal Ballot for approving the scheme of Merger between COFFEE DAY OVERSEAS PRIVATE LIMITED with COFFEE DAY ENTERPRISES LIMITED with the majority constituting Public Shareholders and the Resolution was passed with consent of 99.99% majority.

DEPOSITS

The Company has not accepted any fixed deposits from public pursuant to Section 73 of the CA, 2013 and rules thereunder.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company makes investments or extends loans/guarantee to its wholly owned subsidiaries for their business purpose. The details of loans, guarantees and investments are covered under section 186 of the Companies Act, 2013 along with the purpose for which such loan or guarantee is proposed to be utilized by the recipient, form part of the notes to the financial statements provided in this annual report.

SUBSIDIARIES

The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the SEBI (LODR) 2015. The said policy is available at the Company website: www.coffeeday.com

The Company has 44 subsidiaries (including indirect subsidiaries) as on 31st March 2017.

As per section 129(3) of the Companies Act 2013, the consolidated financial statements of the Company and its subsidiaries form part of the Annual Report. A Statement containing the salient features of the financial statements of its subsidiaries in the prescribed Form AOC-1 is attached as **Annexure to Consolidated Financial Statements**.

In accordance with section 136 (1) of the Companies Act 2013, the financial statements of the subsidiary companies are available on our website www.coffeeday.com post approval of the members.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion & Analysis forms part of this annual report and it is annexed to the Directors report-**Annexure-1**.

CORPORATE GOVERNANCE

The report on Corporate Governance as stipulated by under SEBI (LODR) 2015 forms part of the Annual Report. The requisite Certificate from a practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached to this Report-**Annexure-2**.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In accordance with Section 178(3) of the Companies Act 2013 and Regulation 19 of SEBI (LODR) 2015, the Board had adopted Policy on Director's appointment and remuneration as recommended by the Nomination and Remuneration Committee. The policy is attached as **Annexure-3**.

BOARD DIVERSITY

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The

Board recognises the importance of a diverse composition and has adopted a Board Diversity Policy which sets out the approach to diversity. The policy is available at www.coffeeday.com

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

BOARD EVALUATION

As per the provisions of the Companies Act 2013 and SEBI (LODR) 2015, an evaluation of the performance of the Board, Committee and members was undertaken.

The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of various criteria such as Board structure, strategic discussions, effective reviews, process, Boards engagement with senior management team, etc. The performance of the Committee was evaluated by the Board on the basis of composition, effective discharge of its function and recommendations provided. Performance of the Individual Directors was evaluated on the basis of Integrity, Commitment, Ability to exercise independent judgement, etc. The feedback was collated and discussed at the Board and action points for improvement is put in place.

APPOINTMENTS /RESIGNATION /RE-APPOINTMENTS OF BOARD OF DIRECTORS

During the year there has been no change in the Composition of Directors.

Mrs. Malavika Hegde shall retire by rotation at the ensuing Annual General meeting and is eligible for re-appointment.

COMMITTEES OF THE BOARD

The details of Boards Committees – the Audit Committee, the Nomination and Remuneration Committee and the Stakeholders Relationship Committee have been disclosed separately in the Corporate Governance Report which is annexed to and forms a part of this annual report.

AUDIT COMMITTEE

The Audit Committee comprises of Mr. S.V. Ranganath, Chairman, with Dr. Albert Hieronimus and Mr. V.G. Siddhartha as members. The functions performed by the Audit Committee and the particulars of meetings held and attendance there at are given in the Corporate Governance Report.

MEETINGS OF THE BOARD

The Board duly met 6 times (Six) during the financial year 2016-17. Details of the meetings are mentioned in the Corporate Governance Report which is annexed to this Report.

RELATED PARTY CONTRACTS OR ARRANGEMENTS

The Company has formulated a policy on "materiality of related party transactions" and the process of dealing with such transaction, which are in line with the provisions of the Companies Act, 2013 and SEBI (LODR) 2015. The same is also available on the website of the Company www.coffeeday.com

Prior omnibus approval from the Audit Committee are obtained for transactions which are repetitive and also normal in nature. Further, disclosures are made to the Committee on a quarterly basis.

There have been no material related party transactions undertaken by the Company, under regulation 23 of the SEBI (LODR) 2015 and detail of the transaction approved by the Board under section 188 of the Companies Act, 2013 have been enclosed pursuant to clause (h) of subsection (3) of Section 134 of Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014.

There have been no material related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and hence, no details have been enclosed pursuant to clause (h) of subsection (3) of Section 134 of Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014 – 'AOC-2'.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments have occurred after the close of the year till the date of this report, which affect the financial position of the Company.

CHANGE IN NATURE OF BUSINESS

There has been no change in the nature of business of the Company.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars as prescribed under section 134 (3) (m) of the Companies Act 2013, read with Rule 8(3) of the Companies (Accounts) Rules 2014 are attached as Annexure 4.

AUDITORS

a) Statutory Auditors

The members in their AGM held on 30th September 2014 had appointed M/s B S R & Co LLP, Chartered Accountants as statutory auditors for a term of 5 consecutive years. Hence, shareholders are hereby proposed to ratify the appointment of auditors from conclusion of this AGM to the conclusion of the next AGM.

b) Secretarial Auditor

Pursuant to Section 204 of the Companies Act 2013 M/s HRB & Co was appointed to conduct the secretarial audit of the Company for the FY 2016-17. The secretarial audit report is attached as Annexure 5.

c) Cost Auditor

Pursuant to Section 148 of the Companies Act 2013, the provisions for appointment of Cost Auditors do not apply to the Company.

d) Internal Auditor

In terms of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has appointed M/s. A B S & Co, Chartered Accountants as Internal Auditors.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS

There is no significant orders passed by the regulator, Court or tribunals impacting the going concern status and the Company's operations in future.

EXTRACT OF ANNUAL RETURN

An extract of the Annual return has been annexed to the Board's Report in compliance with Section 92 of the Companies Act 2013 read with applicable rules made thereunder annexed as Annexure 6 to this Report.

BUSINESS RESPONSIBILITY REPORT

The SEBI (LODR) 2015 mandates inclusion of the Business Responsibility report as part of the Annual Report for Top 500 Listed entities based on market capitalization. In compliance with the regulation, we have provided the BRR as part of our Annual Report-Annexure-7.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

It is management's responsibility to establish and maintain appropriate controls over financial reporting. Controls are aimed at providing reasonable assurance that external reports and statements are in accordance with applicable accounting principles.

The Company has laid down certain guidelines, processes and structure, which enables implementation of appropriate internal financial controls across the organisation. Such internal financial controls encompass policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of business, including adherence to its policies, safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. These include control processes both on manual and IT applications including the ERP application wherein the transactions are approved and recorded. Appropriate review and control mechanisms are built in place to ensure that such control systems are adequate and are operating effectively. Because of the inherent limitations of internal financial controls, including the possibility of collusion or improper management override of controls, material misstatements in financial reporting due to error or fraud may occur and not be detected. Also, evaluation of the internal financial controls is subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the compliance with the policies or procedures may deteriorate.

The Company has, in all material respects, an adequate internal financial controls system and such internal financial controls were operating effectively based on the internal control criteria established by the Company considering the essential components of internal control.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for adequate safeguards against victimization of persons who use the Vigil Mechanism; and also provides direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. Details of the Vigil Mechanism policy are made available on the Company's website www.coffeeday.com

PARTICULARS OF EMPLOYEES

The Statement containing ratio of remuneration paid to each Director and the median employee remuneration and other details in terms of subsection 12 of section 197 of the Companies Act 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

THE STATEMENT CONTAINING PARTICULARS IN TERMS OF SUBSECTION 12 OF SECTION 197 OF THE COMPANIES ACT 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 - ANNEXURE-8

CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013 the Company has a Corporate Social Responsibility Committee. The Committee comprises of Mr. S.V. Ranganath, Chairman and Mr. V.G. Siddhartha & Mrs. Malavika Hegde as Members. The Committee has adopted a CSR policy which has been hosted on the Company's website at www.coffeeday.com

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year 2016-17, no complaints were received by the Company related to sexual harassment.

DIRECTOR'S RESPONSIBILITY STATEMENT

In Compliance with section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirm the following:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The directors had prepared the annual accounts on a going concern basis; and

(e) The Company is responsible for establishing and maintain adequate and effective internal financial controls with regard to it business operations and in the preparation and presentation of the financial statements, in particular, the assertions on the internal financial controls in accordance with broader criteria established by the Company.

Towards the above objective, the directors have laid down the internal controls based on the internal controls framework established by the Company, which in all material respects were operating effectively as at 31st March 2017.

(f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate. The Company has substantially complied with material provisions of such acts and regulations as are relevant for its operations. No material or significant non compliances were reported or identified during the year.

STATUTORY DISCLOSURES

None of the Directors of your Company are disqualified as per provisions of Section 164(2) of the Companies Act, 2013. Your Directors have made necessary disclosures, as required under various provisions of the Act and SEBI (LODR) 2015.

BOARD'S RESPONSE ON AUDITORS QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE

There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report or by the Company Secretary in practice in the secretarial audit report.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT OF THE COMPANY

Your company is exposed to a variety of risk considering the diversified business of the subsidiaries which include coffee business, technology park business, logistics business, financial services business and resort business. We conduct a substantial portion of our coffee and non-coffee business operations through our subsidiaries. Hence our company's income is largely dependent on the investment income and dividends from our subsidiary. Our success depends on the value, perception and marketing of our brands, most particularly the "Café Coffee Day" brand. We are also subject to strong competition in food & beverage industry and our logistics business.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OF THE ACT

There were no frauds reported by auditors.

SHARES

A. Buy back of securities

The Company has not bought back any of its securities during the year under review, as per Section 68 of the Act.

B. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review, as per Section 54 of the Act.

C. Bonus Shares

The Company had not issued Bonus Shares during the year under review, as per Section 63 of the Act.

D. Employee Stock Option Plan

The Company has not provided any Stock Option Scheme to the employee, as per Section 62 of the Act.

ACKNOWLEDGEMENTS

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

For and on Behalf of the Board
By Order of the Board

Place: Bangalore
Date: 18th May 2017

For **Coffee Day Enterprises Limited**

V G Siddhartha
Chairman & Managing Director
DIN- 00063987

Malavika Hegde
Director
DIN - 00136524

management discussion and analysis

GLOBAL ECONOMIC OVERVIEW

Global growth was projected to slow to 3.1% in 2016 before recovering to 3.5% in 2017. The forecast was revised down by 0.1 percentage points for 2017, compared with April 2016 projections. This reflected a subdued outlook following the Brexit referendum, increasing global protectionism and weaker-than-expected growth in the US.

However, long-term prospects of emerging market economies improved following a visible lowering of interest rates in advanced economies and firming commodity prices. Asia in general and India in particular demonstrated robust growth while sub-Saharan Africa experienced a sharp slowdown. Among advanced economies, activity rebounded strongly in the US with the economy approaching full employment. Long-term nominal and real interest rates rose in the UK and US since November 2016. Aggregate growth for emerging markets and developing economies was estimated at 4.1% for 2016, just above the post-crisis low in 2015.

However, the overall forecast marks a marked difference between countries with strong commodity import-export ratios. After stagnating in 2015, growth in commodity-exporting nations for 2016 was pegged at 0.4% – substantially below the forecasted 1.6% (January 2016). This reflects a significant downward revision in terms of commodity prices spurred by weak global trade, capital flow volatilities and inherent domestic challenges. (Source: IMF & World Bank)

INDIAN ECONOMIC OVERVIEW

India's economic growth was pegged at 7.2% for FY 2017-18, down from 7.6% recorded in FY 2016-17. Although the demonetisation initiative moderated growth by 40 bps, this move is expected to have certain long-term structural benefits. The growth rate of the industrial sector was estimated to moderate to 5.2% in FY 2017-18, down from 7.4% in FY 2016-17.

The Union Budget for 2016-17 came in the context of a weak economic situation. It was not just the stress in the rural economy, which caused a steady decline in real wages as well as lowered farm incomes. There was also a slowdown in the manufacturing segment with the rising incidence of NPAs. The Union Budget for 2017-18 set aside Rs.48,700 crore for the MNREGA scheme to strengthen skill development. (Source: Crisil and IMF)

The proposed implementation of the historic tax reform of Goods and Services Tax as well as the government's remonetisation are expected to act as strong structural economic resets, enabling the country to realize its economic potential.

FINANCIAL OVERVIEW

PROFIT AND LOSS ACCOUNT ANALYSIS

Gross revenues

Gross revenues increased by 15% to Rs.35,519 million in 2016-17, compared with Rs.30,943 million reported in 2015-16.

Operating profit

Operating profit (EBITDA) increased by 5.4% to Rs.6,811 million in during 2016-17 from Rs.6,462 million in 2015-16, largely because of improvement in financial performance of café business and integrated multimodal logistics business.

Depreciation

Depreciation for the year under review stood at Rs.2,268 Million, compared with Rs.2,517 million recorded in the previous year, down 9.9% on a y-o-y basis.

Finance costs

Finance cost for the year under review decreased by 11.8% from Rs.3,595 million to Rs.3,172 million because of significant repayment of debt in the previous year and interest cost optimization carried out during the year 2016-17.

Total tax expenses

Total tax expenses for the year stood at Rs.555 Million, compared to Rs.446 Million for Financial year 2016.

Net profit

Consolidated net profit for the year under review stood at Rs.462 Million over loss of Rs.425 Million in the previous financial year.

BALANCE SHEET ANALYSIS

Net worth

The Company's net worth stood at Rs.28,491 million as on 31st March 2017, increasing by 4.0%, compared with Rs.27,406 million as on 31st March 2016. The net worth comprised paid-up equity share capital amounting to Rs.2,060 million as on 31st March 2017 (206,001,709 equity shares of Rs.10 each fully paid up) and minority interest of Rs.6,214 million. The Company's reserves and surplus stood at Rs.20,217 million as at 31st March 2017.

Loan profile

The total loan funds stood at Rs.44,492 million while long-term borrowings stood at Rs.39,075 million. The Company's net debt as on 31st March 2017 stood at Rs.29,726 million (including short-term borrowings amounting to Rs.5,417 million).

Liabilities

Non current liabilities (excluding borrowings) stood at Rs.1,803 million, comprising of other financial liabilities Rs.1,209 million, deferred tax liabilities Rs.256 million, other non current liabilities Rs.217 million and provisions amounting to Rs.121 million.

Current liabilities (excluding borrowings of Rs.5,417 million and current maturities of long-term borrowings amounting to Rs.7,041 million) stood at Rs.5,499 million, comprising of other financial liabilities (excluding current maturities of long-term borrowings amounting to Rs.7,041 million) Rs.3,008 million, trade payables of Rs.1,012 million, other current liabilities Rs.1,168 million, current tax liabilities Rs.268 million and provisions amounting to Rs.43 million.

Total assets

The Company's total assets increased to Rs.80,285 million in 2016-17 from Rs.70,314 million in 2015-16, representing an increase of 14.2%. Capital work-in-progress (WIP) for the year increased by 16.6% to Rs.11,363 million in 2016-17, compared with Rs.9,747 million in 2015-16 on account of ongoing construction in our subsidiary engaged in the business of leasing of commercial office space and further additions by integrated multimodal logistics business.

Investments

The Company's investments (current and non-current portion) during the year under review increased to Rs.6,641 million from Rs.6,265 million in the previous year, an increase of 6.0% over the previous year.

Current and Non-current assets

Trade receivables of the Company stood at Rs.4,089 million in FY17, an increase of 30.8% over the previous year.

The Company had on its books cash and bank balances worth Rs.14,766 million as on 31st March 2017 as compared to Rs.13,216 million in 31st March 2016.

OPERATIONAL OVERVIEW

Coffee Day Enterprises is present across the following sectors: Coffee, logistics, financial services, leasing, commercial space and hospitality. However, 51% of the consolidated net revenue of the Company was contributed by the coffee business during the year under review, followed by 29% from the logistics business and 13% from financial services.

COFFEE BUSINESS

Gross Revenue from the Company's consolidated coffee business stood at Rs.18,274 million over 2016-17, contributing 51% to the consolidated topline, representing an increase of 15% over 2016-17. The substantial increase in revenues can be attributed to setting up of new café outlets and deployment of new vending machine. Revenue from the retail division increased by 14 % from Rs.12,536 million in 2015-16 to Rs.14,234 million over 2016-17. Consolidated net profit increased by 9 % from Rs.241 million in 2015-16 to Rs.264 million in 2016-17.

Coffee Day Global Limited's flagship café chain brand Café Coffee Day (CCD) owns 1682 cafes in 241 cities and 537 CCD Value Express kiosks. The coffee beans and powder are marketed through 415 Fresh and Ground Coffee retail stores. There are 41,845 vending machines that dispense coffee in corporate workplaces and hotels under the brand. The division serves more than 1.6 billion cups of coffee per annum. Internationally, CCDs are present in Vienna, Czech Republic, Malaysia and Egypt.

HIGHLIGHTS, 2016-17

Retail Gross Revenue at Rs.14,234 Million; up 14% YoY

Retail EBIDTA at Rs.2,556 million; up 8%

Net Profit after Tax at Rs.264 million: up 9% YoY

Outlook

The size of the organized café market was at Rs.67 billion in 2014 and is projected to grow to Rs.151 billion by 2020 at a CAGR of 15%. The café chain market in 2014 is at Rs.18 billion and is projected to grow at a CAGR of 20%. The overall coffee retail market in India is pegged to be Rs.30 billion and is expected to grow at 9% plus CAGR till 2020. (Technopak Report)

The vending machine coffee market, estimated at Rs.2400 cr in 2015 is expected to reach Rs.6300 cr by 2020 with a growth rate of 22%. The Commercial Office Space addition in India is estimated at 40 million sqft per year for the next 5 years, giving us a promising opportunity in this segment. The other areas of opportunity will be in the Government and Defense divisions, Hotels, Restaurants and other Retail channels.

Logistics business

The Company is present in the logistics sector through its subsidiary Sical Logistics Limited (SLL) in which we own a majority equity share of 52.83%.

	2012-13	2013-14	2014-15	2015-16	2016-17
No. of cafes	1454	1568	1518	1,607	1,682
No. of cities of presence	196	211	215	231	241
No. of CCD Value Express kiosks	919	945	579	579	537
No. of vending machines	21,594	25,561	29,760	35,441	41,845

Sical Logistics Limited

- More than five decades of experience in the logistics sector
- Listed on the Bombay Stock Exchange and National Stock Exchange
- Market capitalization of Rs.14615 million as on 31st March 2017
- Focus on port handling, road and rail, logistics, container freight stations and mining

Revenue from our integrated logistics business stood at Rs.10,329 million in 2016-17, representing an increase of 21% over 2015-16, and contributing 29.1% to the consolidated top line, an increase of 1.5% over 2015-16. The increase in revenues can be attributed to new contracts and increased volumes in mining and transportation and growth in other business verticals. EBITDA increased 43% from Rs.1159 million in 2015-16 to Rs.1,654 million in 2016-17.

HIGHLIGHTS, 2016-17

Market capitalization of Sical Logistics Limited as per NSE as on 31st March 2017: Rs.14,615 million as against Rs.7,308 million as on 31st March 2016.

- 21% YoY growth in gross revenues to Rs.10,329 million;
- EBITDA of Rs.1,654 million which represents 43% YoY growth

The Company's growth in the current financial year is propelled by new business initiatives and new contract wins.

Outlook

Indian logistic industry is projected to grow at a CAGR of 15-20% during FY16~FY20. The logistic sector has been gaining momentum, on account of various Government initiatives like GST implementation, "Make in India", National Integrated Logistic Policy, Sagar Mala Project etc. and also due to economy revival and E-commerce growth and Dedicated Freight Corridors (DFCs) etc.. The implementation of GST has been a boon to the logistics sector which will have two major implications - (i) centralisation and consolidation of warehousing and transition to 'hub and spoke' model and (2) increased tax compliance leading to moving away from un-organized transportation service providers to organized sector.

On account of ever changing customer needs and depleting profitability in pure transportation, organized players are aiming to become end-to-end service providers. In India, Third-Party Logistics (3PL) and Supply Chain Management (SCM) industry is still in nascent stages but is steadily gaining traction especially in industries such as Automobiles, Pharmaceuticals, Consumer Durables and FMCG.

SICAL Iron Ore Terminals Limited, a subsidiary of Sical Logistics Limited, has executed the License Agreement with Kamarajar Port for modification of the existing iron ore terminal to handle common user coal on BOT basis. The financial closure and approval of Detailed Project Report have been achieved on this project. The Company is in the process of implementation of the project.

Financial services business

The Group is present in the financial services sector through its subsidiary Way2Wealth Securities Private Limited (W2W Securities), in which we hold an 85.53% equity stake.

Way2Wealth Securities Private Limited

- Retail-focused investment advisory company
- Services provided: wealth management, broking, portfolio management and investment advisory services

Revenue from our financial services business stood at Rs.4,760 million in 2016-17, an increase of 6% over 2015-16, contributing 13.4% to the consolidated top line. This increase in revenues can be attributed to increase in volumes of revenue from institutional, treasury and market operations through qualitative techniques. Among other financial highlights, the EBITDA during the year under review is Rs.556 millions.

Products and services provided in the financial services division

Way2Wealth is an investment advisory and financial intermediation enterprise which offers a wide range of financial products, advisory services under one roof, with a Pan- India branch and franchized network. Way2Wealth currently caters to an array of retail, institutional and corporate clients.

Way2Wealth focuses on qualitative products understanding the customer risk appetite. Our service delivery approach of personalized, need based advice, research capabilities, past performance and emphasis on long-term wealth creation makes our customers feel confident about their financial future. We believe that factors like product insight, customer centric approach and enabling technology will be the driving forces behind our organization.

Way2Wealth positioned as a one stop shop for a range of investment needs such as Equities, Derivatives, Exchange traded commodities as well as Currencies and are among the leading distributors for Mutual Funds, Insurance, National Pension Scheme and Fixed Income products in India.

Awards and Recognitions

- MCX Excellence Award- Commodity Broker of the year 2016-17
- NSDL Go-green Award – 2017
- NSDL Star Performer – 2016
- BSE Top Ten Broker- 2016

Outlook

Significant parts of our businesses are dependent on the equity, derivative, commodity and debt markets. In the past 3 years markets have been fairly stable, consistent & trending positively. We expect most of these markets to continue the trend in the coming years as well sans global uncertainties. The present government's policy focus & regulatory clarities could push the FDI & FII inflows into the country, thereby assisting the markets to move higher & correspondingly could help us grow our businesses.

Major themes to impact India in 2017 include a resurrection in consumption demand, growth led by policy reforms, move towards digitisation, monetary stance of global central banks and economic policy decisions. The impact of demonetisation may weigh on consumption demand and on growth of various industries in the near term, dragging down the GDP growth for FY17. We expect the impact of this currency replacement programme to be shortlived, as new notes come into circulation. Additionally, this move should help increase the share of the formal economy and digital economy. Global factors, including commodity price movements, economic policies of the new government in the US shall play vital role for new directions for stock market in India.

This division is dependent on regulatory policies & its continuance. Any change in SEBI policies or direction can impact performance and also any increase in cost of transactions due to new levies by the government could impact volumes and business

Technology parks business

Our wholly-owned subsidiary, Tanglin Developers Limited, was set up for the development of technology parks and Special Economic Zones, offering bespoke facilities for information technology and IT-enabled services. The Company is developing and operating a Special Economic Zone/technology park in Global Village situated in Bengaluru, Karnataka and Tech Bay situated in Mangaluru, Karnataka.

Our technology parks division contributed 3.9% to the Company's top line. Revenues from this division increased by 5.5% from Rs.1,319 million in 2015-16 to Rs.1,392 million in 2016-17. Occupancy levels stood at 3.3 million square feet as at 31st March 2017. Currently, 7.5L sq. ft of office space is completed and will be occupied in phases. An additional 7.5L sq. ft is currently under construction.

Outlook

There are several infrastructural projects developed in this area including the connectivity of metro to this property, which will likely to improve the connectivity to this area from the center of Bangalore. The rent in this area are likely to be grown at 5-7% in the coming years.

The growth of the commercial real estates technology parks largely depend upon the growth of service and industrial sector especially IT , ITES and telecom. India as and is continuing to see major international player in this sector.

HOSPITALITY BUSINESS

The Company owns and operates luxury boutique resorts, one directly through our Company, and two through our wholly-owned subsidiary, Coffee Day Hotels & Resorts Private Limited (CDHRPL), under the brand 'The Serai'. These resorts are located at Chikmagalur, Bandipur and Kabini, all in Karnataka. The Company also holds a minority interest in a luxury resort in the Andaman and Nicobar islands.

Revenue from our hospitality business increased by 12% from Rs.317 million in 2015-16 to Rs.355 million in 2016-17.

KEY RISKS AND CONCERNS

Financial risk

If the Company's cash flow proves inadequate to meet its financial obligations,its status as a going concern might be invoked.

Competition risk

With growing westernization and increase in the penetration of global players and growing popularity of individual themed cafés, it might be a challenge for the Company to maintain its existing consumer base.

Regulatory risks

Operating in the food industry space is subject to various regulatory risks with respect to failure of compliance to quality standards and various regulations imposed by the government policies. Failure to meet with the standards might result in legal implications and loss of business.

Climatic risks

Bad monsoon might result in lower production of coffee leading to soaring high coffee prices. Passing it to the customers would incur menu costs and loss in price sensitive segment of consumer base. Thus, inadequate monsoon might result in falling revenues and profit.

Economic risk

Sluggish growth of the economy impacts the spending power reducing consumption. Overall macroeconomic instability results in a lower demand. Thus fluctuations in the economic scenario possess a major risk to the business of the Company. Performance of the backward and forward linked industries is of vital importance for the logistics sector to perform.

Social and political risk

Government policies play a major role in determining the fate of an industry. Relaxation of various regulations and simplification of tax regime give the much needed push to the concerned sectors. Change in orientation with change in government possesses a threat to the business.

corporate governance report

The detailed report on Corporate Governance for the financial year ended 31st March 2017, as per regulation 34(3) read with Schedule V of the SEBI (LODR) 2015 is set out below:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Coffee Day is committed to doing business in an efficient, responsible, honest and ethical manner. Corporate governance practice goes beyond compliance and involves a company-wide commitment and has become the integral part of business to ensure fairness, transparency and integrity of the management.

Good governance responsibilities encompasses the activities of the Board of Directors, who execute their corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interests of all stakeholders of the Company, in particular shareholders, employees and our customers in a balanced fashion with long term benefits to all.

Good corporate governance provides an appropriate framework for the Board, its committees and the executive Management to carry out the objectives that are in the interest of the Company and the Stakeholders.

The core values of the Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The business policies are based on ethical conduct, health, safety and a commitment to building long term sustainable relationships with relevant stakeholders.

Coffee Day is committed to continually evolving and adopting appropriate Corporate Governance best practices.

BOARD OF DIRECTORS

COMPOSITION, CATEGORY AND PROFILE OF DIRECTORS:

The Company has an appropriate mix of Executive and Independent Directors in the Board. As at 31st March 2017, the Board comprised of Six members, of which three are independent directors. Mr. V. G. Siddhartha is the Chairman and Managing Director ('CMD') of the Company, who conducts the day-to-day management of the Company, subject to the supervision and control of the Board of Directors. The Independent directors on the Board are management professionals and technocrats who are senior, competent and highly respected persons from their respective fields.

The composition and category of Directors as on date are as follows:

Name of the Director	Category
Mr. V.G. Siddhartha	*Promoter, Chairman & Managing Director*
Mr. S.V. Ranganath	*Independent and Non-Executive Director*
Mr. M.D. Mallya	*Independent and Non-Executive Director*
Dr. Albert Hieronimus	*Independent and Non-Executive Director*
Mr. Sanjay Nayar	*Non-Executive & Nominee Director*
Mrs. Malavika Hegde	*Promoter group, Non-Executive Director*

PROFILE OF DIRECTORS:

The brief profile of the Company's Board of directors is as under:

V.G. Siddhartha, 57, is the Chairman and Managing Director of our Company. V.G. Siddhartha has a long association with coffee, given the family's interests in coffee plantations for more than 130 years, and he has an experience of approximately over 2 decades in the coffee business. He set up CDGL in 1993 to export coffee beans and later forayed into coffee retailing in different formats in India. He also set up his own stock broking firm, Sivan & Co., at Bengaluru. He was recognized as "The Entrepreneur of the Year" by Economic Times in September 2003. In 2014, he was also awarded with 'ET Retail Hall of Fame' for his contribution to the growth in retail sector.

S.V. Ranganath, 64, is an Independent Director of our Company. He is an officer of the Karnataka-75 cadre of the Indian Administrative Service. He has worked as a civil servant in various capacities, including as the Chief Secretary, Government of Karnataka and Principal Secretary to the Chief Minister of Karnataka. He has been trained in various management concepts from institutes such as the Indian Institute of Management, Bengaluru and the Management Development Institute. Further, he has been on the board of directors of Indian Investment Centre, Abu Dhabi, Industrial Finance Corporation of India. He has also been the Chairman of the India Coffee Board.

M.D. Mallya, 64, is an Independent Director of our Company. He holds a bachelor's degree in engineering from the University of Mysore and a postgraduate diploma in industrial management from the Indian Institute of Science, Bengaluru. He has been the Chairman and Managing Director of Bank of Baroda and is currently serving on the board of directors of various organizations. Prior to joining the Bank of Baroda, he was the Chairman and Managing Director of the Bank of Maharashtra. He started his banking career from Corporation Bank in August 1976. In a career spanning over 36 years, he has acquired significant experience in the banking sector working at various positions and carrying out various assignments.

Dr. Albert Hieronimus, 70, is an Independent Director of our Company. He holds a diploma in mathematics and a doctorate in business and social sciences, both from the University of Cologne, Germany. He Has been on the Board of Mindtree Limited for a span of 11 years and has previously been the chairman of the executive board at Bosch Rexroth AG since February 2008. He has over 30 years of experience in the Mannesmann and Bosch group companies. In 2003, he became the chairman of Motor Industries Company Limited.

Sanjay Omprakash Nayar, 56, is a Non-Executive and Nominee Director of our Company. He holds a bachelor's degree in science (mechanical engineering) from University of Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is currently the Chief Executive Officer of KKR India Advisors Private Limited. Prior to joining KKR India Advisors Private Limited in 2009, he has worked with Citigroup for nearly 24 years where he was the chief executive officer for India operations for the period from 2002 to 2009.

Malavika Hegde, 49, is a Non-Executive Director of our Company. She is the wife of V. G. Siddhartha and has significant years of experience in the business of coffee growing, procurement, processing, export and retail. She is in charge of the overall responsibilities of operating the hospitality business since 2008.

MEETINGS AND ATTENDANCE RECORD OF DIRECTORS

The Company prepares schedule of the Board and the Committee meeting in advance for the Directors to make it convenient to attend. The Company circulates the agenda well ahead and provides the following information inter-alia to the Board and the Committee:

- Annual operating plans and budgets and any updates
- Capital budgets and any updates
- Quarterly results for the listed entity and its operating divisions or business segments
- Minutes of meetings of audit committee and other committees of the board of directors and the subsidiaries
- The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary
- Show cause, demand, prosecution notices and penalty notices, which are materially important
- If there are any fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems

- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity
- Details of any joint venture or collaboration agreement
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc

During the financial year ended 31st March 2017, Board of Directors met 6 times during the year on 20th May 2016, 11th August 2016, 14th November 2016, 8th February 2017, 11th March 2017 & 30th March 2017. The details of directors' attendance at the Board meetings during the year and at the last Annual General Meeting are given below:

Name of the Director	No of Board Meeting held	No of Board meeting attended	Attendance at the last AGM
Mr. V.G.Siddhartha	6	6	Yes
Mr. S.V.Ranganath	6	6	Yes
Mr. M.D.Mallya	6	3	No
Dr. Albert Hieronimus	6	6	No
Mr. Sanjay Nayar	6	4	No
Mrs. Malavika Hegde	6	5	Yes

DETAILS OF DIRECTORSHIP IN OTHER COMPANIES

None of the directors on the board hold directorships in more than ten public companies. Further, none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he is a director. Necessary disclosures regarding committee positions in other public companies have been made by the directors. The details of directorships of the Company's Directors in other companies are given below:

V.G. SIDDHARTHA

Name of Company	Nature of Interest
Coffee Day Global Limited	*Managing Director*
Sivan Securities Private Limited	*Director*
Mindtree Limited	*Nominee Director*
Ittiam Systems Private Limited	*Director*
Coffee Day Resorts (MSM) Private Limited	*Director*
Coffee Day Natural Resources Private Limited	*Director*

MALAVIKA HEGDE

Name of Company	Nature of Interest
Coffee Day Global Limited	*Director*
Coffee Day Resorts (MSM) Private Limited	*Director*
Coffee Day Natural Resources Private Limited	*Director*

SANJAY NAYAR

Name of Company	Nature of Interest
Pratham Education Foundation	*Director*
Valleyview Probuild Private Limited	*Director*
Indian school of Business	*Director*
KKR India Advisors Private Limited	*Director*
KKR India Financial Services Private Limited	*Director*
Heritage View Developers Private Limited	*Director*
Grameen Capital India Private Limited	*Director*
Coffee Day Global Limited	*Director*
Magma Fincorp Limited	*Director*
Pratham Institute For Literacy Education And Vocational Training	*Director*
Grameen Capital Investment Advisors Private Limited	*Director*
Apollo Hospitals Enterprise Limited	*Director*
Sea View Probuild Private Limited	*Director*
Gland Pharma Ltd	*Nominee Director*
Sealink View Probuild Private Limited	*Director*
Seynse Tecnologies Private Limited	*Director*
Avendus Capital Private Limited	*Nominee Director*
USIBC Global Private Limited	*Director*
Max Financial Services Limited	*Director*
Epimoney Private Limited	*Director*

S.V. RANGANATH

Name of Company	Nature of Interest
Centre for study of Science Technology and policy	*Whole Time Director*
Indian Institute For Human Settlements	*Director*
Coffee Day Global Limited	*Director*
Indian Institute of Trans Disciplinary Health Sciences and Technology	*Director*

ALBERT HIERONIMUS

Name of Company	Nature of Interest
NIL	-

M.D. MALLYA

Name of Company	Nature of Interest
India Infradebt Limited	*Director*
Emami Ltd	*Director*
Nitesh Estates Limited	*Director*
Seven Islands Shipping Limited	*Director*
Interglobe Aviation Ltd	*Chairman & Non-Executive Director*
Milestone Capital Advisors Limited	*Director*

DETAILS OF MEMBERSHIP/CHAIRMANSHIP OF DIRECTORS IN BOARD COMMITTEES

Following is the list of Memberships/Chairmanships of Directors in the committees* of the Listed companies in which they are holding directorships:

S. no	Name of the Director	* No. of Committee Memberships/Chairmanship held in listed Companies
1	Mr. V.G.Siddhartha	*3*
2	Mrs. Malavika Hegde	*1 as a Chairman*
3	Mr. Sanjay Omprakash Nayar	*1*
4	Mr. S.V.Ranganath	*3 (including 2 as Chairman)*
5	Mr. M.D.Mallya	*3 (including 1 as Chairman)*
6	Dr. Albert Hieronimus	*1*

**Includes Only Audit & Stakeholders Relationship Committees*

SHAREHOLDING OF DIRECTORS

Name of the Director	Nature of Directorship	Details of shareholding as at 31st March 2017
Mr. V.G.Siddhartha	Promoter, Chairman & Managing Director	*69,174,700*
Mrs. Malavika Hegde	Promoter Group, Non-Executive Director	*3,038,104*
Mr. Sanjay Nayar	Nominee Director	-
Mr. S.V.Ranganath	Independent and Non-Executive Director	-
Mr. M.D.Mallya	Independent and Non-Executive Director	-
Dr. Albert Hieronimus	Independent and Non-Executive Director	-

RELATIONSHIPS BETWEEN DIRECTORS

V.G. Siddhartha and Malavika Hegde are related to each other. Malavika Hegde is the wife of V.G. Siddhartha. None of the other Directors are related to each other.

RE-APPOINTMENT OF DIRECTORS

Mrs. Malavika Hegde, shall retire by rotation at the ensuing Annual General Meeting and is eligible for re-appointment.

NOTICE OF INTEREST BY SENIOR MANAGEMENT PERSONNEL

The Board has noted that no material financial and commercial transactions have been entered into between the Company and Senior Management team, where they have personal interest.

DETAILS OF FAMILIARISATION PROGRAMME TO INDEPENDENT DIRECTORS

Regulation 25(7) of SEBI (LODR) 2015 and Schedule IV of the Companies Act, 2013 mandates the Company to familiarize the Independent Directors with the Company by conducting training programmes. The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute to the strategy and overseeing of the Company. The details of familiarisation programme was put up on the website at www.coffeeday.com

MEETING OF INDEPENDENT DIRECTORS

During the year, the Independent director met in an executive session without the presence of Non-Independent Directors and members of the Management. The Independent directors reviewed the performance of Non-Independent Directors, the Board and the Chairperson of the Company. They assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD COMMITTEES

Coffee Day has constituted various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its Charter which outlines their scope, roles and responsibilities and their powers. All the decisions and recommendations of the Committee are placed before the Board for their approval as and when needed.

The various Board level Committees are as under:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee

AUDIT COMMITTEE

Terms of Reference

The Audit Committee provides direction to the audit function and monitors the quality of internal and statutory audit with an objective of moving towards a regime of unqualified financial statements. The Committee functions as per regulation 18 of the SEBI (LODR) 2015 and the provisions of Section 177 of the Companies Act, 2013, it shall include the following

1) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

2) Recommending to the Board the appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Company and the fixation of audit fee;

3) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

4) Approving payments to statutory auditors for any other services rendered by the statutory auditors;

5) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

    a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;

    b) Changes, if any, in accounting policies and practices and reasons for the same;

    c) Major accounting entries involving estimates based on the exercise of judgment by management;

    d) Significant adjustments made in the financial statements arising out of audit findings;

    e) Compliance with listing and other legal requirements relating to financial statements;

    f) Disclosure of any transactions; and

    g) Qualifications in the draft audit report.

6) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

7) Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Offer by the Company;

8) Approval or any subsequent modifications of transactions of the Company with related parties;

9) Scrutinizing of inter-corporate loans and investments;

10) Valuing of undertakings or assets of the Company, wherever it is necessary;

11) Evaluating of internal financial controls and risk management systems;

12) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances

13) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

14) Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15) Discussing with internal auditors on any significant findings and follow up there on;

16) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

17) Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors;

19) Reviewing the functioning of the whistle blower mechanism;

20) Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and

21) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

COMPOSITION

The Board constituted the Audit Committee on 26th January 2015.

The following directors are the current members of the Committee:

1. Shri S V Ranganath, *Chairman*
2. Mr. V G Siddhartha,
3. Dr. Albert Hieronimus

Majority of members of the committee are independent. The members possess sound knowledge of accounts, finance, audit and legal matters.

MEETING AND ATTENDANCE DURING THE YEAR

Name	No. of meeting held	No. of meeting attended
Mr. S.V. Ranganath	4	4
Dr. Albert Hieronimus	4	4
Mr. V.G. Siddhartha	4	4

During FY, the Committee met 4 times on 20th May 2016, 11th August 2016, 14th November 2016 & 8th February 2017. The Senior Management team and Statutory Auditors attended all the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Audit Committee.

The internal auditors, who are appointed to review and report that the internal control processes & systems are in place and they report quarterly to the Audit Committee. The committee meets regularly in private sessions with the external auditors, the internal auditors and the chief financial officer.

CEO/CFO CERTIFICATION

The CEO and CFO have certified, in terms of regulation 17(8) of the SEBI (LODR) 2015 to the Board that the financial statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards.

NOMINATION & REMUNERATION COMMITTEE

TERMS OF REFERENCE

The Committee was constituted in terms of the requirement of Regulation 19 of the SEBI (LODR) 2015 and as per Section 178 of the Companies Act, 2013 it shall include the following

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee."

COMPOSITION

The Board constituted the Nomination and Remuneration Committee on 26th January 2015.

The following directors are the current members of the Committee:

1. Shri. S. V. Ranganath, *Chairman*
2. Dr. Albert Hieronimus
3. Mrs. Malavika Hegde

MEETING AND ATTENDANCE DURING THE YEAR

Name	No. of meeting held	No. of meeting attended
Mr. S.V. Ranganath	1	1
Dr. Albert Hieronimus	1	1
Mrs. Malavika Hegde	1	1

PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Board is responsible for undertaking a formal annual evaluation of its own performance, that of its Committees and of individual Directors as per section 134 of companies act, 2013 and regulation 17 of SEBI (LODR) 2015 with a view to review their functioning and effectiveness and also for identifying possible paths for improvement. During the year, the Board in concurrence with Nomination and Remuneration Committee carried out a performance evaluation of itself, its Committees, the Chairperson and each of the executive/non-executive/independent directors through a self evaluation survey process. This was led by the Nomination and Remuneration Committee.

The Independent directors were evaluated on various performance indicators including aspects relating to -

- Integrity and maintenance of confidentiality
- Commitment and participation at the Board & Committee
- Effective deployment of knowledge and expertise
- Exercise of objective independent judgment in the best interest of Company
- Interpersonal relationships with other directors and management

The evaluation process covered specifically the broad parameters for reviewing the performance of the Board and its Committees on various areas, including –

- Size, structure and expertise of the Board
- Review of strategies, risk assessment, robust policies and procedures by Board.
- Oversight of the financial reporting process & monitoring company's internal control system.
- Quality of agenda, conduct of meeting, procedures and process followed for effective discharge of functions.
- Effective discharge of functions and duties by Committee as per terms of reference.
- Appropriateness and timeliness of the updates given on regulatory developments
- Board's engagement with senior management team.

The overall feedback was positive with the Directors recognizing that the performance of the Board, the chairperson, independent directors and its various Committees were effective.

REMUNERATION OF DIRECTORS

DETAILS OF REMUNERATION

The details of remuneration and sitting fees paid or provided to each of the Directors during the year ended 31st March 2017 are given below:

Rs.in million

	Salary and Perquisites			Others		
Name of the Director	Fixed pay & Bonus	Perquisites	Retiral Benefits	Commission	Sitting fees	Total
Mr. S.V. Ranganath	-	-	-	-	1.0	1.0
Mr. Albert Hieronimus	-	-	-	-	1.0	1.0
Mr. M.D. Mallya	-	-	-	-	0.3	0.3

No options under the ESOP plan were granted to the Executive / Non-Executive Directors during the year.

SERVICES CONTRACTS, NOTICE AND SEVERANCE FEES

As at 31st March 2017, the Board comprised Six members including One Chairman and Managing Director, two non-executive Directors and three are independent directors. However, Independent Directors are not subject to any notice period and severance fees.

PECUNIARY RELATIONS OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS

There were no pecuniary relationship or transactions of non-executive directors vis-a-vis the Company which has potential conflict with the interests of the Company at large.

COMPENSATION/FEES PAID TO NON-EXECUTIVE DIRECTORS

There were no payments made to the non-executive directors of the Company.

CRITERIA FOR MAKING PAYMENT TO NON-EXECUTIVE DIRECTORS

The criteria for making payment shall not be applicable for the Company.

STAKEHOLDER RELATIONSHIP COMMITTEE

TERMS OF REFERENCE

The Committee is functioning in terms of mandatory requirement of Regulation 20 of SEBI (LODR) 2015 and as per Section 178 of the Companies Act, 2013.

1. Approval for issue of duplicate certificates and oversee and review all matters connected with transfer of securities of the Company.
2. Redressal of shareholders'/ investors' complaints related to transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividend, etc.
3. Oversee performance of the Registrars and Transfer Agents of the Company and recommending measures for overall improvement in the quality of investor services.
4. Monitoring of implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

COMPOSITION

The Board constituted Stakeholders Relationship Committee on 26th January 2015. The following directors are the current members of the Committee:

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

DETAILS OF SHAREHOLDERS COMPLAINTS

Details of the shareholders complaints received and redressed during the year:

Opening	Complaints received	Complaints solved	Pending
NIL	4	4	NIL

There have been no material grievances and all the grievance received were attended and resolved.

OTHER COMMITTEES CONSTITUTED BY THE BOARD

1. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE		
Name of the Director	**Category**	**Position**
1. Mr. S.V. Ranganath	Independent Director	Chairperson
2. Mr. V.G. Siddhartha	Chairman & Managing Director	Member
3. Mrs. Malavika Hegde	Non-Executive Director	Member
2. RISK MANAGEMENT COMMITTEE		
Name of the Director	**Category**	**Position**
1. Mr. V.G. Siddhartha	Chairman & Managing Director	Chairperson
2. Mrs. Malavika Hegde	Non-Executive Director	Member
3. ADMINISTRATION COMMITTEE		
Name of the Director	**Category**	**Position**
1. Mr. V.G. Siddhartha	Chairman & Managing Director	Chairperson
2. Mrs. Malavika Hegde	Non-Executive Director	Member

Mr. Sadananda Poojary is the Compliance officer as appointed under regulation 6 of the SEBI (LODR) 2015 and shall be responsible for-

(a) Ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.

(b) Co-ordination with and reporting to the Board, recognized stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.

(c) Ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.

(d) Monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors.

GENERAL BODY MEETINGS

LOCATION AND TIME OF THE SHAREHOLDERS MEETINGS

Generally, the Annual General Meetings of the Company are convened within Six months of the closure of the financial year and General Meetings are held as and when required.

The details of the previous General Meetings are as below:

Year	Date and Time	Venue	Special Resolution
2013-14	30.09.2014 04:00 PM	No: 23/2, Coffee Day Square, Vittal Mallya Road, Bangalore– 560 001	-
2014-15	18.08.2015 10:00 AM	No: 23/2, Coffee Day Square, Vittal Mallya Road, Bangalore– 560 001	-
2015-16	14.09.2016 11:00 AM	Taj Vivanta, No. 2275, Tumkur Road, Yeshwantpur, Bengaluru-560022	Issue of Non-Convertible Debentures on a private Placement Basis
2016-17	10.03.2017 12:00 Noon (NCLT Convened Meeting)	Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore - 560059	Approval of the scheme of Amalgamation of Coffee day Enterprises Limited with Coffee Day Overseas Private Limited

During the year, as per NSE observation letter for approval of scheme of Amalgamation, the Company along with the NCLT Convened Meeting, approached the shareholders for Approval of the scheme of Amalgamation of Coffee day Enterprises Limited with Coffee Day Overseas Private Limited through postal ballot in February, 2017.

Date of postal Ballot Notice: 3rd February 2017

Voting Period: 8th February – 9th March 2017

Date of Declaration of Results: 11th March 2017

Name of the resolution	Type of Resolution	No of votes polled	Votes cast in favour	Votes cast against	% of votes in favour
Approval of the scheme of Amalgamation of Coffee day Enterprises Limited with Coffee Day Overseas Private Limited	Special	16,89,18,169	16,89,12,160	6009	99.99%

MEANS OF COMMUNICATION

The quarterly, half-yearly and yearly financial results are sent to the Stock Exchanges immediately after the Board approves the same. These results were published in English newspapers, usually in Business Line and Kannada newspaper, Vijayvani. The results along with presentations made by the Company to Analysts are also posted on the website of the Company viz. www.coffeeday.com. The Company's website also displays all official news releases. The Company organizes investor conference calls to discuss its financial results every quarter where investor queries are answered by the Executive Management of the Company.

GENERAL SHAREHOLDERS' INFORMATION

Annual General Meeting 2016-17	
Date and Time	14th September 2017 at 11.00 a.m
Venue	Café Coffee Day, Global Village, RVCE Post, Mysore Road, Mylasandra, Bangalore - 560059
Financial year	2016-17
Dividend payment date	NA
Financial Calendar for 2017-2018	
The following are tentative dates	
First Quarterly Results	10th August 2017
Half-yearly Results	08th November 2017
Third Quarterly Results	13th February 2018
Annual Results 2016-17	18th May 2018
AGM for the year 2017-18	10th September 2018
Dates of Book Closure	NA
Listing on Stock Exchanges	National Stock Exchange of India Limited Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051 BSE Limited P J Towers, Dalal Street, Mumbai - 400 001
Stock Code/Symbol	NSE – COFFEEDAY| BSE – 539436
International Securities Identification Number	INE335K01011

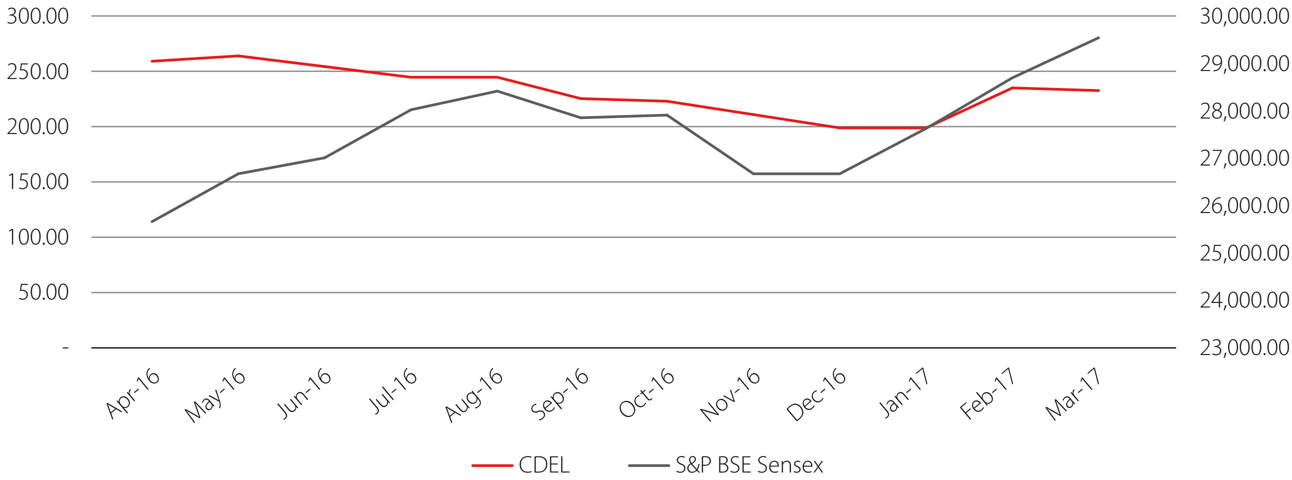
MARKET PRICE DATA DURING 2016-17

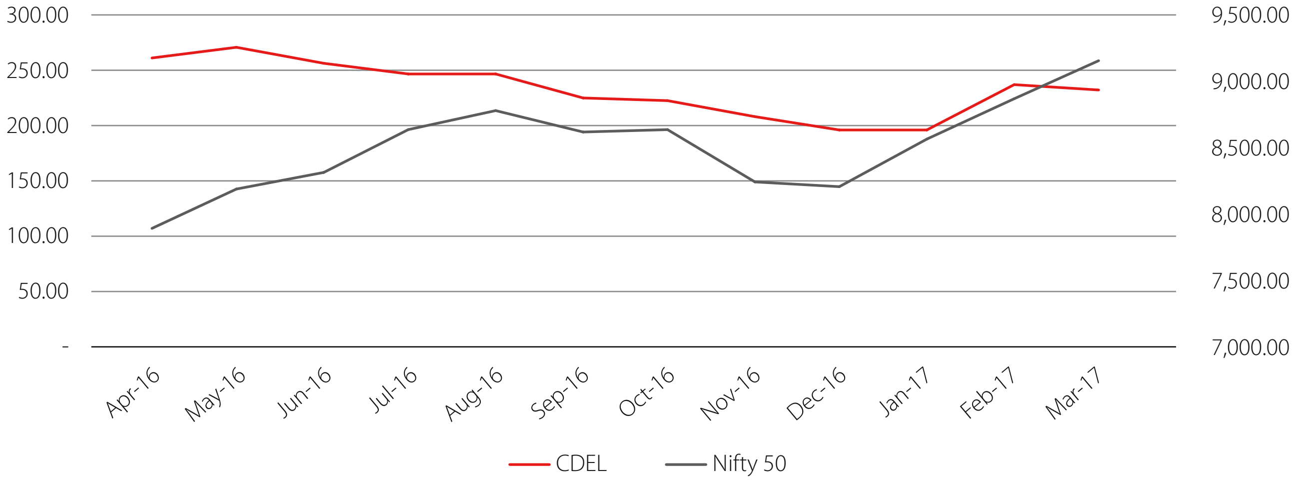
The monthly high/low closing prices and volume of shares of the Company from 1st April 2016 to 31st March 2017 are given below:

Months	BSE			NSE		
	High Price	Low Price	Volume of Equity Shares	High Price	Low Price	Volume of Equity Shares
Apr-16	274.50	224.70	4,94,992	275.00	223.25	26,34,459
May-16	276.90	247.00	5,30,125	276.75	246.10	27,37,684
Jun-16	270.00	240.00	2,79,180	274.90	243.65	24,99,007
Jul-16	264.90	229.35	3,93,960	265.20	230.00	29,52,368
Aug-16	260.00	233.45	7,61,510	260.80	234.30	16,43,052
Sep-16	253.40	218.00	2,10,224	254.00	215.60	17,40,065
Oct-16	234.40	220.45	1,95,583	234.70	220.00	25,40,623
Nov-16	228.80	198.50	2,11,940	229.25	198.40	13,24,083
Dec-16	212.35	190.50	21,13,190	212.05	190.02	37,28,615
Jan-17	207.90	195.80	2,37,699	208.40	195.70	21,31,420
Feb-17	245.10	198.05	18,74,819	244.80	198.15	82,45,510
Mar-17	249.50	225.00	3,14,110	249.45	227.00	24,25,366

RELATIVE MOVEMENT CHART

The chart below gives the relative movement of the closing price of the Company's share and the BSE Sensex/NSE Nifty relative to the closing price. The period covered is 1st April 2016 to 31st March 2017. The Management cautions that the stock price movement shown in the graph below should not be considered indicative of potential future stock price performance.





SHARE TRANSFER SYSTEM

100% of the equity shares of the Company are in electronic form except for two shareholders who holds 15 Physical Shares. Transfers of these shares are done through the depositories with no involvement of the Company.

DISTRIBUTION OF THE SHAREHOLDING

The distribution of shareholding (category wise) as at 31st March 2017 is as under:

S.no	Category	No of shares	% to Equity
1	Promoters (Indian & Foreign)	108,404,796	52.62
2	Foreign Institutional Investors	145,500	0.08
3	Mutual Funds, Banks, IFIs	1,762,514	0.86
4	NRIs & Foreign Nationals	69,797,043	33.88
5	Corporate Bodies	8,771,575	4.25
6	Indian Public & Others	17,120,291	8.31

DISTRIBUTION OF SHAREHOLDING BY NUMBER OF SHARES

Category	No of shareholders	Total Shares	% to Shareholders	% to paid up capital
Up to 5,000	57716	8,524,815	99.54	4.14
5,001- 10,000	95	712,645	0.16	0.35
10,001- 20,000	46	658,764	0.09	0.32
20,001- 30,000	29	703,904	0.05	0.34
30,001- 40,000	19	665,880	0.03	0.32
40,001- 50,000	10	477,072	0.01	0.23
50,001- 100,000	21	1,530,362	0.03	0.74
100,001 & Above	45	192,728,277	0.09	93.56

DEMATERIALIZATION OF SHARES AND LIQUIDITY

15 shares constituting 0.00 % of the paid up share capital of the Company were in physical form as at 31st March 2017.

There are no outstanding GDRs/ ADRs/ Warrants and convertible instruments.

CONTACT INFORMATION

INVESTOR GRIEVANCES CORRESPONDENCE

Mr. Sadananda Poojary

Company Secretary and Compliance Officer
Tel.: 91 80 - 40012345
E-mail id: investors@coffeeday.com

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited

C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083

Tel.: 022 - 2594 6970

CORRESPONDENCE ADDRESS

Regd. Office

Coffee Day Enterprises Limited

23/2, Coffee Day Square
Vittal Mallya Road, Bangalore-560001

Tel.: 080 - 4001 2345

OTHER DISCLOSURES

DETAILS OF NON-COMPLIANCE

There were no penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any statutory authority in any matter related to capital markets during the last 3 years

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has implemented a Whistle Blower Policy pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Regulation 22 of the SEBI (LODR) 2015, whereby employees, directors and other stakeholders can report matters such as generic grievances, corruption, misconduct, fraud, misappropriation of assets and non-compliance to code of conduct to the Company. The policy safeguards the whistle blowers to report concerns or grievances and also provides direct access to the Chairman of the Audit Committee. The Company affirms that no personnel has been denied access to the audit committee.

The details of the Whistle Blower Policy are available on the website of the Company at www.coffeeday.com

COMPLIANCE WITH NON-MANDATORY REQUIREMENT

Apart from complying with the mandatory requirements prescribed by regulation of SEBI (LODR) 2015, the Company has complied with a few non-mandatory requirements, such as the Internal Auditor report directly to the Chairman of the Audit Committee.

RELATED PARTY CONTRACTS OR ARRANGEMENTS

All transactions entered into with Related Parties as defined under Companies Act, 2013 during the year were in the ordinary course of business and on an arm's length basis, and did not attract provisions of Section 188 of Companies Act, 2013 and regulation 23 of the SEBI (LODR) 2015 relating to approval of shareholders.

The Company has formulated a policy on "materiality of related party transactions" and the process of dealing with such transaction, which are in line with the provisions of the Companies Act, 2013 and SEBI regulations. The same is also available on the website of the Company www.coffeeday.com

Transactions with related parties are in the ordinary course of business and also on arms' length pricing basis. Prior omnibus approval from the Audit Committee is obtained for transactions which are repetitive and also normal in nature. Further, disclosures are made to the Audit Committee and the Board of Directors on a quarterly basis.

There have been no material related party transactions undertaken by the Company under Section 188 of the Companies Act, 2013 and hence, no details have been enclosed pursuant to clause (h) of subsection (3) of Section 134 of Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules 2014.

MATERIAL SUBSIDIARY

The Company has formulated a policy for determining 'material' subsidiaries pursuant to the provisions of the Listing Agreement. The said policy is available at the Company's website www.coffeeday.com.

The Company has 44 subsidiaries of which one subsidiary viz, Coffee Day Global Limited is identified as a material subsidiary. A report on the performance and financial position of each of the Subsidiary Companies is presented in the Boards' report. The financial statements of the subsidiaries will be made available on the website of the Company, post approval by the members.

CODE OF CONDUCT

The Board has laid down a code of conduct for all Board members and Senior Management of the Company and it is posted on the website of the Company (www.coffeeday.com). The declaration from Chairman & Managing Director with regard to compliance of code of conduct by the Board of Directors and Senior Management is enclosed and forms part of this report.

DECLARATION BY THE MANAGING DIRECTOR UNDER LISTING REGULATIONS REGARDING COMPLIANCE WITH BUSINESS CONDUCT GUIDELINES (CODE OF CONDUCT)

In accordance with the Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the Financial Year ended 31st March 2017.

For **Coffee Day Enterprises Limited**

Place: Bengaluru
Date: 18th May 2017

(Sd/-)
Mr. V.G. Siddhartha
Chairman & Managing Director

practicing company secretaries certificate on corporate governance

Corporate Identity No: L55101KA2008PLC046866
Authorized Share Capital: Rs.2,74,08,40,000/-
Paid Up Share Capital : Rs.2,06,00,17,190/-

To,
The Members of
Coffee Day Enterprises Limited.,
Coffee Day Square, 23/2,
Vittal Mallya Road,
Bengaluru-560001

We have examined the compliance of conditions of Corporate Governance by Coffee Day Enterprises Limited ('the Company') for the year ended 31st March 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

For **HRB & Co.,**
Company Secretaries
Firm's registration Number: S2014KR261500

Sd/-
CS Harshavardhan R Boratti
Proprietor
C. P. No. : 11444
Membership No. 31152

Place: Bangalore
Date: 18th May 2017

nomination and remuneration policy

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the Listing obligation and Disclosure Requirements Regulation, 2015 as amended from time to time. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

DEFINITIONS

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means: i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole time Director; ii) Chief Financial Officer; iii) Company Secretary; and iv) such other officer as may be prescribed.

"Senior Managerial Personnel" mean the personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

OBJECTIVE

The objective of the policy is to ensure that

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to directors, key managerial personnel and senior management involves a balance pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

ROLE OF THE COMMITTEE

The role of the NRC will be the following:

- To formulate criteria for determining qualifications, positive attributes and independence of a Director.
- To formulate criteria for evaluation of Independent Directors and the Board.
- To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- To devise a policy on Board diversity, composition, size.
- Succession planning for replacing Key Executives and overseeing.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

TERM / TENURE

a) Managing Director/Whole time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director / Whole time Directors:

a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole time Directors.

2) Remuneration to Non- Executive / Independent Directors:

a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management:

a) The remuneration to Key Managerial Personnel and Senior Management shall, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.

c) The pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its members.

section 134(3)(m) of the companies act, 2013 read with the companies (accounts) rules, 2014:

A) CONSERVATION OF ENERGY

Your company is committed to adopt energy efficient practices across all its business units, offices, factories and outlets to reduce the consumption of power by analysing power factor, maximum demand, working hours, load factor, specific energy consumption and monthly consumption. On the basis of energy audit, following energy conservation measures are taken:

- Installing advanced energy saving gadgets like capacitor banks, indigenized components like thermo controllers for the ovens and usage of LED lighting etc.
- Energy Management by conducting energy audits and introducing innovative ways of saving power – This includes introducing of high end online energy monitoring system in majority of CCD outlets, With Internet of Things (IoT) it is possible to remotely monitor and manage energy usage and take timely actions to stop inefficiencies.

The above mentioned initiatives have reduced the energy consumption by 8-9% compared to the previous fiscal.

B) TECHNOLOGY AND INNOVATION.

Coffee Day has been constantly evolving with innovative ideas/Improvements in the areas of Coffee brewing, curing, roasting, testing etc and to align with the taste of the consumers, we have been innovating vending machines to cater the needs of the corporate customers and they are duly supported by latest, the efforts however are undertaken and pooled at group level

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign exchange during the year

- Foreign Exchange used: Rs.1.03 million

- Foreign Exchange earned: NIL

Annexure-5

secretarial audit report

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
M/s. Coffee Day Enterprises Limited

23/2, Coffee Day Square,
Vittal Mallya Road,
Bengaluru – 560001.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Coffee Day Enterprises Limited (herein after called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 ('Audit Period') complied with the statutory provisions listed here under and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein after;

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment. There were no Overseas Direct Investment and External Commercial Borrowings during the period under review;

(v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation 2014 (Not applicable to the Company during the Audit period);

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the Audit period);

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the Audit period); and

h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 (Not applicable to the Company during the Audit period);

i. The Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015.

(vi) Other law specifically applicable to the Company

a. Water (Prevention and control of Pollution) Act, 1974

b. Air (Prevention and control of Pollution) Act, 1981

c. Hazardous Waste (Management, Handling and Trans boundary Movement) Rules, 2008

d. Karnataka Excise Act, 1965

e. Food Safety and Standards Authority of India Act, 2006

f. The Prevention of Food Adulteration Act, 1954

g. Employees State Insurance Act, 1948

h. The Employees provident fund and miscellaneous provisions act, 1952

i. The contract Labour (Regulation and Abolition) Act, 1970

j. The payment of Gratuity Act, 1972

k. The Maternity Benefit Act, 1961

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange & Bombay Stock Exchange.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I FURTHER REPORT THAT

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There are no changes in the composition of the Board of Directors e during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

WE FURTHER REPORT THAT DURING THE AUDIT PERIOD

(i) The Shareholders of the Company, at the NCLT Convened Meeting held on 10th March 2017, has approved the Scheme of Amalgamation of the Company with Coffee Day Overseas Private Limited (Transferor Company).

(ii) The Company has allotted 800 Freely transferable, Rated, Unlisted Redeemable, Non-Convertible Series I Debentures of the Face Value of Rs.10,00,000/- each, aggregating up to Rs.80,00,00,000/- to ICICI Prudential Savings Fund.

(iii) The Company has allotted 950 Freely transferable, Rated, Unlisted Redeemable, Non-Convertible Series I Debentures of the Face Value of Rs.10,00,000/- each, aggregating up to Rs.95,00,00,000/- to ICICI Prudential Savings Fund.

(iv) The Company has allotted 1050 Unlisted Rated Redeemable Non-Convertible Debentures bearing a face value of Rs.10,00,000/- each, aggregating up to Rs.105,00,00,000/- to DSP Blackrock Income Opportunities Fund.

(v) The Company has allotted 1,000 Unlisted Rated Redeemable Non-Convertible Debentures bearing a face value of Rs.10,00,000/- each aggregating up to Rs.100,00,00,000/- to ICICI Prudential Savings Fund.

For **HRB & Co.**,
Company Secretaries
Firm's registration Number: S2014KR261500

CS Harshavardhan R Boratti
Proprietor
C. P. No. : 11444
Membership No. 31152

Place: Bangalore
Date: 18.05.2017

This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

To,
The Members
M/s. Coffee Day Enterprises Limited
23/2, Coffee Day Square, Vittal Mallya Road,
Bengaluru – 560001.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and relied upon the Reports given by statutory auditors or other designated professionals.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **HRB & Co.,**
Company Secretaries
Firm's registration Number: S2014KR261500

CS Harshavardhan R Boratti
Proprietor
C. P. No. : 11444
Membership No. 31152

Place: Bangalore
Date:18th May 2017

extract of annual return

As on the financial year ended 31.03.2017

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

FORM NO. MGT – 9

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L55101KA2008PLC046866
ii)	Registration Date	20th June 2008
iii)	Name of the Company	Coffee Day Enterprises Limited (Formerly Coffee Day Resorts Private Limited and Coffee Day Enterprises Private Limited)
iv)	Category/Sub-Category of the Company	Public Company / Limited by shares
v)	Address of the Registered office and contact details	23/2, Coffee Day Square, Vittal Mallya Road, Bangalore-560 001
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd C 101, 247 Park, L.B.S.Marg, Vikhroli (West), Mumbai - 400083.

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Products/ Service	% to total turnover of the Company
1	Sale of Coffee Beans	47211	44.84
2	Interest Income	64990	28.80
3	Dividend Income	64200	19.32
4	Hospitality Services	55101	11.04

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Coffee Day Global Ltd	U85110KA1993PLC015001	Subsidiary	86.63%	2 (87) (ii)
2	Tanglin Developments Ltd	U85110KA1995PLC019495	Subsidiary	100.00%	2 (87) (ii)
3	Coffee Day Hotels and Resorts Pvt Ltd	U55101KA2004PTC034591	Subsidiary	100.00%	2 (87) (ii)
4	Coffee Day Trading Ltd	U74140KA2000PLC026366	Subsidiary	88.77%	2 (87) (ii)
5	Way2Wealth Securities Pvt Ltd	U72200KA2000PTC027020	Subsidiary	85.53%	2 (87) (ii)
6	Amalgamated Holdings Ltd	U85110KA1989PLC009913	Subsidiary	100.00%	2 (87) (ii)
7	Ganga Coffee Curing Works Ltd	U85110KA1982PLC005048	Subsidiary	100.00%	2 (87) (ii)
8	A N Coffeeday International Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
9	Coffee Day Properties (India) Pvt Ltd	U70102KA2007PTC043631	Subsidiary	100.00%	2 (87) (ii)
10	Classic Coffee Curing Works	NA	Subsidiary	100.00%	2 (87) (ii)
11	Coffeelab Ltd	U85110KA1996PLC019932	Subsidiary	100.00%	2 (87) (ii)
12	Coffee Day Gastronomie Und Kaffeehandles GmbH	NA	Subsidiary	100.00%	2 (87) (ii)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
13	Coffee Day C Z a.s	NA	Subsidiary	100.00%	2 (87) (ii)
14	Tanglin Retail Reality Developments Pvt Ltd	U70102KA2007PTC044421	Subsidiary	100.00%	2 (87) (ii)
15	Sical Logistics Ltd	L51909TN1955PLC002431	Subsidiary	52.83%	2 (87) (ii)
16	Sical Infra Assets Ltd	U45203TN2007PLC063432	Subsidiary	53.60%	2 (87) (ii)
17	Sical Iron Ore Terminal Ltd	U13100TN2006PLC061022	Subsidiary	63.00%	2 (87) (ii)
18	Sical Iron Ore Terminal (Mangalore) Ltd	U63020TN2009PLC073147	Subsidiary	100.00%	2 (87) (ii)
19	Norsea Offshore India Ltd	U74900TN2009PLC071762	Subsidiary	99.99%	2 (87) (ii)
20	Bergen Offshore Logistics Pte Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
21	Sical Multimodal and Rail Transport Ltd	U60232TN2007PLC063378	Subsidiary	99.99%	2 (87) (ii)
22	Sical Mining Limited	U10300TN2016PLC112461	Subsidiary	100.00%	2 (87) (ii)
23	Sical Saumya Mining Limited	U74900TN2015PLC101236	Subsidiary	65.00%	2 (87) (ii)
24	Sical Bangalore Logistics Park Limited	U63090TN2016PLC110673	Subsidiary	100.00%	2 (87) (ii)
25	Norsea Global Offshore Pte Limited	NA	Subsidiary	100.00%	2 (87) (ii)
26	Sical Adams Offshore Ltd	U63000TN2012PLC087754	Subsidiary	99.99%	2 (87) (ii)
27	Girividyuth India Ltd	U40101KA2001PLC029866	Subsidiary	100.00%	2 (87) (ii)
28	Wilderness Resorts Pvt Ltd	U55101KA2005PTC035580	Subsidiary	100.00%	2 (87) (ii)
29	Karnataka Wildlife Resorts Pvt Ltd	U92199KA2001PTC028981	Subsidiary	100.00%	2 (87) (ii)
30	Mandi2Market Traders Pvt Ltd	U67190KA2007PTC043494	Subsidiary	99.99%	2 (87) (ii)
31	Way2Wealth Distributors Pvt Ltd	U70101KA2001PTC029910	Subsidiary	99.99%	2 (87) (ii)
32	Way2Wealth Capital Pvt Ltd	U65921KA1995PTC018960	Subsidiary	99.90%	2 (87) (ii)
33	Way2Wealth Realty Advisors Pvt Ltd	U70101KA2010PTC052584	Subsidiary	95.00%	2 (87) (ii)
34	Way2Wealth Brokers Pvt Ltd	U67120KA2000PTC027628	Subsidiary	99.99%	2 (87) (ii)
35	Way2Wealth Insurance Brokers Pvt Ltd	U66010KA2003PTC032003	Subsidiary	100.00%	2 (87) (ii)
36	AlphaGrep Securities Pvt Ltd	U66010KA2002PTC029982	Subsidiary	51.00%	2 (87) (ii)
37	Way2Wealth Commodities Pvt Ltd	U51229KA2006PTC039880	Subsidiary	99.99%	2 (87) (ii)
38	Way2Wealth Illuminati Pte Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
39	AlphaGrep Holding HK Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
40	AlphaGrep UK Limited	NA	Subsidiary	100.00%	2 (87) (ii)
41	Shanghai Dao Ge International Trading Limited	NA	Subsidiary	100.00%	2 (87) (ii)
42	Magnasoft Consulting India Pvt Ltd	U74140KA2000PTC026735	Subsidiary	77.88%	2 (87) (ii)
43	Magnasoft Europe Ltd	NA	Subsidiary	100.00%	2 (87) (ii)
44	Magnasoft Spatial Services Inc	NA	Subsidiary	100.00%	2 (87) (ii)
45	Ittiam Systems Pvt Ltd	U72900KA2001PTC028392	Associate*	21.91%	2 (6)
46	Global Edge Software Pvt Ltd	U85110KA1992PLC013114	Associate*	26.50%	2 (6)
47	Mindtree Ltd	L72200KA1999PLC025564	Associate*	16.70%	2 (6)
48	Barefoot Resorts and Leisure India Pvt Ltd	U55101TN1998PTC040221	Associate*	27.69%	2 (6)
49	PSA Sical Terminals Ltd	U74999TN1998PLC040682	Joint Venture#	37.50%	2 (6)
50	Sical Sattva Rail Terminal Pvt. Ltd.	U63031TN2000PTC045198	Joint Venture#	50%	2 (6)
51	Coffee Day Schaerer Technologies Private Limited	U29248KA2015FTC084523	Joint Venture#	49%	2(6)

** The Companies are the associate of the Subsidiaries and Step Subsidiaries*
 # The Companies are the Joint Venture of the Subsidiaries & Step Subsidiaries

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding:

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	Indian									
(a)	Individuals/ Hindu Undivided Family	72,075,304	-	72,075,304	34.99	72,212,804	-	72,212,804	35.05	0.06
(b)	Central Government/ State Government(s)	-	-	-	-	-		-	-	-
(c)	Bodies Corporate	36,191,992		36,191,992	17.57	36,191,992		36,191,992	17.57	-
(d)	Financial Institutions/ Banks	-	-	-	-	-		-	-	-
(e)	Any Other (specify)	-	-	-	-	-		-	-	-
	Sub-Total (A)(1)	108,267,296	-	108,267,296	52.56	108,404,796	-	108,404,796	52.62	0.06
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	108,267,296	-	108,267,296	52.56	108,404,796	-	108,404,796	52.62	0.06
(B)	**PUBLIC SHAREHOLDING**									
(1)	Institutions									
(a)	Mutual Funds/UTI	6,842,846	-	6,842,486	3.32	1,530,733	-	1,530,733	0.74	2.58
(b)	Financial Institutions/ Banks	124,606	-	124,606	0.05	231,781	-	231,781	0.11	0.06
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	7,594,109	-	7,594,109	3.69	145,500	-	145,500	0.07	3.62
(g)	Foreign Venture Capital Investors									
(h)	Qualified Foreign Investor	4,215,259	-	4,215,259	2.05	11,171,846		11,171,846	5.42	3.37
	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	**18,776,820**	**-**	**18,776,820**	**9.11**	**13,079,860**	**-**	**13,079,860**	**6.35**	**2.76**
(2)	Non-institutions									
(a)	Bodies Corporate	64,346,797		64,346,797	31.24	66,980,711		66,980,711	32.52	1.26
(b)	Individuals -	-	-	-	-	-	-	-	-	-
	(i) Individual shareholders holding nominal share capital up to Rs.1 lacs.	9,259,627	10	9,259,637	4.50	8,342,578	15	8,342,593	4.05	0.45
	(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lacs.	4,483,378		4,483,378	2.16	7,908,471	-	7,908,471	3.84	1.68
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other (Details)	-	-	-	-	-	-	-	-	-
	NRIs/OCBs	199,206	-	199,206	0.11	416,061	-	416,061	0.20	0.09
	Clearing Member	266,745	-	266,745	0.13	282,823		282,823	0.14	0.01
	Hindu Undivided Families	382,840	-	382,840	0.19	586,404		586,404	0.28	0.09
	Trusts	19,000	-	19,000	-	-	-	-	-	-
	Sub-Total (B)(2)	78,957,593	10	78,957,603	38.33	84,517,048	15	84,517,063	41.03	2.70
	Total Public Shareholding (B)= (B)(1)+(B)(2)	97,734,413	10	97,734,423	47.44	97,596,908	15	97,596,923	47.38	40.19
	TOTAL (A)+(B)	206,001,709	10	206,001,719	100	206,001,704	15	206,001,719	100	-
(C)	**SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED**									
	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	206,001,709	10	206,001,719	100	206,001,704	15	206,001,719	100	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Mr. V. G. Siddhartha	63,945,904	31.04	NIL	69,174,700	33.58	13.06	2.54
2	M/s Devadarshini Info Technologies Private Limited	12,408,440	6.02	NIL	12,408,440	6.02	6.02	0.00
3	M/s Coffee Day Consolidations Private Limited	12,268,416	5.96	NIL	12,268,416	5.96	5.92	0.00
4	M/s Gonibedu Coffee Estates Private Limited	11,071,104	5.37	NIL	11,071,104	5.37	5.37	0.00
5	Mrs. Malavika Hegde	2,923,104	1.42	NIL	3,038,104	1.48	0.05	0.06
6	Mrs. Vasanthi Hegde	2,611,504	1.27	NIL	0	0.00	-	1.27
7	Mr. S. V. Gangaiah Hegde	2,594,792	1.26	NIL	0	0.00	-	1.26
8	M/s Sivan Securities Private Limited	444,032	0.22	NIL	444,032	0.22	0.22	0.00

iii) Change in Promoters'/Promoters Grp shareholding

Sl. No.	Name	Shareholding		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year (01-04-2016 - 31-03-207	
		No. of Shares on (01-04-16) / (31-03-17)	% of total shares of the Company				No. of shares	% of total shares of the Company
	V. G. Siddhartha	63,945,904	31.04	22 Dec 2016	5,228,796	Inter se transfer between promoters	69,174,700	33.58
		69,174,700	33.57	31 Mar 2017			69,174,700	33.58
	Malavika Hegde	2,923,104	1.42	22 Nov 16	30,000	Purchase	2,953,104	1.44
				23 Nov 16	10,000	Purchase	2,963,104	1.44
				24 Nov 16	5,959	Purchase	2,969,063	1.44
				25 Nov 16	41	Purchase	2,969,104	1.44
				28 Nov 16	5000	Purchase	2,974,104	1.44
				29 Nov 16	5000	Purchase	2,979,104	1.45
				1 Dec 16				
		5000	Purchase	2,984,104	1.45			
				5 Dec 16				
		5000	Purchase	2,989,104	1.45			
				14 Dec 16	5000	Purchase	2,994,104	1.45
				15 Dec 16	44,000	Purchase	3,038,104	1.48

Sl. No.	Name	Shareholding		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year (01-04-2016 - 31-03-207	
		No. of Shares on (01-04-16) / (31-03-17)	% of total shares of the Company				No. of shares	% of total shares of the Company
	Vasanthi Hegde			22 Dec 2016	-2,611,504	Inter se transfer between promoters	0	0.00
	S. V. Gangaiah Hegde			22 Dec 2016	-2,594,792	Inter se transfer between promoters	0	0.00

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

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	NLS Mauritius LLC				
	At the beginning of the year	22,412,992	10.88		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year			22,412,992	10.88

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	KKR Mauritius PE Investments II Ltd				
	At the beginning of the year	21,826,912	10.59		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year			21,826,912	10.59

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
3.	Marina West (Singapore) Pte. Ltd				
	At the beginning of the year	0	0		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Off market purchase 11,402,901	5.53	11,402,901	5.53
	At the end of the year			11,402,901	5.53

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4.	Nandan. M. Nilekani				
	At the beginning of the year	2,671,128	1.30	2,671,128	1.30
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Open Market Purchase 2,622,978	1.27	5,294,106	2.57
	At the end of the year			5,294,106	2.57

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
5.	Government Pension Fund Global				
	At the beginning of the year	3,344,938	1.62	3,344,938	1.62
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Open Market Purchase		3,750,072	1.82
	At the end of the year			3,750,072	1.82

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6.	Marina III (Singapore) Pte. Ltd.				
	At the beginning of the year	258,620	1.77	258,620	1.77
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Open Market Purchase 2,566,331	1.24	2,566,331	1.24
	At the end of the year			2,566,331	1.24

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	Platinum Asia Fund				
	At the beginning of the year	2,331,643	1.13	2,331,643	1.13
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	2,331,643	1.13	2,331,643	1.13

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	ICICI Lombard General Insurance Company Ltd				
	At the beginning of the year	0.00	0.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Open Market Purchase 2,100,000	1.01		
	At the end of the year			2,100,000	1.01

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
9.	National Westminister Bank PLC				
	At the beginning of the year	1,397,388	0.68	1,397,388	0.68
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Open Market Purchase 331,816	0.15	1,729,204	0.83
	At the end of the year			1,729,204	0.83

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10.	Bennett, Coleman & Co. Ltd				
	At the beginning of the year	1,397,388	0.68	1,397,388	0.68
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Open Market Purchase 29,084	0.02	1,368,304	0.68
	At the end of the year			1,368,304	0.66

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name	Shareholding		Date	Increase / Decrease	Reason	Cumulative Shareholding during the year (01-04-2016 - 31-03-207	
		No. of Shares on (01-04-16) / (31-03-17)	% of total shares of the Company				No. of shares	% of total shares of the Company
	V. G. Siddhartha	63,945,904	31.04	22 Dec 2016	5,228,796	Inter se transfer between promoters	69,174,700	33.57
		69,174,700	33.57	31 Mar 2017			69,174,700	33.57
	Malavika Hegde	2,923,104	1.42	22 Nov 16	30,000	Purchase	2,953,104	1.44
				23 Nov 16	10,000	Purchase	2,963,104	1.44
				24 Nov 16	5,959	Purchase	2,969,063	1.44
				25 Nov 16	41	Purchase	2,969,104	1.44
				28 Nov 16	5000	Purchase	2,974,104	1.44
				29 Nov 16	5000	Purchase	2,979,104	1.45
				1 Dec 16				
					5000	Purchase	2,984,104	1.45
				5 Dec 16				
					5000	Purchase	2,989,104	1.45
				14 Dec 16	5000	Purchase	2,994,104	1.45
				15 Dec 16	44,000	Purchase	3,038,104	1.47
	Sadananda Poojary	2070	0.00				2070	0.00
	R. Ram Mohan	585	0.00				585	0.00

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment: *Amt in Crores*

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	635.00	-	-	635.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42.34	-	-	42.34
Total (i+ii+iii)	**677.34**	**-**	**-**	**677.34**
Change in Indebtedness during the financial year				
* Addition	480.00	-	-	480.00
* *Reduction	189.78	-	-	189.78
Net Change	**290.22**	**-**	**-**	**290.22**
Indebtedness at the end of the financial year				
i) Principal Amount	925.22	-	-	925.22
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	45.51	-	-	45.51
Total (i+ii+iii)	**970.73**	**-**	**-**	**970.73**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

B. Remuneration to other Directors:

1. Independent Directors

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount in (Rs.)
		Mr. S. V. Ranganath	Mr. Albert Hieronimus	Mr. M D Mallya	
	Fee for attending Board / committee Meetings	Rs.100,000 per meeting	Rs.100,000 per meeting	Rs.100,000 per meeting	Rs.23,00,000/- (Rupees Twenty Three Lacs Only)
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (B)(1)	Nil	Nil	Nil	Nil

2. Non-Executive Directors:

Sl. No.	Particulars of Remuneration	Name of Directors		Total Amount in Lacs(Rs.)
		Mrs. Malavika Hegde	Mr. Sanjay Nayar	
	Fee for attending Board/ committee Meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (B)(2)	Nil	Nil	Nil
	Total (B)=(B) (1) + (B)(2)	**Nil**	**Nil**	**Nil**

C. Remuneration to key managerial personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	R. Ram Mohan Chief Financial Officer	Sadananda Poojary Company Secretary	Total Amount in (Rs.)
	Gross Salary			
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2,700,801*	949,800*	3,650,601
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify….			
5	Others, please specify			
	Total			
	Total (A)	**2,700,801***	**949,800***	**3,650,601**

*Represents the allocated portion of salary based on time spent.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NONE		
Punishment			NONE		
Compounding	N.A	N.A	N.A	N.A	N.A
B. DIRECTORS					
Penalty					
Punishment			NONE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NONE		
Compounding					

For and on Behalf of the Board

By Order of the Board

For **Coffee Day Enterprises Limited**

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

	Sd/-	Sd/-
	V G Siddhartha	**Malavika Hegde**
Place: Bangalore	*Chairman and Managing Director*	*Director*
Date: 18.05.2017	DIN- 00063987	DIN - 00136524

COFFEE DAY ENTERPRISES LIMITED

business responsibility report 2016-17

The Directors present the "Business Responsibility Report" (BRR) of the Company for the financial year ended on 31st March 2017, Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, forming part of the annual report.

The reporting framework is based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 principles and Core Elements for each of the nine Principles.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sl. No.	PARTICULARS	COMPANY INFORMATION
1.	Corporate Identification Number	L55101KA2008PLC046866
2.	Name of the Company	Coffee Day Enterprises Limited (CDEL)
3.	Registered Office & Corporate Office	23/2, Coffee Day Square, Vittal Mallya Road, Bangalore- 560001
4.	Website	www.coffeeday.com
5.	E-Mail ID	investors@coffeeday.com
6.	Financial Year reported	Year ended on 31st March 2017 (FY2016-17)
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Trading of Coffee - 47211 Dividend Income - 64200 Hospitality Services - 55101
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	1. Trading of Coffee 2. Dividend Income 3. Hospitality Services
9.	Total number of locations where business activity is undertaken by the Company	CDEL is the parent company of the Coffee Day Group with a diverse portfolio. The Company as standalone and primarily through its subsidiaries, associates and joint venture companies (together referred to as "the Group", as listed in this annual report) are engaged in business in multiple sectors such as Coffee retail and trading of coffee beans/ exports, Leasing of commercial office space, Financial services, Integrated Multimodal Logistics, Hospitality and Information Technology (IT) / Information Technology Enabled Services (ITeS).
10.	Markets served by the Company	Products and services have national as well as international presence and several Products are exported.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sl. No.	PARTICULARS	COMPANY INFORMATION
1.	Paid up Capital, as on 31.3.2016	206,001,719 Shares of Rs.10 each aggregating to Rs.2,060,017,190
2.	Turnover (Consolidated): Gross Net	 Rs.35,519 Mn Rs.31,196 Mn
3.	Profit after Tax (Consolidated)	Rs.462 Mn
4.	Total Spending on Corporate Social Responsibility a) In Rs. b) As a percentage of Profit after Tax	 Rs.60,00,500 - (By Way2wealth group companies) Rs.28,50,000 (By CDGL) Average profit of 2%
5.	List the activities, in which expenditure in 4 above, has been incurred	

Our CSR activities were are out through the subsidiaries & its group companies (Way2Wealth & Coffee Day Global Limited). Contributions were made towards CSR activities to the below mentioned Foundations /Organizations:

Contribution made to:	Activities
SVGHE Education trust	Through SVGH Vocational Training College (VTC) Foundation at Chikmagalur, the Foundation's charter is to promote education to economically underprivileged rural youth and supporting them to be independent, responsible and adaptable to urban environment.
Parivaar Education Society	Parivaar is West Bengal's largest free residential institution supporting children from destitute.
Parikrma Humanity Foundation	Parikrma Humanity Foundation offers high quality education, hope and support to thousands of children from four orphanages and over 70 slums in Bangalore city.
Society for Nutrition,Education and Health Action (SNEHA)	A secular, Mumbai - based non - profit organisation, SNEHA targets four large public health areas - Maternal and Newborn Health, Child Health and Nutrition, Sexual and Reproductive Health and Prevention of Violence against Women and Children.
Organization for Autistic Individuals(OAI),MCGM Welfare Centre	OAI is a registered Charitable Trust under Bombay Public Trusts, Act 1950, established with primary objective of setting up best in class schooling facilities for Individuals who are on the Autism Spectrum Disorder.
Foundation for Spastic and Mentally Handicapped Persons (UDAAN)	UDAAN, Delhi's foremost research based NPO engaged in Training, Rehabilitation and Early Medical Intervention for children with moderate to severe Autism.
Dignity Foundation	Helps senior citizens lead active lives through various productive ageing and social support services.
Centre for Environmental Research and Education, (CERE)	CERE has successfully completed projects pertaining to sustainability and carbon management in both urban and rural India.
Urvi Ashok piramal foundation	Is a not for profit organisation, undertakes CSR initiatives in the areas of Education, Health, Livelihood, Village Development and environment.
Army wives welfare association (AWWA)	AWWA aims at the holistic development and well-being of Army Wives including their children and rehabilitation of war widows and differently-abled children.

SECTION C: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. Does the Company have any Subsidiary Company/ Companies?

   Yes. The List of Subsidiaries is given in MGT-9, Annual return

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)

   Yes, most of the BR initiatives of the Company happens through the subsidiary companies and its group, operating in different geographies.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   Yes. Most of the BR initiatives happen through the subsidiaries, 60% of the associated entities participate in the BR initiatives of the Company.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. DETAILS OF DIRECTOR/DIRECTORS RESPONSIBLE FOR BR:

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

Sl. No.	Particulars	Company Information
1.	DIN	00063987
2.	Name	Mr. V.G. Siddhartha
3.	Designation	Chairman & Managing Director

b. Details of BR head(s)

Sl. No.	Particulars	Company Information
1.	DIN Number (if applicable)	03642316
2.	Name	Sadananda Poojary
3.	Designation	Company Secretary & Compliance Officer
4.	Telephone Number	+91 80 40012345
5.	E-Mail ID	investors@coffeeday.com

2. PRINCIPLE-WISE (AS PER NATIONAL VOLUNTARY GUIDELINES (NVGS)) BUSINESS RESPONSIBILITY POLICY/POLICIES

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3: Businesses should promote the wellbeing of all employees.

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5: Businesses should respect and promote human rights.

P6: Businesses should respect, protect, and make efforts to restore the environment.

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8: Businesses should support inclusive growth and equitable development.

P9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N):

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes								
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies confirms to the National & International Standards like ISO 22000, ISO 9000, ILO conventions ratified by our Country and IFC Performance Standards.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Policies mandated under the Companies Act, 2013 and SEBI (LODR) 2015 are approved by the Board and other policies are approved by the Managing Director or Functional Heads of the Company as appropriate.								
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has CSR Committee, Audit Committee, Risk Management Committee, Internal Complaints Committee and also adequate internal control systems to oversee the implementation of policies.								
6	Indicate the link for the policy to be viewed online?	The links to view the policies online are given herein below*.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate								
8	Does the Company have in-house structure to implement the policy/ policies?	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, wherever appropriate								
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate								

**Link to Company's Policies:*

- Business Responsibility Policy - http://www.coffeeday.com/PDF/BUSINESS%20RESPONSIBILITY%20REPORT%20POLICY.pdf
- CSR Policy - http://www.coffeeday.com/PDF/CSR-Policy-CDEL.pdf
- Whistle Blower Policy - http://www.coffeeday.com/PDF/CDEL-Whistle-Blower-Policy.pdf

b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Not Applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

GOVERNANCE RELATED TO BUSINESS RESPONSIBILITY (BR)

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The BR performance of the Company under various principles is assessed periodically at various Board and Committee meetings.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This is the first Business Responsibility Report being published by the Company for FY 2016-17. The same will be disclosed on the website of the Company www.coffeeday.com.

SECTION E: PRINCIPLE – WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

Coffee Day is committed to doing business in an efficient, responsible, honest and ethical manner. Corporate governance practice goes beyond compliance and involves a company-wide commitment and has become the integral part of business to ensure fairness, transparency and integrity of the management.

Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The core values of the Company's governance process include independence, integrity, accountability, transparency, responsibility and fairness. The business policies are based on ethical conduct, health, safety and a commitment to building long term sustainable relationships with relevant stakeholders.

The Company follows the principles of Ethics, Transparency and Accountability. Coffee Day firmly believes that good Corporate Governance is a pre-requisite for meeting the needs and aspirations of its shareholders and other stakeholders.

Further, the Company has adopted the Whistle Blower Policy to provide a mechanism for employees and Directors of the Company to approach the Ethics Committee or Chairman of the Audit Committee and Risk Management Committee of the Company for reporting genuine concerns. The Whistle Blower Policy provides a platform for reporting unethical behaviour, fraud and actual or potential violation of the Code.

The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the previous fiscal ending March 2017, 100% of minor complaints received from other stakeholders were resolved. Presently no major complaints or issues from employees/other stakeholders are pending.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

Coffee Day believes in providing products which are safe for its consumers and achieving growth in a responsible manner.

The Company shall raise the consumer's awareness of their rights through education, product labeling, appropriate and helpful marketing communication, full details of contents and composition as per the applicable laws and promotion of safe usage and disposal.

Environment, health and safety continues to be key focus area and the Company strives to reduce its environmental impact through various initiatives in the field of Energy Efficiency and Conservation.

1) **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   At Coffee Day, we have integrated our Social Responsibility activities into our daily operations. That's why our commercial success is coupled with initiatives that empower communities and protect the environment.

   These initiatives include buying and selling ethically-sourced coffee, educating underprivileged rural youth and forging avenues to employ a number of differently-abled people with us.

2) **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

The Company endeavours to embed the principles of sustainability, as far as practicable, into the various stages of product or service life-cycle, including procurement of raw material/service, processing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers.

The Company has been continuously improving on resource use efficiencies, especially that of common resources such as water and energy.

The Company's concerted efforts in optimising resource use efficiency and focused energy programs have been established with a view to carry out specific initiatives in the field of Energy Efficiency and Conservation. Various initiatives for conservation of energy and reducing environmental impact are detailed in Principle 6 of this BRR.

3) Does the Company have procedures in place for sustainable sourcing (including transportation)?

Pertaining to sourcing of coffee beans, we are committed to offer ethically-purchased and responsibly- grown coffee. Our coffee is certified by the UTZ – a world standard in responsible farming, owing to our efforts in conserving biodiversity and ensuring sustainable livelihoods. The Company endeavours to embed sustainability throughout its supply chain system.

4) Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The welfare of the coffee farming community is high on our agenda, our coffees are sourced from thousands of small coffee planters, who made us who we are today and we're glad to be a part of their lives. We facilitate UTZ and Rainforest certification for our major coffee supplier's estates. The UTZ Code of Conduct is a recognized global 'decency' standard for coffee and production criteria for socially and environmentally appropriate growing practices and efficient farm management techniques. The Rainforest Alliance works to conserve biodiversity and improve livelihoods by promoting and evaluating the implementation of the most globally respected sustainability standards in a variety of fields which are designed to generate ecological, social and economic benefits.

While Coffee Day's core competence lies in the Coffee growing/brewing/serving, increased demand for serving a variety of food items and beverages under the same brand has made it to diversify its offerings, including exclusive offerings customized to the needs of various geographic and demographic segments of the society. Seasonality in supply and demand, lower shelf life, market dynamics, demand for variety in product and packaging, higher expectations on product quality and delivery, all have added extra dimensions to the challenge, which is effectively handled by its Supply Chain team. We work with vendors extensively to improve capacities and capabilities which results in high standards of food safety.

5) Does the Company have a mechanism to recycle products and waste? If, yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

We strive to foster a socially responsible corporate culture by introducing a balanced approach to business by addressing social and environmental challenges through required investments, technological up gradation, necessary resource allocation and stakeholder engagements. Coffee Day plays a catalyst role in bringing these changes, step by step.

Below is a snapshot of few of our activities:

Waste Management by efficient usage of:

- Coffee byproducts, Husk – around 20-25% of the input raw coffee is used as energy/raw material in briquettes for manufacturing and other industries, and also used in composting.
- Lamination paper/stickers used in packing materials – distributed to Government School Children for book binding.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

Coffee Day acknowledges that the employees are its greatest assets and is consistently taking various initiatives, adopting various policies, conducting training programmes etc., to enable the employees to feel good, live healthy and work safely.

For the Company, learning and development is a business critical priority for enhancing capability, strengthening the leadership pipeline and fostering employee engagement.

Coffee Day provides a work environment that is free from any discrimination or harassment, promotes health and safety and prohibits using, selling or distributing controlled substances.

The Company believes all employees are important stakeholders in the enterprise and that building a culture of mutual trust, respect, interdependence and meaningful engagement is imperative. As such, it respects the dignity of the individual and the freedom of employees to lawfully organise themselves into interest groups, independent of supervision by the management.

1. Total number of employees : 18,712
2. Total number of employees hired on temporary/contractual/casual basis : 5,918
3. Number of permanent employees with disabilities : 85
4. Do you have an employee association that is recognized by management : No
5. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year: Nil
6. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? : 100%

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

Coffee Day aims to meet the expectations of its stakeholders that include shareholders, consumers, farmers, suppliers, media and the government. Coffee Day understands the needs of its stakeholders and develops action plans to fulfil them while achieving its business goals.

Coffee Day has in place investor redressal system, consumer call centres and various other committees to protect the interest of all the stakeholders. It discloses all the relevant information about its products, business, financial performance, press releases and other statutory information on the website of the Company to ensure effective stakeholders engagement.

1. Has the Company mapped its internal and external stakeholders?

   Coffee Day has mapped its internal and external stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

   The Company is committed towards proactively engaging with all the employees, business associates, customers and communities who may be disadvantaged, vulnerable or marginalized.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders?

   Coffee Day thinks beyond business and undertakes various initiatives to improve the lives of the lower socioeconomic sections of the society.

   Our social transformation initiatives are led by SVGH Vocational Training College (VTC) Foundation at Chikmagalur. Over the years, our approach has been to engage in social issues with sensitivity, rigor and responsibility. VTC Foundation lays the platform for Coffee Days value system. The Foundation's charter is to promote education to economically underprivileged rural youth and supporting them to be independent, responsible and adaptable to urban environment. The college has trained over 2500 students many of whom have found employment at your Company outlets across the country. The entire expenses of the course which includes imparting education, providing food and accommodation, uniforms and transport facilities is borne by the promoters.

   In our endeavor to embrace corporate social responsibility through the Company's actions on today's youth, CCD has created avenues for youth that empower them to realize their potential, and to move from opportunity anticipated to opportunity realized.

   In states like Jammu and Kashmir and Orissa, majority of them, particularly in villages or rural areas, do not have access to vocational education or employment opportunities. We have been able to empower the youth with tools that lead to self improvement, increases employability and also provide Job opportunities within the organization.

   We work through a unique partnership model wherein we have established strategic partnerships with the various training bodies, non-governmental organizations, and government and leverage our relationship to provide skill training and employability to the under privileged. Dr Reddy's Foundation (PAN India), Gram Tarang Foundation (Orissa) and Sarthak (North India) are our partners who have been instrumental in helping us make a valuable contribution towards the cause.

   Active association with Ministry of Rural Development (MoRD) as a champion employer in providing globally relevant employability to rural youth.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

The Company has integrated respect for human rights in its management systems, in particular through assessing and managing human rights impacts of operations, and ensuring all individuals impacted by the business have access to grievance mechanisms.

Coffee Day firmly believes in upholding and promoting human rights. Human Rights are protected under Whistle Blower Policy, Anti - Sexual Harassment Policy, and Employee Welfare Policies.

Grievance Redressal Systems are put in place like Internal Complaints Committee, which resolves the issues reported in an expeditious manner.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?

   Code of Business Conduct extends not only to employees of Coffee Day and others who work with, or represent Coffee Day directly or indirectly. Coffee Day's Anti-Sexual Harassment Policy is applicable to all the employees including contractual and also covers trainees, consultants and contractors.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   During the financial year 2016-17, the Company did not receive any complaint with regard to violation of human rights.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

Coffee Day understands its responsibility towards environment and has taken various initiatives to reduce its environmental impact. Energy conservation continues to be a priority area of the Company.

Focused energy programs have been established with a view to carry out specific initiatives in the field of Energy Efficiency and Conservation.

During the financial year 2016-17, the Company has taken various initiatives for conservation of energy and reducing its environmental impact, few of them are listed below:

- Energy Management by conducting energy audits and introducing innovative ways of saving power – This includes introducing of high end online energy monitoring system in majority of outlets, With Internet of Things (IoT) it is possible to remotely monitor and manage energy usage and take timely actions to stop inefficiencies. These initiatives have reduced the energy consumption by 8-9% compared to the previous fiscal.
- Installing advanced energy saving gadgets like capacitor banks and indigenized components like thermo controllers for the ovens.
- In order to continually reduce the Company's environmental footprint, green attributes are integrated in all new outlets and are also being incorporated into existing outlets, during retrofits, by using LED lighting and usage of Bureau of Energy Efficiency's (BEE) star rating equipments
- Introducing eco-friendly paper bags in all the outlets of the Company
- Installation of higher efficiency gas fired burners in the coffee roasting unit.

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.**

   The Company has a CSR Policy framework that covers areas of compliance with statutory requirements; the Policy extends to all its subsidiary companies.

2. **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   Climate change, global warming and environmental degradation pose unique challenges as well as opportunities for Coffee Day. The Company is continually investing in new technologies, implementing process improvements and innovation to address the global environmental challenges.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Sustainable development is at the core of the Company's operations which is also outlined in the CSR Policy framework. The Company follows sound environmental management practices across all its business units to assess and address potential environmental risks.

4. **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

While the Company has so far not registered any project related to Clean Development Mechanism, it is continuously endeavouring to identify opportunities to contribute in this regard.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   No.

6. **Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   All applicable statutory requirements are complied within acceptable levels.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   The Company did not receive any show cause/ legal notices from CPCB/SPCB which are pending as on end of financial year 2016-17.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

The Company recognizes that it operates within the specified legislative and policy frameworks prescribed by the Government, which guide its growth and also provide for certain desirable restrictions and boundaries.

The Company shall perform the function of policy advocacy in a transparent and responsible manner while engaging with all the authorities and shall take into account the Companies as well as the larger national/industry interest.

1. **Is your Company a member of any trade and chamber or association?**

   Yes one subsidiary company (Coffee Day Global Limited) is member of the Federation of Karnataka Chambers of Commerce and Industry (FKCCI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)**

No

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Coffee Day supports the principle of inclusive growth and equitable development through its Corporate Social Responsibility initiatives and also through its core business.

The Company shall make efforts to complement and support the development priorities at local and national levels, and assure appropriate resettlement and rehabilitation of communities who have been displaced owing to their business operations.

1. **Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The Company undertakes CSR activities in accordance with Schedule VII of the Companies Act, 2013 as per the recommendation of the CSR committee and as per the CSR policy of the Company.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

   The programmes/projects are undertaken through in-house team / own foundation/NGO/Government Structures/any other organization as appropriate.

3. **Have you done any impact assessment of your initiative?**

   The Company assesses the impact of its CSR Projects and Programs at Board and CSR Committee meetings. An update on the CSR project and programs is placed at the Board and CSR Committee meetings for their review and assessment.

4. **What is your company's direct contribution to community development projects- Amount in Rs.and the details of the projects undertaken?**

   Our CSR activities were are out through the subsidiaries & its group companies, (Way2Wealth & Coffee Day Global Limited). Contributions made towards community development projects are detained in "Section B" of this report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   At Coffee Day, the CSR projects and programs are undertaken after identifying the communities that require development. The Company also interacts with the stakeholders to ensure that its projects are being implemented effectively.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

The Company shall take into account the overall well-being of the customers and that of society.

Coffee Day's consistent commitment to provide world-class products/services to consumers has made it as one of the most trusted, valuable and popular brands among Indian consumers.

The Company shall ensure that wherever applicable all the information that is statutorily required to be disclosed in relation to its products are disclosed truthfully and factually to the consumers through labeling so that the consumers can exercise their freedom to consume in a responsible manner and exercise due care in utilization of natural resources.

The Company also ensures that the promotion and advertisement of its products/services do not mislead or confuse the customers and other stakeholders. Adequate grievance handling mechanisms are in place to address customer concerns and feedback.

How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   During the previous fiscal ending 31st March 2017, 100% of minor complaints received from the customers were resolved. Presently no major complaints are pending.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

   Coffee Day is displaying additional product related information, 'Keep your city clean' symbol on take away cups over and above what is mandated as per the laws.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

   No.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   Yes, as part of the consumer complaint handling process, the Company carries out consumer satisfaction studies. Results are shared with the stakeholders for necessary action to improve the process.

Annexure-8

DISCLOSURE OF REMUNERATION UNDER SECTION 197[12] OF THE COMPANIES ACT, 2013 READ WITH RULES 5[1] OF THE COMPANIES [APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL] RULES, 2014

The ratio of remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of section 197 of the Companies Act, 2013 read with Rule 5[1] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014.

Rs.in Million

Sl. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2016-17	Designation	Ratio
	Mr. V.G. Siddhartha	Chairman & Managing Director	NA
	Mrs. Malavika Hegde	Non-Executive Director	NA
	Mr. Sanjay Nayar	Non-Executive Director	NA
2.	The remuneration paid to independent directors were as below:	Designation	Rs.in Lacs
	Mr. S.V. Ranganath	Independent Director	Independent directors were in receipt of sitting Fee for attending the Board and Committee meetings and are not paid any remuneration. Current sitting fee for attending Board Meeting is Rs.1,00,000 per meeting
	Dr. Albert Hieronimus	Independent Director	
	Mr. M.D. Mallya	Independent Director	
	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year.	CFO	2.7
		CS	0.95
		Represents the allocated portion of salary based on time spent. Ratio of Remuneration to MRE including & excluding WTD of CS and CFO are 7.37 & 20.95 of the allocated remuneration.	
3.	The percentage increase in the median remuneration of employees in the financial year	9.56%	
4.	The number of permanent employees on the rolls of the Company	182	

5.	The explanation on the relationship between average increase in remuneration and company's performance	Factors considered while recommending the increase in the fixed compensation [a] financial performance of the Company [b] Comparison with peers [c] Industry benchmarking and consideration towards cost of living adjustment / inflation [d] Regulatory guidelines as applicable Accordingly the Company follows a performance review mechanism to ensure that the increase is commensurate with the effort and it is aligned with the Company's performance.
6.	Comparison of the remuneration of the Key Managerial Personnel against the Performance of the Company	For FY 2017, CS and CFO were drawn salary of 0.9 and 2.7 million respectively which is 0.37% of the Revenue of the Company.
7.	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current FY and previous FY and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer	The market capitalisation of the Company has comparatively increased from Rs.4791.60 crores as on 31st March 2017 from Rs.4614.43 crores as on 31st March 2016. The closing price of Coffee Day Enterprises Limited as on 31st March 2017 was Rs.232.60 which has increased 3.84% over the price in 2016 which is Rs.224 per share and the price fell over 41% from the Intial Public Offer in November 2015.
8.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average % increase was 9.56% for all employees who went through the compensation review cycle in the year other than managerial personnel.
9.	Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company	The comparison of remuneration of each of the Key Managerial Personnel against the performance of the Company is as under CFO-0.275% & CS-0.0915% of the revenue of the Company.
10.	The key parameters of any variable component of remuneration availed by the directors	Not applicable since no remuneration was drawn by the Executive Director.
11.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes, it is affirmed.

For and on Behalf of the Board
By Order of the Board

For **Coffee Day Enterprises Limited**

Sd/
V G Siddhartha
Chairman and Managing Director
DIN- 00063987

Sd/-
Malavika Hegde
Director
DIN - 00136524

Place: Bangalore
Date: 18th May 2017

Information as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and forming part of the Directors' Report for the Financial Year ended 31st March 2017

A. Top 10 Employees (in terms of remuneration)

Employee Name	Designation in the Company	Qualification	Previous Employer	Total Experience (In Yrs)	Designation at Previous Employer	Amount (In Rs.)
Balachandar Natarajan	Group Head-Human Resource	M.S.(Industrial Management)	Strides Acrolabs Ltd	28	Chief Human Resource officer	12,007,165
R. Ram Mohan	Chief Financial Officer	B.Com, ACA	Caterpillar	30	Director-Finance	2,700,801[1]
Ganesh Pai	General Manager – Corporate Finance	B.Com, ACA	Nvidia Graphics Private Limited	11	Manager – Finance	3,930,736
Sadananda Poojary	Company Secretary	B.Com, FCS, ICWAI	KSFC	28	Deputy Manager	949,800[1]
Philip T Athyal	Senior General Manager	B.Com, ACA	Amalgamated Bean Coffee Trading Co Ltd	20	Senior General Manager	3,600,000
Monica Khanna	General Manager-HR	MBA	Heidrick & Struggles-KMC	16	Director-HR	1,846,495[2]
Ketan Sanghvi	Senior General Manager	B.Com, PGDM (Finance)	Kotak Mahindra Capital Company Limited	13	Senior Vice President	1,843,905[3]
Brain D'cruz	Resort Manager	Hotel Management/ AHMA	Sujan Luxury	17	Resort manager	1,185,344
Sanjiv Mediratta	Group Advisor – F&B Solutions	Hotel Management Graduate	IHC(India Hospitality Corporation)	39	Vice President	1,179,221
Devahuthi V Gangwani	GM-Marketing (PR & Communication)	PGD in Mass Communication	Coffee Day Global Ltd	14	PR Executive	991,536[4]

1 Represents the allocated portion of salary based on time spent.

2 Joined wef 01st August, 2016

3 Joined wef 05th December, 2016

4 Joined wef 01st August, 2016

Employees drawing a Remuneration of Rs.1.02 Crores or above per annum and posted in India

Employee Name	Designation in the Company	Qualification	Age	Previous Employer	Total Experience (In Yrs)	Date of Joining	Designation at Previous Employer	Amount (In Rs.)
Balachandar Natarajan	Group Head-Human Resource	M.S.(Industrial Management)	53	Strides Acrolabs Ltd	28	Jan 21, 2012	Chief Human Resource officer	12,007,165

Independent Auditor's report

To
The Members of
Coffee Day Enterprises Limited

Report on the Standalone Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS financial statements

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

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

Auditor's Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give a true and fair view in conformity with the accounting principles generally accepted in India of the financial position of the Company as at 31st March 2017, its financial performance including other comprehensive income for the year then ended, and its cash flows and the changes in equity for the year then ended.

Report on Other Legal and Regulatory Requirements

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

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

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) the balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

(d) in our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and

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

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

d. The Company has provided requisite disclosures in its Standalone Ind AS financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 39 to the Standalone Ind AS financial statements.

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

Supreet Sachdev
Partner
Membership number: 205385

Bangalore
18 May 2017

Annexure A to the Independent Auditor's Report

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

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the programme, physical verification of fixed assets was carried out during the year and no material discrepancies were noted.

(c) According to the information and explanations given to us and on the basis of our examination of the records, we have verified the lease agreement which is in the name of the Company for the land taken on lease (for construction of building) duly registered with the appropriate authority.

(ii) According to the information and explanations given to us and on the basis of our examination of the records, the inventories of coffee beans have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable. The discrepancies identified on physical verification of inventories between physical stocks and book records were not material. However, there is no physical inventory as at the year end.

(iii) According to the information and explanations given to us and on the basis of our examination of the records, the Company has granted unsecured loans to the two wholly owned subsidiary Companies covered in the register maintained under Section 189 of the Act and;

(a) In our opinion, the rate of interest and other terms and conditions on which loans had been granted to the companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) In case of loans granted to the subsidiaries listed in the register maintained under Section 189 of the Act, the loans and interest are repayable on demand. As per the information and explanation given to us, the borrowers have been regular in the repayment of the principal amount. However, no demand for interest is made by the Company during the year.

(c) There are no overdue amounts in respect of the loan granted to companies listed in the register maintained under section 189 of the Act.

(iv) In our opinion and according to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act with respect to loans and investments made and security and guarantee given.

(v) The Company has not accepted any deposits from the public.

(vi) According to the information and explanation given to us, the Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered and goods sold by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Service tax, Sales-tax, Value added tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities except for undisputed Income tax dues which have not been regularly deposited with the appropriate authorities and there have been delays in a number of cases. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Duty of Customs, Duty of Excise and Cess during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Sales-tax, Value added tax, Income tax, Service tax and other material statutory dues were in arrears, as at 31st March 2017, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Provident Fund, Sales-tax, Value added tax, Income tax, Service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.

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

(ix) According to the information and explanations given to us and on the basis of our examination of the records, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company were applied for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not paid any Managerial Remuneration during the year. Accordingly, para 3(xi) of this Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, and based on an examination of the records of the Company, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or person connected with him as referred to in Section 192 of Companies Act 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Supreet Sachdev
Partner
Membership number: 205385

Bangalore
18 May 2017

Annexure - B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of Coffee Day Enterptises Limited ('the Company') as of 31st March 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

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

Supreet Sachdev
Partner
Membership number: 205385

Bangalore
18 May 2017

Balance sheet

as at 31st March 2017

(Rs. in million)

	Note	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	54.28	57.11	59.80
Intangible assets	5	0.07	0.09	-
Financial assets				
(I) Investments	6	20,010.11	20,004.76	15,877.45
(II) Loans	7-A	6.81	36.81	5.81
(III) Other financial assets	9-A	-	41.06	186.02
Other tax assets	8	28.34	28.22	35.59
Other assets	10-A	2.24	1.19	-
Total non-current assets		**20,101.85**	**20,169.24**	**16,164.67**
Current assets				
Financial assets				
(I) Trade receivables	11	286.79	4.53	2.94
(II) Cash and cash equivalents	12	7.71	480.24	6.60
(III) Bank balances other than cash and cash equivalents	13	203.30	88.95	-
(IV) Loans	7-B	7,143.94	5,188.96	4,464.31
(V) Other financial assets	9-B	0.08	0.59	0.48
Other assets	10-B	4.18	3.45	210.96
Total current assets		**7,646.00**	**5,766.72**	**4,685.29**
TOTAL ASSETS		**27,747.85**	**25,935.96**	**20,849.96**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	2,060.02	2,060.02	145.92
Other equity	15	16,027.46	16,823.22	790.15
Total equity		**18,087.48**	**18,883.24**	**936.07**
Non-current liabilities				
Financial liabilities				
(I) Borrowings	16-A	7,204.22	5,321.86	12,579.92
(II) Other financial liabilities (other than those specified above)	19-A	5.47	-	-
Provision	17-A	5.36	4.59	3.98
Total non-current liabilities		**7,215.05**	**5,326.45**	**12,583.90**
Current liabilities				
Financial liabilities				
(I) Borrowings	16-B	-	-	300.00
(II) Trade payables	18			
Total outstanding dues to micro enterprises and small enterprises		-	-	-
Total outstanding dues other than to micro enterprises and small enterprises		18.41	34.26	7.33
(III) Other financial liabilities (other than those specified above)	19-B	2,416.50	1,678.20	7,003.89
Provision	17-B	-	0.24	0.27
Other current liabilities	20	10.41	13.57	18.50
Total current liabilities		**2,445.32**	**1,726.27**	**7,329.99**
TOTAL EQUITY AND LIABILITIES		**27,747.85**	**25,935.96**	**20,849.96**
Significant accounting policies	3			

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

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

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

Supreet Sachdev
Partner
Membership no.: 205385

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Statement of profit & loss

for the year ended 31st March 2017

(*Rs. in million*)

	Note	For the year ended 31st March 2017	For the year ended 31st March 2016
REVENUE FROM OPERATIONS	21	964.59	503.09
Other income	22	18.58	101.45
Total income		**983.17**	**604.54**
EXPENSES			
Purchase of stock in trade		393.15	207.06
Employee benefits expense	23	67.02	59.12
Finance costs	24	1,225.16	1,677.71
Depreciation and amortization expense	25	5.05	4.68
Other expenses	26	88.93	163.47
Total expenses		**1,779.31**	**2,112.04**
Loss before tax		(796.14)	(1,507.50)
Tax expense	27	-	-
Loss for the period		**(796.14)**	**(1,507.50)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurements of defined benefit plan		0.38	0.32
		0.38	**0.32**
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the period		**0.38**	**0.32**
Total Comprehensive Income for the period		**(795.76)**	**(1,507.18)**
Earnings per equity share:			
- Basic	30	(3.86)	(9.47)
- Diluted		(3.86)	(9.47)
Significant accounting policies	3		

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

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Statement of cash flow
for the year ended 31st March 2017

(*Rs. in million*)

		For the year ended 31st March 2017	For the year ended 31st March 2016
A.	**Cash flows from operating activities**		
	Loss for the year	(795.76)	(1,507.18)
	Adjustments for:		
	- Interest income (including present value change in financial instruments)	(10.82)	(98.85)
	- Interest expense	1,225.16	1,677.71
	- Financial guarantee obligation income	(5.35)	(27.31)
	- Depreciation and amortization	5.05	4.68
	Operating cash flow before working capital changes	418.28	49.05
	Changes in		
	- Trade receivables and loans	(252.26)	(32.59)
	- Other current and non-current assets	(0.55)	206.32
	- Provisions	0.53	0.57
	-Trade payables and other current and non current financial liabilities	(69.33)	42.98
	- Other current and non-current liabilities	(3.16)	(4.93)
	Cash generated from operations	(324.77)	212.35
	Income taxes paid	(0.12)	7.37
	Cash (used in) /generated from operations [A]	**93.39**	**268.77**
B.	**Cash flows from investing activities**		
	Acquisition of property, plant and equipment	(2.30)	(2.18)
	(Investment in)/ withdrawal of fixed deposits	(73.29)	56.01
	Investment in debentures	-	(4,100.00)
	Net cash generated from/(used in) investing activities [B]	**(75.59)**	**(4,046.17)**
C.	**Cash flows from financing activities**		
	Proceeds from issue of share capital including premium	-	11,500.00
	Repayment of long term and short term borrowings	-	(3,470.00)
	Proceeds from long term borrowings	1,000.00	1,530.00
	Redemption of debentures including premium	(2,164.67)	(4,193.13)
	Redemption of preference shares including premium	-	(719.29)
	Proceeds from issue of debentures	3,800.00	2,100.00
	Interest received	11.33	98.74
	Interest paid	(1,180.80)	(1,158.44)
	Share issue expenses	-	(716.96)
	Loans given to related parties	(11,749.61)	(8,461.32)
	Loans recovered from related parties	9,793.42	7,741.44
	Net cash (used in)/ generated from financing activities [C]	**(490.33)**	**4,251.04**
Net (decrease)/ increase in cash and cash equivalents [A+B+C]		**(472.53)**	**473.64**
Cash and cash equivalents at the beginning of the year		**480.24**	**6.60**
Cash and cash equivalents at the end of the year (refer note 12)		**7.71**	**480.24**

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

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Statement of changes in equity

as at 31st March 2017

a Equity share capital

(*Rs. in million*)

	Note	Amount
Balanace as at 1st April 2015		145.92
Changes in equity share capital during 2015-16	14	1,914.10
Balanace as at 31st March 2016		**2,060.02**
Changes in equity share capital during 2016-17	14	-
Balanace as at 31st March 2017		**2,060.02**

b Other Equity

For the year ended 31st March 2017

(*Rs. in million*)

Particulars	Reserves and Surplus		OCI - Remeasuremets of Acturial gain and losses	Total
	Securities Premium	Retained Earnings		
Balance as at 1 April 2016	21,664.51	(4,841.25)	(0.04)	16,823.22
Total comprehensive income for the year ended 31st March 2017				
Loss during the year	-	(796.14)	-	(796.14)
Other comprehensive income (Refer note 38)	-	-	0.38	0.38
Total comprehensive income	**21,664.51**	**(5,637.39)**	**0.34**	**16,027.46**
Balance as at 31st March 2017	**21,664.51**	**(5,637.39)**	**0.34**	**16,027.46**

For the year ended 31st March 2016

(*Rs. in million*)

Particulars	Reserves and Surplus		OCI - Remeasuremets of Acturial gain and losses	Total
	Securities Premium	Retained Earnings		
Balance as at 1 April 2015	4,124.26	(3,333.75)	(0.36)	790.15
Total comprehensive income for the year ended 31st March 2016				
Loss during the year	-	(1,507.50)		(1,507.50)
Other comprehensive income (Refer note 38)	**-**	**-**	**0.32**	**0.32**
Total comprehensive income	**4,124.26**	**(4,841.25)**	**(0.04)**	**(717.03)**
Contributions by and distributions to owners:				
Premium received on issue of equity shares	19,323.03	-	-	19,323.03
Issue of bonus shares [Refer note 14(d)]	(1,021.41)	-	-	(1,021.41)
Share issue expenses	(761.37)	-	-	(761.37)
Balance as at 31st March 2016	**21,664.51**	**(4,841.25)**	**(0.04)**	**16,823.22**

Significant accounting policies 3

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

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

for and on behalf of the Board of Directors of
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DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

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Date: 18 May 2017

1.0 REPORTING ENTITY

Coffee Day Enterprises Limited ('CDEL' or 'the Company') was originally incorporated as a private limited Company under the Companies Act, 1956 on 20 June 2008 by conversion of erstwhile partnership firm M/s Coffee Day Holding Co. The registered office of the Company is located in Bangalore, India. The Company converted into a public Company during the year 2014-15. The Company undertook an Initial Public Offer of equity shares and subsequently got its equity shares listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) effective 2 November 2015.

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

The Company, primarily through its subsidiaries, associates and joint venture companies as detailed below are engaged in business in multiple sectors such as Coffee-retail and exports, Leasing of commercial office space, Financial services, Integrated Multimodal Logistics, Hospitality and Information Technology (IT) / Information Technology Enabled Services (ITeS).

List of subsidiaries with percentage holding –

Name of the entity	Country of incorporation and other particulars	Percentage of holding (%)
Coffee Day Global Limited (erstwhile Amalgamated Bean Coffee Trading Company Limited) ('CDGL')	a subsidiary of the Company incorporated under the laws of India	86.63
Tanglin Developments Limited ('TDL')	a subsidiary of the Company incorporated under the laws of India	100.00
Coffee Day Hotels and Resorts Private Limited ('CDHRPL')	a subsidiary of the Company incorporated under the laws of India	100.00
Coffee Day Trading Limited (erstwhile Global Technology Ventures Limited) ('CDTL')	a subsidiary of the Company incorporated under the laws of India	88.77
STEP-DOWN SUBSIDIARIES		
Way2Wealth Securities Private Limited ('WSPL')	a subsidiary of TDL and CDTL incorporated under the laws of India	85.53
Amalgamated Holdings Limited ('AHL')	a subsidiary of CDGL incorporated under the laws of India	100.00
Ganga Coffee Curing Works Limited	a subsidiary of CDGL incorporated under the laws of India	100.00
A.N Coffeeday International Limited ('AN CCD')	a subsidiary of CDGL incorporated under the laws of Cyprus	100.00
Coffee Day Properties (India) Private Limited	a subsidiary of CDGL incorporated under the laws of India	100.00
Classic Coffee Curing Works	a partnership firm with CDGL as a controlling partner having a share of profit of 100%, registered under the laws of India	100.00
Coffeelab Limited	a subsidiary of AHL incorporated under the laws of India	100.00
Coffee Day Gastronomie Und Kaffeehandles GmbH	a subsidiary of AN CCD incorporated under the laws of Austria	100.00
Coffee Day CZ a.s	a subsidiary of AN CCD incorporated under the laws of Czech Republic	100.00
Tanglin Retail Reality Developments Private Limited ('TRR')	a subsidiary of TDL incorporated under the laws of India	100.00
Sical Logistics Limited ('SL')	a subsidiary of TRR incorporated under the laws of India	52.83
Sical Infra Assets Limited ('SIAL')	a subsidiary of SL incorporated under the laws of India	53.60
Sical Iron Ore Terminal Limited	a subsidiary of SL incorporated under the laws of India	63.00
Sical Iron Ore Terminal (Mangalore) Limited	a subsidiary of SL incorporated under the laws of India	100.00
Norsea Offshore India Limited	a subsidiary of SL incorporated under the laws of India	100.00
Sical Mining Limted	a subsidiary of SL incorporated under the laws of India	100.00
Sical Saumya Mining Limited	a subsidiary of SL incorporated under the laws of India	65.00
Sical Bangalore Logistics Park Limited	a subsidiary of SL incorporated under the laws of India	100.00
Sical Adams Offshore Limited	a subsidiary of SL incorporated under the laws of India	100.00
Bergen Offshore Logistics Pte. Limited ('BOFL')	a subsidiary of SL incorporated under the laws of Singapore	100.00

Name of the entity	Country of incorporation and other particulars	Percentage of holding (%)
Norsea Global Offshore Pte Ltd	a subsidiary of BOFL incorporated under the laws of Singapore	100.00
Sical Multimodal and Rail Transport Limited ('SMART')	a subsidiary of SIAL incorporated under the laws of India	100.00
Girividyuth India Limited	a subsidiary of TDL incorporated under the laws of India	100.00
Wilderness Resorts Private Limited ('WRPL')	a subsidiary of CDHRPL incorporated under the laws of India	99.92
Karnataka Wildlife Resorts Private Limited	a subsidiary of WRPL incorporated under the laws of India	100.00
Mandi2Market Traders Private Limited (erstwhile Way2Wealth Institutional Broking Private Limited / erstwhile Way2Wealth Insurance Broking Private Limited)	a subsidiary of WSPL incorporated under the laws of India	100.00
Way2Wealth Capital Private Limited	a subsidiary of WSPL incorporated under the laws of India	99.99
Way2Wealth Realty Advisors Private Limited	a subsidiary of WSPL incorporated under the laws of India	94.99
Way2Wealth Brokers Private Limited ('WBPL')	a subsidiary of WSPL incorporated under the laws of India	99.99
Way2Wealth Insurance Brokers Private Limited (erstwhile Total Insurance Brokers Private Limited)	a subsidiary of WSPL incorporated under the laws of India	99.99
AlphaGrep Securities Private Limited (erstwhile Way2Wealth Illuminati Securities Private Limited)	a subsidiary of WSPL incorporated under the laws of India	51.00
Way2Wealth Distributors Private Limited	a subsidiary of WSPL incorporated under the laws of India	99.99
Way2Wealth Commodities Private Limited	a subsidiary of WBPL incorporated under the laws of India	99.99
Way2Wealth Illuminati Pte. Limited ('W2WIP')	a subsidiary of WBPL incorporated under the laws of Singapore	100.00
AlphaGrep UK Limited	a subsidiary of W2WIP incorporated under the laws of United Kingdom	100.00
Magnasoft Consulting India Private Limited ('MCIPL')	a subsidiary of CDTL incorporated under the laws of India	77.88
Magnasoft Europe Limited	a subsidiary of MCIPL incorporated under the laws of United Kingdom	100.00
Magnasoft Spatial Services Inc.	a subsidiary of MCIPL incorporated under the laws of Denver	100.00
AlphaGrep Holding HK Limited	a subsidiary of W2WIP incorporated under the laws of Hong Kong	100.00
Shanghai Dao GE International Trading Ltd.	a subsidiary of W2WIP incorporated under the laws of China	100.00
ASSOCIATES		
Ittiam Systems Private Limited	an associate of TDL incorporated under the laws of India	21.91
Global Edge Software Private Limited	an associate of CDTL incorporated under the laws of India	26.50
Mindtree Limited	an associate of the Company and CDTL incorporated under the laws of India	16.72
Barefoot Resorts and Leisure India Private Limited	an associate of CDHRPL incorporated under the laws of India	27.69
JOINT VENTURES		
Coffee Day Schaerer Technologies Private Limited ('CDSTPL')	a joint venture of CDGL incorporated under the laws of India	49.00
PSA Sical Terminals Limited	a joint venture of SL incorporated under the laws of India	37.50
Sical Sattva Rail Terminal Private Limited	a joint venture of SMART incorporated under the laws of India	50.00

2.0 BASIS OF PREPARATION

2.1 Statement of compliance

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

The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 38. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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

2.2 Functional and presentation currency

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

2.3 Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle,

- Held primarily for the purpose of trading,

- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,

- It is held primarily for the purpose of trading,

- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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

2.4 Basis of measurement

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

Items	Measurement basis
Building (Property, plant and equipment)	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations.

2.5 Use of estimates and judgements

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

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

Judgements

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

- Note 31 – lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2018 is included in the following notes:

- Note 27 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

- Note 34 – measurement of defined benefit obligations: key actuarial assumptions;

- Notes 28 – recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 36 – impairment of financial assets.

2.6 Measurement of fair values

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

- In the principal market for the asset or liability, or

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

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

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

- Financial instruments (note 36)

- Disclosures for valuation methods, significant estimates and assumptions (note 36)

- Quantitative disclosures of fair value measurement hierarchy (note 36)

- Financial instruments (including those carried at amortised cost) (note 36)

3 SIGNIFICANT ACCOUNTING POLICIES

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

Property, plant and equipment:

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

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

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

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

On transition to Ind AS, the Company has elected to recognise the carrying value of all of its property, plant and equipment as at 1 April 2015 as per para 16 of Ind AS 16 except for building which has been measured at fair value.

Depreciation methods, estimated useful lives and residual value

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

Asset category	Estimated useful life
Leasehold improvements	Lease term or estimated useful life, whichever is lower
Plant and machinery	8 years
Office equipment	6 years
Computers (including software)	2 years
Furniture and fixtures	8 years
Vehicles	6 years

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

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

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

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

3.2 Impairment of assets

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and

- financial assets measured at FVOCI- debt investments.

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

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

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or being past due for 90 days or more;

- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for a security because of financial difficulties.

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

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is 90 days or more past due.

Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Presentation of allowance for expected credit losses in the balance sheet Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

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

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

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

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset)."

3.3 Inventories

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

Nature of inventory	Method of valuation
Raw materials	FIFO, landed cost

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

3.4 Revenue recognition

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

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

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

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

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

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

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

3.5 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are 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 Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

3.6 Investments and other financial assets

a) Recognition and initial measurement

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

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

b) Classification and subsequent measurement

Financial assets

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

- amortised cost;

- FVOCI – debt investment;

- FVOCI – equity investment; or

- FVTPL

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

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

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Company's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Company's claim to cash flows from specified assets (e.g. non- recourse features).

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See Note 3(c)(v) for financial liabilities designated as hedging instruments.

c) Derecognition of financial assets

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

3.7 Employee benefits

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.

3.8 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'). The financial statements are presented in Indian rupee (Rs.)

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. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

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

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

3.9 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 Company or the counterparty.

3.10 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.

3.11 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.

3.12 Cash and cash equivalents

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

3.13 Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated.

3.14 Earnings per share

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

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

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

3.15 Segment reporting

Based on the "management approach" as defined in Ind AS 108, "Operating Segments", the Chief Operating Decision Maker (CODM) evaluates the Company performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Coffee trading, Hospitality and Investment operations as its operating segments.

3.16 Contributed equity

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

3.17 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

4 PROPERTY, PLANT AND EQUIPMENT

(*Rs. in million*)

	Owned						Total
	Buildings*	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	
Cost or deemed cost							
Balance as at 1st April 2015	53.22	5.02	1.50	4.86	1.15	0.19	65.94
Additions	1.43	0.23	0.11	0.01	0.11	0.06	1.95
Disposals	-	-	-	-	-	-	-
Balance as at 31st March 2016	**54.65**	**5.25**	**1.61**	**4.87**	**1.26**	**0.25**	**67.89**
Balance as at 1st April 2016	54.65	5.25	1.61	4.87	1.26	0.25	67.89
Additions	0.20	1.45	0.09	0.30	0.11	0.02	2.17
Disposals	-	-	-	-	-	-	-
Balance as at 31st March 2017	**54.85**	**6.70**	**1.70**	**5.17**	**1.37**	**0.27**	**70.06**
Accumulated depreciation:							
Balance as at 1st April 2015	-	1.83	0.85	2.21	1.15	0.10	6.14
Depreciation for the year (Refer note 25)	3.36	0.64	0.26	0.24	0.11	0.03	4.64
Disposals	-	-	-	-	-	-	-
Balance as at 31st March 2016	**3.36**	**2.47**	**1.11**	**2.45**	**1.26**	**0.13**	**10.78**
Balance as at 1st April 2016	3.36	2.47	1.11	2.45	1.26	0.13	10.78
Depreciation for the year (Refer note 25)	3.39	0.78	0.26	0.41	0.11	0.05	5.00
Disposals	-	-	-	-	-	-	-
Balance as at 31st March 2017	**6.75**	**3.25**	**1.37**	**2.86**	**1.37**	**0.18**	**15.78**
Carrying amounts (net):							
As at 1st April 2015	**53.22**	**3.19**	**0.65**	**2.65**	**-**	**0.09**	**59.80**
As at 31st March 2016	**51.29**	**2.78**	**0.50**	**2.42**	**-**	**0.12**	**57.11**
As at 31st March 2017	**48.10**	**3.45**	**0.33**	**2.31**	**-**	**0.09**	**54.28**

*Represents building constructed on leasehold land.

Notes to the financial statements for the year ended 31 March 2017

Significant estimates

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

5 INTANGIBLE ASSETS

(*Rs. in million*)

	Software	Total
Cost		
Balance as at 1st April 2015	0.20	0.20
Additions	0.13	0.13
Disposals	-	-
Balance as at 31st March 2016	**0.33**	**0.33**
Balance as at 1st April 2016	0.33	0.33
Additions	0.03	0.03
Disposals	-	-
Balance as at 31st March 2017	**0.36**	**0.36**
Accumulated amortisation		
Balance as at 1st April 2015	0.20	0.20
Amortisation for the year (Refer note 25)	0.04	0.04
Disposals	-	-
Balance as at 31st March 2016	**0.24**	**0.24**
Balance as at 1st April 2016	0.24	0.24
Amortisation for the year (Refer note 25)	0.05	0.05
Disposals	-	-
Balance as at 31st March 2017	**0.29**	**0.29**
Carrying amount:		
As at 1st April 2015	-	-
As at 31st March 2016	**0.09**	**0.09**
As at 31st March 2017	**0.07**	**0.07**

6 NON-CURRENT INVESTMENTS

(*Rs. in million*)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Investments accounted at cost			
Trade investment - unquoted			
Investment in debentures			
- in subsidiaries			
41,000,000 (31st March 2016: 41,000,000; 1st April 2015: Nil) debentures of Coffee Day Global Limited [Refer note 6(a)]	4,100.00	4,100.00	-
Investment in equity instruments			
- in subsidiaries			
11,223,980 (31st March 2016: 11,223,980; 1st April 2015: 11,223,980) equity shares of Coffee Day Hotels and Resorts Private Limited	706.68	706.50	706.50
5,131,651 (31st March 2016: 5,131,651; 1st April 2015: 5,131,651) equity shares of Tanglin Developments Limited	809.21	804.04	779.23
147,192,442 (31st March 2016: 147,192,442; 1st April 2015: 147,192,442) equity shares of Coffee Day Global Limited	10,370.25	10,370.25	10,370.25
30,922,186 (31st March 2016: 30,922,186; 1st April 2015: 30,922,186) equity shares of Coffee Day Trading Limited	1,353.72	1,353.72	1,353.72

6 NON-CURRENT INVESTMENTS *(contd.)*

(*Rs. in million*)

	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
77,729,800 (31st March 2016: 77,729,800; 1st April 2015: 77,729,800) equity shares of Way2Wealth Securities Private Limited	723.78	723.78	721.28
Trade investment - quoted			
Investment in equity instruments			
- in associates			
17,461,768 (31st March 2016: 17,461,768; 1st April 2015: 8,730,844) equity shares of Mindtree Limited	1,946.47	1,946.47	1,946.47
	20,010.11	**20,004.76**	**15,877.45**

(a) 0.01% Unsecured compulsorily convertible debentures issued by Coffee Day Global Limited -

- As at the year end, the paid up value of these debentures is Rs.4,100 million [i.e., 41,000,000 unsecured rated compulsorily convertible debentures of Rs.100 each (31st March 2016: 41,000,000; 1st April 2015: Nil)]
- These debentures carry an interest rate of 0.01% payable annually
- These debentures shall be converted into 18,755822 equity shares having a par value of Re 1 each after 4 years and 9 months from the date of issue

Aggregate book value of quoted investments	1,946.47	1,946.47	1,946.47
Aggregate market value of quoted investments	7,899.70	11,385.95	11,388.13
Aggregate value of unquoted investments	18,063.64	18,058.29	13,930.98
Aggregate amount of impairment in the value of investments	-	-	-

There were no non-current investments purchased or sold by the Company during the year. However during the previous year, the Company had invested in debentures of Coffee Day Global Limited amounting to Rs.4,100 million as detailed in the note above.

7 LOANS

A Non-current loans

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, considered good			
Loans and advance to employees	4.00	4.00	3.00
Security deposit	2.81	32.81	2.81
	6.81	**36.81**	**5.81**

B Current loans

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, considered good			
Loans to employees	0.05	1.28	0.13
Loans to related parties			
Loans to wholly owned subsidiary companies (Refer note 33)	7,143.89	5,187.68	4,464.18
	7,143.94	**5,188.96**	**4,464.31**

8 OTHER TAX ASSETS

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Advance tax including tax deducted at source, net of provision for tax	25.40	25.91	32.97
Balance with government authorities	2.94	2.31	2.62
	28.34	**28.22**	**35.59**

Notes to the financial statements for the year ended 31st March 2017

9 OTHER FINANCIAL ASSETS

A Other non-current financial assets

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Fixed deposit accounts with banks*	-	41.06	186.02
	-	**41.06**	**186.02**

* Represents balances held as Security for loan availed by the Company

B Other current financial assets

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Interest accrued but not due	0.08	0.59	0.48
	0.08	**0.59**	**0.48**

10 OTHER ASSETS

A Other non-current assets

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Prepaid expenses	2.24	1.19	-
	2.24	**1.19**	**-**

B Other current financial assets

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Prepaid expenses	4.18	3.45	210.96
	4.18	**3.45**	**210.96**

11 TRADE RECEIVABLES

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, considered good			
Trade receivables	286.79	4.53	2.94
	286.79	**4.53**	**2.94**
Non-current	-	-	-
Current	286.79	4.53	2.94
	286.79	**4.53**	**2.94**

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

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Unsecured, considered good			
Trade receivables from related parties	286.06	2.18	1.71
	286.06	**2.18**	**1.71**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 36

12 CASH AND CASH EQUIVALENTS

(Rs. in million)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Balances with banks			
- in current accounts	7.71	58.04	6.16
- on deposit accounts (with original maturity of 3 months or less)	-	421.99	-
Cash on hand	-	0.21	0.44
	7.71	**480.24**	**6.60**

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs. in million)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Fixed deposit accounts with banks*	203.30	88.95	-
	203.30	**88.95**	**-**

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

14 EQUITY SHARE CAPITAL

(Rs. in million)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Authorised			
270,584,000 (31st March 2016: 270,584,000, 1st April 2015: 27,000,000) equity shares of Rs.10 each	2,705.84	2,705.84	2,700.00
3,500,000 (31st March 2016: 3,500,000, 1st April 2015: 3,500,000) compulsorily convertible preference shares of Rs.10 each	35.00	35.00	35.00
Nil (31st March 2016: Nil, 1st April 2015: 238,000) series A non-convertible redeemable preference shares of Rs.10 each	-	-	2.38
Nil (31st March 2016: Nil, 1st April 2015: 346,000) series B non-convertible redeemable preference shares of Rs.10 each	-	-	3.46
	2,740.84	**2,740.84**	**2,740.84**
Issued, subscribed and fully paid up			
206,001,719 (31st March 2016: 206,001,719, 1st April 2015: 14,591,551) equity shares of Rs.10 each.	2,060.02	2,060.02	145.92
	2,060.02	**2,060.02**	**145.92**

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

(Rs. in million)

Particulars	As at 31st March 2017		As at 31st March 2016	
	No of shares	**Amount**	No of shares	Amount
Number of shares outstanding at the beginning of the year	206,001,719	2,060.02	14,591,551	145.92
Add:				
- Issue of bonus shares [Refer Note 14 (d)]	-	-	102,140,857	1,021.41
- Conversion of compulsorily convertible preference shares held **by Standard Chartered Private Equity (Mauritius) II Limited [Refer note 19(xi)]**	-	-	13,969,232	139.69
- Conversion of compulsorily convertible debentures held by **KKR Mauritius PE Investments II Limited [Refer note 16 (xi)]**	-	-	17,826,912	178.27
- Conversion of compulsorily convertible debentures held by **NLS Mauritius LLC [Refer note 16 (xii)]**	-	-	22,412,192	224.12
- Issue of shares pursuant to initial public offer [Refer Note 14 (b)]	-	-	35,060,975	350.61
Number of shares outstanding at the end of the year	**206,001,719**	**2,060.02**	**206,001,719**	**2,060.02**

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

Equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid.

Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

During the month of November 2015, the Company has completed the initial public offer (IPO) and raised a total capital of Rs.11,500 million by issuing 35,060,975 equity shares of Rs.10 each at a premium of Rs.318 per share. The equity shares of the Company were listed on BSE and NSE effective 2 November 2015. The proceeds from IPO aggregates to Rs.10,739 million (net of issue expenses of Rs.761.37 million).

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

Particulars	As at 31st March 2017		As at 31st March 2016	
	% of holding	No of shares	% of holding	No of shares
Equity shares				
Mr. V G Siddhartha	33.58%	69,174,700	31.04%	63,945,904
KKR Mauritius PE Investments II Limited	10.60%	21,826,912	10.60%	21,826,912
NLS Mauritius LLC	10.88%	22,412,992	10.88%	22,412,992
Devadarshini Info Technologies Private Limited	6.02%	12,408,440	6.02%	12,408,440
Coffeeday Consolidations Private Limited	5.96%	12,268,416	5.96%	12,268,416
Marina West (Singapore) Pte. Ltd.	5.54%	11,402,901	-	-
Gonibedu Coffee Estates Private Limited	5.37%	11,071,104	5.37%	11,071,104
Standard Chartered Private Equity (Mauritius) II Limited	-	-	6.78%	13,969,232

(d) Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on 8 May 2015, 102,140,857 equity shares were allotted as fully paid-up to the existing shareholders of the Company in the ratio of seven equity shares for every one equity share held on 7 May 2015. As on 7 May 2015, 14,591,551 equity shares were outstanding. The bonus equity shares were issued by capitalisation of the reserves lying to the credit of the securities premium account of the Company.

15 OTHER EQUITY

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016
Securities premium		
At the commencement of the year	21,664.51	4,124.26
Add: Premium received on issue of equity shares*	-	19,323.03
Less: Issue of bonus shares [Refer Note 15(d)]	-	(1,021.41)
Less: Share issue expenses **	-	(761.37)
At the close of the year	**21,664.51**	**21,664.51**
Retained earnings/ (losses)		
At the commencement of the year	(4,841.25)	(3,333.75)
Add: Net loss for the year	(796.14)	(1,507.50)
At the end of the year	**(5,637.39)**	**(4,841.25)**
Remeasurement of defined benefit (liability)/ asset:		
At the commencement of the year	(0.04)	(0.36)
Add: acturial gain for the year	0.38	0.32
	0.34	**(0.04)**
	16,027.46	**16,823.22**

* During 2015-16, the Company has made an Initial Public Offer (IPO) and issued 35,060,975 equity shares at a premium of Rs.318 per share. Further the Company has credited Rs.5,786.70 million to securities premium account on conversion of Compulsorily Convertible Debentures held by KKR Mauritius PE Investments II Limited, Arduino Holdings Limited and Standard Chartered Private Equity (Mauritius) II Limited to equity shares during the year [Refer Note 16(xi), 16(xii), 19(xi)]

** As per the requirement of section 52 of the Companies Act 2013, the Company has utilised the securities premium for the expenses incurred in connection with the Initial Public Offer (IPO).

Nature and purpose of other reserves:

Securities premium:

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

Remeasurement of defined benefit (liability)/ asset:

Remeasurements of defined benefit (liability)/ asset comprises actuarial gains and losses and return on plan assets (excluding interest income)

Retained earnings:

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

16 BORROWINGS

A Non-current borrowings

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured:			
Debentures			
§ 1,722 (31st March 2016: 2,500; 1st April 2015: 2,500) fully paid secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to Reliance Mutual Fund [Refer Note 16(i)]	1,512.23	2,602.50	2,664.85
§ Nil (31st March 2016: Nil, 1st April 2015: 650) zero coupon secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to DSP BlackRock Income Opportunities Fund [Refer Note 16(ii)]	-	-	765.53
§ Nil (31st March 2016: Nil, 1st April 2015: 1,000) secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to ICICI Prudential Asset Management Company [Refer Note 16(iii)]	-	-	993.91
§ Nil (31st March 2016: Nil, 1st April 2015: 850) zero coupon secured rated redeemable non-convertible debentures of Rs.1,000,000 each held by Aditya Birla Private Equity - Fund I [Refer Note 16(iv)]	-	-	1,044.18
§ 1,000 (31st March 2016: Nil, 1st April 2015: Nil) secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to ICICI Prudential Asset Management Company [Refer Note 16(v)]	998.28	-	-
§ 1,050 (31st March 2016: Nil, 1st April 2015: Nil) secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to DSP Black Rock [Refer Note 16(vi)]	1,046.78	-	-
§ 1200 (31st March 2016: 1,200, 1st April 2015: Nil) secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to Birla Sun Life [Refer Note 16(vii)]	1,198.28	1,198.28	-
Term loans			
From banks			
- Aditya Birla Finance Limited [Refer Note 16(viii) (a) and (viii) (b)]	1,526.29	1,521.08	-
- Axis Bank Limited [Refer Note 16(ix)]	922.36	-	-
- Rabo India Finance Limited [Refer Note 16(x)]	-	-	795.63
Unsecured:			
Debentures			
§ Nil (31st March 2016: Nil, 1st April 2015: 27,160,000) zero coupon compulsorily convertible debentures of Rs.100 each issued to KKR Mauritius PE Investments II Limited [Refer Note 16(xi)]	-	-	2,716.00
§ Nil (31st March 2016: Nil, 1st April 2015: 35,998,232) compulsorily convertible debentures of Rs.100 each issued to Arduino Holdings Limited [Refer Note 16(xii)]	-	-	3,599.82
	7,204.22	**5,321.86**	**12,579.92**

Information about the Company's exposure to interest rate and liquidity risks is included in note 36.

Notes to the financial statements for the year ended 31 March 2017

Notes:

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

§ As at the year end, the paid up value of these debentures is Rs.1,722 million including current maturities of long-term debt) [i.e., 1,722 secured rated redeemable non convertible debentures of Rs.1 million each (31st March 2016: Rs.2,500 million; 1 April 2015: Rs.2,500 million)]

§ Security
- Pledge of a proportion of the shares of Mindtree Limited and Tanglin Development Limited held by the Company;

§ Personal guarantee of Mr. V. G. Siddhartha.

§ These debentures carry fixed maturity internal rate of return of 14.25% p.a. including quarterly payable coupon interest rate of 6.5% p.a.

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

§ The principal amount shall be repaid in 9 equal quarterly installments beginning from 18th March 2017 and expiring on the scheduled maturity date (i.e., 15th March 2019).

§ The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.

§ During the year, the Company redeemed debentures worth Rs.777.78 million.

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

§ As at the year end, the paid up value of these debentures is Rs.Nil (31st March 2016: Rs.Nil; 1st April 2015: Rs.650 million)]

§ Security
- Pledged a proportion of the shares of Mindtree Limited and Tanglin Development Limited held by the Company

- Personal guarantee of Mr. V. G. Siddhartha.

§ These debentures were redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 28 December 2016). At the time of redemption, the Company will be liable to pay redemption premium equal to 15% compounded interest (compounded annually) which aggregates to Rs.0.530 million per debenture. The Company had accounted for the compounded interest @ 15% through its debenture redemption reserve for the year.

§ During the previous year 2015-16, the Company had voluntarily redeemed the entire 650 debentures of Rs.1 million each at premium of Rs.254,930,000.

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

§ As at the year end, the paid up value of these debentures is Rs.Nil (31st March 2016: Rs.Nil; 1st April 2015: Rs.1,000)

§ Security
- Pledged a proportion of the shares of Mindtree Limited and Coffee Day Global Limited held by the Company;

- Pledged a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited

- Personal guarantee of Mr. V. G. Siddhartha

§ These debentures carried fixed maturity interest rate of 13.25% p.a.

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

§ These debentures were redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 4 July 2016). The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.

§ During the year ended 31st March 2016, the Company redeemed had redeemed 1,000 debentures of Rs.1 million each aggregating to Rs.1,000 million at premium of Rs.2.64 million

(iv) **Secured rated redeemable non-convertible debentures issued to Aditya Birla Mutual Fund 1 -**

§ As at the year end, the paid up value of these debentures is Rs.Nil (31st March 2016: Rs.220 million; 1st April 2015: Rs.850 million) including current maturities of long-term debt [i.e., 220 secured rated redeemable non convertible debentures of Rs.1 million each]

§ Security
- Pledged a proportion of the shares of Mindtree Limited and Tanglin Development Limited held by the Company

- Personal guarantee of Mr. V. G. Siddhartha.

- § Any delay in repayment of dues under the agreement entails payment of penal interest @ 18.5% p.a. for the period of delay.

- § These debentures were redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 27 December 2016).

  The Company shall make payment of a fixed redemption premium equal to 1.470290 times of the face value of the debentures subject to certain other terms of the agreement. Additionally, at the time of redemption, the Company is also liable to make payment of a floating redemption premium, which premium shall be, subject to the cap of - (i) 33.34% of stock return or (ii) 1.676450 times of the principal amount (inclusive of the fixed redemption premium payable and floating redemption premium payable).

- § During the year ended 31st March 2016, the Company had partly redeemed 630 debentures of Rs.1 million each aggregating to Rs.630 million at premium of Rs.426.16 million. During the previous year 31st March 2017, the Company redeemed 220 debentures of Rs.1 million each aggregating to Rs.220 million at premium of Rs.148.82 million.

(v) Secured rated redeemable non-convertible debentures issued to ICICI Prudential Asset Management Company -
Fully paid secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to ICICI Prudential Asset Management Company -

- § As at the year end the paid up value of these debentures is Rs.1,000 million [i.e, 1000 secured rated redeemable non-convertible debentures of Rs.1,000,000 each (31st March 2016: Rs.Nil; 1st April 2015: Nil)]

- § These debenturesc carry interest @ MIBOR plus 600 base points subject to a minimum of 10.99% and maximum of 11.01%

- § Security
  - Pledge of shares of Mindtree where the aggregate amount shall be equal to the principal amount.

  - Pledge of shares of CDGL where the aggregate amount shall be 2.5 times the benchmark amount from the allotment date and atleast 1.5 times the benchmark amount from the effective date of issue of mindtree shares.

  - Personal guarantee of Mr. V. G. Siddhartha.

- § The Company at all times shall maintain a minimum reserve which shall be equal to the money due and payable to the debenture holders.

- § The amount shall be paid on bullet repayment basis on the expiry of the term. (i.e; 11th March 2019)

- § Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the cash coupon rate.

- § The Company can redeem such debentures before maturity by giving one day notice of the same.

(vi) Secured rated redeemable non-convertible debentures issued to DSP Blackrock Income opportunities Fund -

- § As at the year end, the paid up value of these debentures is Rs.1,050 million (31st March 2016: Rs.Nil; 1st April 2015: Nil)

- § Security
  - Pledge of shares of Mindtree where the aggregate value is equal to the benchmark amount

  - Pledge of Tanglin Shares where the aggregate value of the shares is equal to the benchmark amount

  - The Company shall at all times, deposit monies in the designated accounts which is due and payable to the debenture holders on the Scheduled Maturity Date.

  - Personal guarantee of Mr. V G Siddhartha.

- § These debentures carry fixed redemption premium of 11.50 % with an interest rate of 8% p.a. cash coupon

- § Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.

- § These debentures are redeemable by way of bullet repayment at the end of 19 months and 6 days from the date of issue (i.e., 25 October 2018)

  The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.

(vii) Secured rated redeemable non-convertible debentures issued to Birla Sun Life-

- § As at the year end, the paid up value of these debentures is Rs.1,200 million (31st March 2016: Rs.1,200 million; 1st April 2015: Nil)

§ Security
- Pledge of a proportion of the shares of Mindtree Limited and Coffee Day Global Limited held by the Company;

- Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited

- Personal guarantee of Mr. V. G. Siddhartha

§ These debentures have been allotted in two tranches- 27 April 2015- Rs.600 million and 12 May 2015- Rs.600 million.

§ These debentures carry an interest rate of 14.5% p.a. (increases to 15.5% after one year from date of allotment)

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

§ These debentures are redeemable by way of bullet repayment at the end of 36 months from the date of issue i.e., 26 April 2018 (Rs.600 million) and 11 May 2018 (Rs.600 million).

The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.

(viii) (a) From Aditya Birla Finance Limited [Principal amount of loan amounting to Rs.600 million (31st March 2016 Rs.600 million; 1st April 2015 - Rs.Nil) - Secured by

§ Security
- Pledge of a proportion of the shares of Mindtree Limited, Coffee Day Global Limited, Sical Logistics Limited held by the Company;

- Personal guarantee of Mr. V. G. Siddhartha

§ The loan carries an interest rate of 13.75% p.a. payable quarterly

§ Any delay in repayment of interest entails payment of penal interest @ 24% p.a. for the period of delay.

§ The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% on the principal amount outstanding as on the date of prepayment.

The loan is repayable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 26 May 2018).

(viii) (b) From Aditya Birla Finance Limited [Principal amount of loan amounting to Rs.930 million (31st March 2016 Rs.930 million; 1st April 2015 - Rs.Nil) - Secured by

§ Security
- Pledge of a proportion of the shares of Mindtree Limited and Tanglin Developments Limited held by the Company;

- Personal guarantee of Mr. V. G. Siddhartha

§ The loan carries an interest rate of 12.50% p.a. payable quarterly

§ Any delay in repayment of interest entails payment of penal interest @ 24% p.a. for the period of delay.

§ The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% on the principal amount outstanding as on the date of prepayment.

The loan is repayable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 26 May 2018).

(ix) From Axis Bank Limited [Principal amount of loan amounting to Rs.1,000 million (31st March 2016: Rs.Nil; 1st April 2015 - Rs.Nil) - Secured by

§ Security
- Pledge of Mindtree shares (55% of total security cover).

- Listed shares of Sical Logistics Ltd./ Lakshmi Vilas Bank/ CDEL/ any other listed entity acceptable to the lender (65% of total security cover), held by promoter/ group covering 120% of exposure.

- Personal guarantee of Mr. V G Siddhartha

- Corporate guarantee of any entity pledging shares of Mindtree Ltd and Sical Logistics Ltd/ Lakshmi Vilas Bank/ CDEL/ any other listed entity acceptable to the lender.

- Security cover by way of listed shares of at least 1.2x of the outstanding/ disbursed facility amount to be maintained during the tenor of the loan on MTM basis.

§ The interest rate for the loan is as follows:

- 1 year MCLR+ 1%(Spread) p.a, payable monthly (First three years)

- 1 year MCLR+ 1.75%(Spread) p.a, payable monthly (subject to minimum effective rate of interest of 10.65% p.a) (Post three years)

§ The lender can exercise the call option at the end of three years

§ The Company has an option of voluntary prepayment with no penalty

§ The loan amount shal be repaid in 4 half yearly instalments beginning from 42nd month of first disbursement (i.e., 28 June 2020)

§ Amounts unpaid on due date will attract overdue interest at 2% p.a

(x) **From Rabo India Finance Limited [Principal amount of loan amounting to Rs.Nil (31st March 2016: Rs.Nil; 1st April 2015 - Rs.800 million) - Secured by**

§ Security

- Pledged a proportion of the shares of Mindtree Limited, Coffee Day Global Limited and Tanglin Development Limited held by the Company;

- Pledged a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited;

- Exclusive charge over the charged assets of Tanglin Development Limited in favour of the lender;

- Personal guarantee of Mr. V. G. Siddhartha

§ The loan carried an interest rate of 13.20% p.a. payable quarterly

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

§ The Company had an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company had an option to repay the loan in advance with a prepayment premium of 2% either on the date falling on the expiry of 12 months from the availment date and every 3 months thereafter either in part or in full subject to a minimum prepayment of Rs.200 million per installment or in multiples of 100 million.

§ The loan was repayable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 11 July 2016).

§ This loan was pre-paid in the previous year ending 31st March 2016.

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

The Company had issued Nil (31st March 2016: Nil; 1st April 2015: 27,160,000) zero coupon compulsorily convertible debentures ('CCDs') of Rs.100 each to KKR Mauritius PE Investments II Limited.

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

During the previous year, the Company had converted all of it's outstanding convertible securities to Equity Shares before filing of the Red Herring Prospectus with the ROC. Accordingly, on May 8 2015, the Company had converted the CCPS's held by KKR Mauritius PE Investments II Limited into 17,826,912 equity shares of Rs.10 each."

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

The Company had issued Nil (31st March 2016: Nil; 1st April 2015: 35,998,232) zero coupon compulsorily convertible debentures ('CCDs') of Rs.100 each to Arduino Holdings Limited ('Investor'). These CCDs upon issue had coupon rate of 7% for initial two years, and at 3 months LIBOR plus 600 basis points for next three years.

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

During the previous year, the Company had converted all of its outstanding convertible securities to Equity Shares before filing of the Red Herring Prospectus with the ROC. Accordingly, on 8 May 2015, the Company has converted the CCPS's held by Arduino Holdings Limited into 22,412,192 equity shares of Rs.10 each.

Notes to the financial statements for the year ended 31 March 2017

(xiii) Redeemable debentures in descending order of redemption:

(Rs. in million)

Particulars	Manner of conversion/ redemption	Earliest date of conversion / redemption
Fully paid secured rated redeemable non-convertible debentures held by ICICI Prudential Asset Management Company. (Refer note 16 (v))	Redemption	11th March 2019
Fully paid secured rated redeemable non-convertible debentures held by DSP Black Rock Income Opportunities Fund. (Refer note 16 (vi))	Redemption	25th October 2018
Fully paid secured rated redeemable non-convertible debentures held by Birla Sun Life. (Refer note 16 (vii))	Redemption	26th April 2018/ 11th May 2018
Fully paid secured rated redeemable non-convertible debentures held by ICICI Prudential Asset Management Company. (Refer note 19 (iii))	Redemption	16th April 2017
Fully paid secured rated redeemable non-convertible debentures held by ICICI Prudential Asset Management Company. (Refer note 19 (iv))	Redemption	8th April 2017
Fully paid secured rated redeemable non-convertible debentures held by Reliance Mutual Fund. (Refer note (i))	Redemption	2017-2019

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

(xv) The aggregate amount of borrowing secured by personal guarantee of Director amounts to Rs.10,030 million (31st March 2016: Rs.6,350 million; 1 April 2015: Rs.9,820 million).

B Current borrowings

(Rs. in million)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Secured:			
Loan repayable on demand			
- from other parties			
- Tata Capital Limited (Refer Note below)	-	-	300.00
	-	**-**	**300.00**

Secured short-term borrowings from from Tata Capital Limited [Principal amount of loan outstanding amounting to Rs.Nil [31 March 2016- Rs.Nil; 1 April 2015- Rs.300 million]

§ Security

- Pledge of 1,583,711 equity shares of Coffee Day Enterprises Limited pledged by Mr. V.G. Siddhartha having value not less than 200% of the facility amount.
- Mortgage of 6 acres residential land owned by Tanglin Developments Limited located at Mangalore.
- Personal guarantee of Mr. V.G Siddhartha

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

§ The loan was repayable in 12 months from the date of sanction, i.e; 16 December 2015. The same has been repaid during the year ended 31 March 2016.

17 PROVISION

A Non-current provision

(Rs. in million)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for employee benefits			
- Gratuity [Refer Note 34]	5.36	4.59	3.98
	5.36	**4.59**	**3.98**

B Current provision

(Rs. in million)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Provision for employee benefits			
- Gratuity [Refer Note 34]	-	0.24	0.27
	-	**0.24**	**0.27**

18 TRADE PAYABLES

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Trade payables	18.40	33.93	7.15
Trade payables to related parties (Refer note 33)	0.01	0.33	0.18
	18.41	**34.26**	**7.33**

All trade payables are current

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 36.

Micro, Small and Medium Enterprises

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

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;			
(a) (i) Principal	-	-	-
(ii) Interest	-	-	-
(b) The amount of interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year*;			
(i) Interest	-	-	-
(ii) Payment	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

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

19 OTHER FINANCIAL LIABILITIES

A Other non-current financial liabilities

(*Rs. in million*)

Particulars	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Interest accrued but not due on borrowings	5.47	-	-
	5.47	**-**	**-**

Notes to the financial statements for the year ended 31 March 2017

B Other current financial liabilities

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long-term debentures			
Nil (31 March 2016: Nil, 1 April 2015: 600) secured rated redeemable non-convertible debentures of Rs.1,000,000 each held by Aditya Birla Finance Limited [Refer Note 19(i)]	-	-	599.20
Nil (31 March 2016: Nil, 1 April 2015: 750) secured rated redeemable non-convertible debentures of Rs.1,000,000 each held by ICICI Prudential Asset Management Company [Refer Note 19(ii)]	-	-	748.34
950 (31 March 2016: Nil, 1 April 2015: Nil) secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to ICICI Prudential Asset Management Company [Refer Note 19(iii)]	949.87	-	-
800 (Previous year: Nil) secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to ICICI Prudential Asset Management Company [Refer Note 19(iv)]	799.62	-	-
Nil (31 March 2016: 220, 1 April 2015: Nil) zero coupon secured rated redeemable non-convertible debentures of Rs.1,000,000 each held by Aditya Birla Private Equity - Fund [Refer Note 16(iv)]	-	423.84	-
Nil (31 March 2016: 900, 1 April 2015: Nil) zero coupon secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to DSP BlackRock Income Opportunities Fund [Refer Note 19(v)]	-	898.49	-
2,500 (31 March 2016: 2,500, 1 April 2015: 2,500) fully paid secured rated redeemable non-convertible debentures of Rs.1,000,000 each issued to Reliance Mutual Fund [Refer Note 16(i)]	652.03	277.78	-
Current maturities of long-term debt			
- from other parties			
- L & T Finance Limited [Refer Note 19(vi)(a) and 19(vi)(b)]	-	-	1,313.65
- Tata Capital Limited [Refer Note 19(vii)]	-	-	460.65
- Kotak Mahindra Prime Limited [Refer Note 19(viii)]	-	-	500.00
- Kotak Mahindra Investments Limited [Refer Note 19(ix)]	-	-	200.00
Nil (31 March 2016: Nil, 1 April 2015: 115,402) series A non-convertible redeemable preference shares of Rs.10 each issued to Aten Portfolio Managers Private Limited [Refer Note 19(x)]	-	-	204.03
Nil (31 March 2016: Nil, 1 April 2015: 167,404) series B non-convertible redeemable preference shares of Rs.10 each issued to Aten Portfolio Managers Private Limited [Refer Note 19(x)]	-	-	508.31
Nil (31 March 2016: Nil, 1 April 2015: 1,357,410) compulsorily convertible preference shares of Rs.10 each issued to Standard Chartered Private Equity (Mauritius) II Limited [Refer Note 19(xi)]	-	-	2,399.90
Interest accrued but not due on borrowings	-	9.53	61.58
Financial guarantee obligation	10.40	14.77	3.36
Others			
- accrued salaries and benefits	3.98	2.84	3.13
- creditors for expenses	0.10	50.35	1.04
- creditors for capital goods	0.50	0.60	0.70
	2,416.50	**1,678.20**	**7,003.89**

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

§ As at the year end, the paid up value of these debentures is Rs.Nil (31 March 2016 Rs.Nil; 1 April 2015: 600 million)]

§ Security

- Pledge of a proportion of the shares of Mindtree Limited and Coffee Day Global Limited held by the Company;

- Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited;

- Personal guarantee of Mr. V. G. Siddhartha.

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

§ These debentures carry fixed maturity interest rate of 14.75% p.a. payable quarterly.

§ The Company has an option of voluntary prepayment in certain circumstances. Further, the Company shall be entitled to exercise the call option on either the date falling on the expiry of 15 months from the allotment date and every 3 months thereafter either in partly or in full. Each debenture holder shall be entitled to exercise the put option on date falling on the expiry of 15 months from the allotment date and every 3 months thereafter and require the Company to redeem the debenture held by the said debenture holder, either in part or full.

These debentures are redeemable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 31 May 2015).

§ During the year ended 31 March 2016, the Company voluntarily redeemed these debentures of Rs.1 million each aggregating to Rs.600 million as per the terms set out in the agreement."

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

§ As at the year end, the paid up value of these debentures is Rs.Nil [i.e., 750 secured rated redeemable non convertible debentures of Rs.1 million each (31 March 2016: Nil; 1 April 2015: 750)]

§ Security
- Pledged a proportion of the shares of Mindtree Limited and Coffee Day Global Limited held by the Company;

- Pledged a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited

- Personal guarantee of Mr. V. G. Siddhartha.

§ The loan carried an interest rate of 14.5% p.a.

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

§ During the year ended 31 March 2016, the Company voluntarily redeemed these debentures of Rs.1,000,000 each aggregating to Rs.750,000,000 as per the terms set out in the agreement.

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

§ As at the year end the paid up value of these debentures is Rs.950 million [i.e, 950 secured rated redeemable non-convertible debentures of Rs.1,000,000 each (31 March 2016: Nil; 1 April 2015: Nil)]

§ These debenturesc carry interest @ 13% p.a payable quarterly

§ Security
- Pledge of Mindtree shares equal to one time the principal amount with security cover being maintaned at all times

- Pledge of CDGL shares aggregate of which shall be equal to 1.5 times the face value of the debentures

- Personal guarantee of Mr. V. G. Siddhartha.

- Company shall at all points of time maintain in a account designated for this purpose amount equal to the cash coupons payable by the Company in the financial quarter in which such date occurs.

§ The amount shall be paid on bullet repayment basis on the expiry of the term. (i.e; 16 April 2017)

§ Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the cash coupon rate.

§ The Company can redeem such debentures before maturity by giving one day notice of the same.

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

§ As at the year end the paid up value of these debentures is Rs.800 million [i.e, 800 secured rated redeemable non-convertible debentures of Rs.1,000,000 each (31 March 2016: Rs.Nil; 1 April 2015: Rs.Nil)]

§ These debenturesc carry interest @ 13% p.a payable quarterly

§ Security
- Pledge of Mindtree shares equal to one time the principal amount with security cover being maintaned at all times

- Pledge of CDGL shares aggregate of which shall be equal to 1.5 times the face value of the debentures

- Personal guarantee of Mr. V. G. Siddhartha.

- Company shall at all points of time maintain in a account designated for this purpose amount equal to the cash coupons payable by the Company in the financial quarter in which such date occurs.

§ The amount shall be paid on bullet repayment basis on the expiry of the term. (i.e; 8 April 2017)

§ Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the cash coupon rate.

§ The Company can redeem such debentures before maturity by giving one day notice of the same.

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

§ As at the year end, the paid up value of these debentures is Nil [i.e., 900 secured rated redeemable non convertible debentures of Rs.1 million each (31 March 2016: Rs.900 million; 1 April 2015: Rs.Nil)]

§ Security
- Pledged a proportion of the shares of Mindtree Limited and Tanglin Development Limited held by the Company

- Personal guarantee of Mr. V. G. Siddhartha.

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

§ These debentures were redeemable by way of bullet repayment at the end of 12 months and 6 days from the date of allotment (i.e., 28 March 2017) at a premium of Rs.0.13 million per debenture.

§ During the current year, these debentures were redeemed at a premium of Rs.118.08 million

(vi) (a) From L & T Finance Limited [Principal amount of loan amounting to Rs.Nil (31 March 2016: Rs.Nil; 1 April 2015 - Rs.1,000 million] Secured by-

§ Security
- Pledged a proportion of the shares of Mindtree Limited and Tanglin Development Limited held by the Company;

- Pledged a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited;

- Personal guarantee of Mr. V. G. Siddhartha

§ The loan carried an interest rate of 14.5% p.a. internal rate of return.

§ Any delay in repayment of interest entails payment of penal interest @ 3% p.a. for the period of delay.

§ The Company had an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% either on the date falling on the expiry of 12 months from the availment date and every 3 months thereafter either in part or in full subject to a minimum prepayment of Rs.200 million per installment.

§ The loan was repayable by way of bullet repayment at the end of 24 months and 26 months from the date of issue (i.e., 25 December 2015 and 26 February 2016 respectively).

§ The Company had repaid the loan outstanding of Rs.1,000 million on 27 Nov 2015.

(vi) (b) From L & T Finance Limited [Principal amount of loan amounting to Rs.Nil (31 March 2016: Rs.Nil; 1 April 2015 - Rs.250 million)- Secured by

§ Security
- Pledged a proportion of the shares of Mindtree Limited and Coffee Day Global Limited held by the Company;

- Pledged a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited;

- Personal guarantee of Mr. V. G. Siddhartha

§ The loan carried an interest rate of 13.75% p.a. Internal rate of return.

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

§ The Company had an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% either on the date falling on the expiry of 12 months from the availment date and every 3 months thereafter either in part or in full subject to a minimum prepayment of Rs.500 million per installment.

The loan was repayable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 1 May 2015).

§ The Company had repaid the loan outstanding of Rs.250 million on 5 May 2015.

(vii) From Tata Capital Limited [Principal amount of loan outstanding amounting to Rs.Nil (31 March 2016: Rs.Nil; 1 April 2015 - Rs.420 million classified under current maturities of long-term debt) - Secured by

§ Security
- Pledged a proportion of the shares of the Company having value not less than 200% of facility amount i.e. Rs.2,800 million held by promoters of the Company;

- Equitable mortgage having value not less than Rs.350 million in the form of land and property (i.e., 25% of the loan facility) of its subsidiary Tanglin Development Limited;

- unconditional and irrevocable personal guarantee of Mr. V. G. Siddhartha.

§ The loan carried an interest rate of 15% internal rate of return over the period of the loan.

§ Any delay in repayment of interest entails payment of penal interest @ 3% p.a. for the period of delay.

§ The Company had an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% payable on the outstanding principal amount.

The loan was repayable in quarterly installments with first installment falling due on 15 October 2012 and last installment on 15 July 2015.

§ The Company had repaid the loan outstanding of Rs.420 million on 11 September 2015.

(viii) **From Kotak Mahindra Prime Limited [Principal amount of loan amounting to Rs.Nil (31 March 2016: Rs.Nil; 1 April 2015 - Rs.500 million)- Secured by**

§ Security

- Pledged a proportion of shares of Mindtree Limited as acceptable by Kotak Mahindra Prime Limited (drawing power capped at 25 crores)

- Pledge of 159,804 shares of Coffee Day Enterprises Limited (drawing power capped at 25 crores)

- Personal guarantee of Mr. V. G. Siddhartha

§ The loan carried an interest rate of 15% p.a. compounded monthly.

§ The Company had an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2%.

§ Amounts unpaid on due date will attract overdue interest at 24% p.a compounded monthly

§ The loan was repayable at the end of 60 months from the date of issue.

§ The Company had prepaid the loan outstanding of Rs.500 million on 9 November 2015.

(ix) **From Kotak Mahindra Investments Limited [Principal amount of loan amounting to Rs.Nil (31 March 2016: Rs.Nil; 1 April 2015 - Rs.200 million)- Secured by**

§ Security

- Pledged a proportion of shares of Mindtree Limited as acceptable by KMPL (drawing power capped at Rs.100 million)

- Pledge of 864,920 shares of Coffee Day Global Limited (drawing power capped at Rs.100 million)

- Pledged a proportion of shares of Sical Logistics Ltd towards additional security for the limit of Rs.100 million (against Mindtree shares)

- Personal guarantee of Mr. V. G. Siddhartha

§ The loan carried an interest rate of 15% p.a. which should be debited to the loan account of the borrower.

§ The Company had an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2%.

§ Amounts unpaid on due date will attract overdue interest at 24% p.a compounded monthly

§ The loan is repayable at the end of 60 months from the date of issue.

§ The Company had prepaid the loan outstanding of Rs.200 million on 9 November 2015.

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

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

Redemption - All NCRPS shall be redeemed on the redemption date, being 36 months from first closing date i.e. 27 April 2012 or the trigger date whichever is earlier. Series A NCRPS shall be redeemed on the redemption date at an amount calculated by multiplying the Series A investment amount with the amounts provided in Part A of Schedule II of shareholders agreement resulting in a redemption premium of Rs.13.47 million. Series B NCRPS shall be redeemed on the redemption date at an amount equivalent to Rs.50 crores resulting in a redemption premium of Rs.204.03 million. In the event redemption of the Series A NCRPS occurs at anytime prior to the redemption date, then the aggregate redemption amount for the Series A NCRPS and Series B NCRPS shall be equivalent to sum of the investment amount and the charges calculated at the rate of 14.5% per annum on the investment amount from the previous Series A put option date on which the put option has been exercised by the investor till the date of redemption.

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

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

The Company vide Board Resolution dated 12 May 2015 redeemed 115,402 Series A non-convertible redeemable preference shares of Rs.10 each and 167,404 Series B non-convertible redeemable preference shares of Rs.10 each at an aggregate sum of Rs.719.29 million which included a redemption premium of Rs.716.47 million.

(xi) Compulsorily convertible preference shares

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

During the year ended 31 March 2016, the Company has converted all of its outstanding convertible securities to Equity Shares before filing of the Red Herring Prospectus with the Registrar of Companies (RoC). Accordingly, on 28 September 2015, the Company has converted the CCPS's held by Standard Chartered Private Equity (Mauritius) II Limited into 13,969,232 equity shares of Rs.10 each.

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

(xiii) Refer 16(xv) for the aggregate amount of borrowing secured by personal guarantee of Director.

20 OTHER CURRENT LIABILITIES

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Statutory dues	2.78	7.51	15.51
Others			
- Advance from customers	7.63	6.06	2.99
	10.41	**13.57**	**18.50**

21 REVENUE FROM OPERATIONS

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products		
- Sale of coffee beans	414.12	217.17
- Sale of food, beverages and other items	27.05	22.48
- Sale of merchandise items	0.28	0.37
Sale of services		
- Income from hospitality services	101.91	92.15
- Income from consultancy services	18.00	-

21 REVENUE FROM OPERATIONS (contd.)

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Other operating revenue		
- Dividend income	178.37	189.60
- Commission income	-	9.64
- Interest income on loans given to subsidiary	266.00	-
Less: sales tax	(24.98)	(14.15)
Less: luxury tax	(6.43)	(6.00)
Less: service tax	(9.73)	(8.17)
	964.59	**503.09**

22 OTHER INCOME

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income		
- Bank deposits	10.82	98.85
- Income tax refund	5.97	1.23
- Miscellaneous income	1.79	1.37
	18.58	**101.45**

23 EMPLOYEE BENEFITS EXPENSE

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries and wages	64.78	56.32
Contribution to provident and other funds	2.01	1.65
Staff welfare expenses	0.23	1.15
	67.02	**59.12**

24 FINANCE COSTS

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense	1,225.16	1,677.71
	1,225.16	**1,677.71**

25 DEPRECIATION AND AMORTIZATION EXPENSE

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation of property, plant and equipment (Refer note 4)	5.00	4.64
Amortization of intangible assets (Refer note 5)	0.05	0.04
	5.05	**4.68**

26 OTHER EXPENSES

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Advertisement expenses	12.16	96.31
Legal and professional fees (Refer note 29)	20.93	17.05
Rates and taxes	14.20	10.62
Food, beverages and other consumables	12.61	9.64
Power and fuel	6.23	7.19
Rent (Refer note 31)	5.06	4.71
Director sitting fee	2.28	5.29

26 OTHER EXPENSES (contd.)

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Repairs and maintenance		
- Others	5.85	5.48
- Machinery	1.46	1.63
- Buildings	0.89	0.47
Travelling and conveyance	2.52	1.43
Insurance	1.05	1.02
Communication expenses	0.47	0.56
Printing and stationery	1.78	0.46
Freight and handling charges	0.31	0.17
Miscellaneous expenses	1.13	1.44
	88.93	**163.47**

27 TAX EXPENSES

Unrecognised deferred tax assets

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

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Carry forward of business losses	3,712.10	1,902.09
Potential tax benefit @ 33% *	1,224.99	627.69

*The deductible temporary differences do not expire under current tax legislation.

28 CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Contingent liabilities:			
Corporate guarantee given for loan taken by group companies	-	-	300.00
Investments pledged for loan taken by a subsidiary	5,660.11	5,193.70	1,126.45
Commitments:			
Other commitments towards advertisement contract entered by the Company	-	-	50.00

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

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Given to:			
Way2Wealth Securities Private Limited			
At the commencement of the year	-	300.00	300.00
Given during the year	-	-	-
Reduced during the year	-	(300.00)	-
At the end of the year	-	-	300.00
Coffee Day Global Limited			
At the commencement of the year	-	-	268.30
Given during the year	-	-	-
Reduced during the year	-	-	(268.30)
At the end of the year	-	-	-

28 CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS (contd.)

Reconciliation of investments pledged as at the beginning and as at the end of the year:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Given to:			
Tanglin Retail Reality Developments Private Limited			
At the commencement of the year	1,776.30	1,000.00	1,000.00
Given during the year	500.00	1,026.30	-
Reduced during the year	(907.40)	(250.00)	-
At the end of the year	**1,368.90**	**1,776.30**	**1,000.00**
Tanglin Development Limited			
At the commencement of the year	1,750.10	126.45	126.45
Given during the year	2,332.46	1,750.10	-
Reduced during the year	(1,127.72)	(126.45)	-
At the end of the year	**2,954.84**	**1,750.10**	**126.45**
SICAL Logistics Limited			
At the commencement of the year	1,167.30	-	-
Given during the year	-	1,167.30	-
Reduced during the year	(697.30)	-	-
At the end of the year	**470.00**	**1,167.30**	**-**
Coffee Day Hotels and Resorts Private Limited			
At the commencement of the year	-	-	-
Given during the year	366.37	-	-
Reduced during the year	-	-	-
At the end of the year	**366.37**	**-**	**-**
Way2Wealth Securities Private Limited			
At the commencement of the year	500.00	-	-
Given during the year	-	500.00	-
Reduced during the year	-	-	-
At the end of the year	**500.00**	**500.00**	**-**

29 AUDITOR'S REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL FEES AND EXCLUDES SERVICE TAX)

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
As auditor			
- for statutory audit	1.20	1.20	0.70
- limited reviews	1.50	1.50	-
- for other services*	-	24.55	-
Reimbursement of expenses	0.02	0.02	0.02
	2.72	**27.27**	**0.72**

* The amount pertains to IPO fees paid which is debited to the securities premium account during the previous year ended 31 March 2016.

30 LOSS PER SHARE

(i) **Loss attributable to equity shareholders (basic and diluted):**

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Loss for the year, attributable to the equity holders	(795.76)	(1,507.18)

30 LOSS PER SHARE

(ii) Weighted average number of equity shares (basic and diluted):

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Number of equity shares at the beginning of the year (Refer note 14)	206,001,719	14,591,551
Add: Weighted average number of equity shares issued during the year	-	42,492,521
Number of weighted average equity shares considered for calculation of basic earnings per share	206,001,719	57,084,072
Add: Bonus shares issued after the balance sheet date	-	102,140,857
Number of weighted average equity shares considered for calculation of diluted earnings per share	206,001,719	159,224,929

* In accordance with Ind AS 33 on 'Earnings Per Share', basic and diluted earnings per share is adjusted for 1:7 bonus issue for previous period presented.

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

(iii) Loss per share:

- Basic	(3.86)	(9.47)
- Diluted	(3.86)	(9.47)

31 LEASES

The Company leases land for operating resort under non-cancellable operating lease agreement. The Company intends to renew such lease in the normal course of its business. Total rental expense under non-cancellable operating lease was Rs.4.90 million (Previous year: Rs.4.55 million).

The future minimum lease payments under non-cancellable operating leases inaggregate are as follows:

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than 1 year	5.01	4.77	4.54
Later than 1 year and not later than 5 years	22.67	21.59	18.12
More than 5 years	85.49	91.57	99.82

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

32 SEGMENT INFORMATION

A Basis for segmentation

Based on the ""management approach"" as defined in Ind AS 108 - Operating Segments, Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Coffee trading, Hospitality and Investment operations as its operating segments.

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

Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated. Unallocable expenses comprises of certain other corporate costs.

The following summary describes the operations in each of the Company's reportable segments:

Reportable segments	Operations
Coffee trading	Trading of coffee beans
Hospitality	Operation and maintenance of resort
Investment operations	Investment in subsidiaries and Management consultancyservices

32 SEGMENT INFORMATION (contd.)

B Information about reportable segments

(i) Segment Revenue:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Coffee trading	414.12	217.17
Hospitality	129.24	115.00
Investment operations	462.37	199.24
Total segment revenue	**1,005.73**	**531.41**
Reconciling items:		
- taxes	(41.14)	(28.32)
Total revenue as per statement of profit and loss	**964.59**	**503.09**

(ii) Segment Results:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Coffee trading	1.41	0.41
Hospitality	29.02	17.80
Investment operations	403.35	154.41
Total segment results	**433.78**	**172.62**
Reconciling items:		
- finance cost	(1,225.16)	(1,677.71)
- depreciation	(5.05)	(4.68)
- other unallocable expenses	(18.29)	(99.18)
- other income	18.58	101.45
Loss before tax as per statement of profit and loss	**(796.14)**	**(1,507.50)**
Income tax expense	-	-
Loss after tax as per statement of profit and loss	**(796.14)**	**(1,507.50)**

Revenue from major products and services

The Company's revenue from continuing operations from its major products or services are as follows:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of coffee beans	414.12	217.17
Sale of food, beverages and other items	27.05	22.48
Income from hospitality services	102.19	92.52

C **Geographical information**

The Company's operations are based only in India. Hence all of the revenues and the non current assets of the Company are located in India.

D **Major Customer**

Revenue from two parties of the Company's Investment operations segment is Rs.444.37 million (Previous year: 199.24 million) which is more than 10% of the Company's total revenue.

Revenue from one Customer of the Company's coffee trading segment is Rs.283.33 million (Previous year: Nil) which is more than 10%of the Company's total revenue.

33 RELATED PARTY TRANSACTIONS

A. **Enterprises where control exists:**

- The related parties where control exists include subsidiaries, associates and joint ventures as referred in Note 1

B. **Key management personnel**

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

- Mr. V.G. Siddhartha
- Mr. Sadananda Poojary
- Mr. R. Ram Mohan

Notes to the financial statements for the year ended 31 March 2017

33 RELATED PARTY TRANSACTIONS (contd.)

The non executive directors on the Board of the Company are -
- Mr. Sanjay Nayar
- Mrs. Malavika Hegde
- Mr. S V Ranganath
- Mr. Albert Hieronimus
- Mr. M D Mallya

C. The aggregate value of the Company's transactions and outstanding balances relating to key management personnel and entities over which they have control or significant influence is as follows:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Significant transactions with entities where control exists -		
Services rendered (Income from hospitality):		
- Karnataka Wildlife Resorts Private Limited	19.30	16.86
Rent paid:		
- Coffee Day Global Limited	0.10	0.10
Loans given to:		
- Tanglin Developments Limited	8,838.01	5,858.12
- Coffee Day Hotels and Resorts Private Limited	2,911.69	2,603.20
Interest income:		
- Tanglin Developments limited	266.03	-
Sale of coffee beans:		
- Sampigehutty Estates Private Limited	268.56	-
Purchase of consumables:		
- Coffee Day Global Limited	0.80	0.26
- Amalgamated Holdings Limited	0.08	0.07
Loans recovered from:		
- Tanglin Developments Limited	6,506.63	5,105.84
- Coffee Day Hotels and Resorts Private Limited	3,286.79	2,635.09
- Coffee Day Global Limited	-	0.51
Significant transactions with entities where significant influence exists -		
Dividend income:		
Mindtree Limited	174.62	183.35
Consultancy services:		
- Magnasoft Consulting India Pvt Ltd	18.00	-

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Long-term loans and advances recoverable:*			
-Tanglin Developments Limited	6,073.60	3,742.28	2,990.01
- Coffee Day Hotels and Resorts Private Limited	1,070.29	1,434.09	1,465.97
Trade payables:			
- Mysore Amalgamated Coffee Estates Limited	-	-	0.18
- Coffee Day Global Limited	-	0.26	-
- Amalgamated Holdings Limited	0.01	0.07	-
Trade receivables:			
- Karnataka Wildlife Resorts Private Limited	1.53	1.14	1.05
- Tanglin Developments Limited	266.03	0.38	-
- Mysore Amalgamated Coffee Estates Limited	-	0.66	0.66
- Magnasoft Consulting India Pvt Ltd	18.00	-	-
- SICAL Logistics Ltd	0.13	-	-
- Coffee Day Global Ltd	0.37	-	-
Advances recoverable in cash or in kind- short term			
- Coffee Day Hotels and Resorts Private Limited	-	11.31	8.20

* Details of inter- corporate loans given

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

Party name	Nature of relationship	Interest rate	Repayment terms	Purpose
Tanglin Developments Limited	Subsidiary	10% p.a**	On demand	General
Coffee Day Hotels and Resorts Private Limited	Subsidiary	0% p.a*	On demand	General

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

** However, the Company has charged interest on loans given to Tanglin Developments Limited @ 10% with effect from 1 April 2016.

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
(i) Tanglin Developments Limited		
At the commencement of the year	3,742.29	2,990.01
Add: Given during the year	8,838.01	5,858.12
Less: Repaid during the year	(6,506.63)	(5,105.84)
At the end of the year	**6,073.67**	**3,742.29**
(ii) Coffee Day Hotels and Resorts Private Limited-Long Term		
At the commencement of the year	1,434.08	1,465.97
Add: Given during the year	2,911.69	2,603.20
Less: Repaid during the year	(3,275.48)	(2,635.09)
At the end of the year	**1,070.29**	**1,434.08**
(iii) Coffee Day Hotels and Resorts Private Limited-Short Term		
At the commencement of the year	11.31	8.21
Add: Given during the year	-	3.10
Less: Repaid during the year	(11.31)	-
At the end of the year	-	**11.31**

E. Compensation of key management personnel of the Company:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Short-term employee benefits	4.05	-
	4.05	-

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

F. Terms and conditions

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

34 EMPLOYEE BENEFITS OBLIGATIONS

A Reconciliation of the net defined benefit liability

Reconciliation of the projected benefit obligations

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Change in projected benefit obligation:		
Obligations at the beginning of the year	4.82	4.25
Included in profit and loss:		
- Service cost	0.91	0.85
- Interest cost	0.37	0.33
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	-	-
- Actuarial (gains)/ losses arising from changes in financial assumptions	0.45	(0.03)
- Actuarial (gains)/ losses arising from experience adjustments	(0.82)	(0.29)
Benefits settled	(0.35)	(0.29)
Past service cost		
Obligations at year end	**5.38**	**4.82**
Change in plan assets:		
Plans assets at the beginning of the year, at fair value	-	-
Plan assets acquired on acquisition during the year	-	-
Included in profit and loss:		
- Interest income	-	-
Included in other comprehensive income:		
- Expected return on plan assets	-	-
- Actuarial (loss)/gain	-	-
Contributions	0.37	0.29
Benefits settled	(0.35)	(0.29)
Plans assets at year end, at fair value	**0.02**	**-**
Liability recognised in the balance sheet	**5.36**	**4.82**
Non current	**5.36**	**4.59**
Current	**-**	**0.24**

B Expense recognised in the statement of profit and loss and other comprehensive income:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Gratuity cost for the year		
Included in profit and loss:		
- Service cost	0.91	0.85
- Interest cost	0.37	0.33
Included in other comprehensive income:		
- Remeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions	-	-
- Actuarial losses/ (gains) arising from changes in financial assumptions	0.45	(0.03)
- Actuarial gains arising from experience adjustments	(0.82)	(0.29)
Net gratuity cost	**0.91**	**0.86**

C Defined benefit obligation

Particulars	As at 31 March 2017	As at 31 March 2016
(i) Assumptions		
Interest rate	7.20%	7.95%
Expected rate of return on plan assets	8.00%	8.00%
Salary increase	8.00%	8.00%
Retirement age	60 years	60 years
Attrition rate	2-10% based on the age group	2-10% based on the age group
Mortality table	IALM (2006-08)	IALM (2006-08)

34 EMPLOYEE BENEFITS OBLIGATIONS (contd.)

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

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

(ii) Sensitivity analysis

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (0.50% movement)	(0.31)	0.34	(0.28)	0.31
Future salary growth (0.50% movement)	0.30	(0.27)	0.26	(0.24)

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.

35 During the year 31 March 2016, the Company had completed the initial public offer (IPO) and raised a total capital of Rs.11,500 million by issuing 35,060,975 equity shares of Rs.10 each at a premium of Rs.318 per share. The equity shares of the Company were listed on Bombay Stock Exchange and National Stock Exchange effective 2 November 2015. The proceeds from IPO is Rs.10,738.63 million (net of issue expenses).

Details of utilisation of proceeds of IPO are as follows:

(*Rs. in million*)

Objects of the issue as per the prospectus	To be utilised as per the objectives	Actual utilisation as per the objectives	Unutilised amount as at 31 March 2017
Financing coffee businesses	2,875.10	2,875.10	-
Repayment or prepayment of loans	6,328.00	6,328.00	-
General corporate purposes	1,535.53	1,535.53	-
Total	**10,738.63**	**10,738.63**	**-**

As per the terms set out in the prospectus on "Utilisation of IPO Proceeds", the Company was required to utilise IPO proceeds aggregating Rs.4,100 million towards repayment of existing loan as well as financing of coffee business in one of its subsidiary Company, Coffee Day Global Limited. The Company has transferred IPO proceeds to its subsidiary Company by investing in Compulsorily Convertible Debentures having face value of Rs.4,100 million.

The amount of Rs.1,641 million lying unutilised as at 31 March 2016 has been entirely utilised by the Company towards repayment/ prepayment of loan and financing of coffee business during the year ended 31 March 2017.

36 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A Accounting classification and fair value

(*Rs. in million*)

Particulars	Carrying value As at 31 March 2017	Fair Value Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost:					
Loans (current and non current)	7,150.75	-	-	-	-
Other financial assets (current and non current)	0.08	-	-	-	-
Trade receivables	286.79	-	-	-	-
Cash and cash equivalents	7.71	-	-	-	-
Bank balances other than cash and cash equivalents	203.30	-	-	-	-
Total	**7,648.63**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost:					
Borrowings (current and non current)	7,204.22	-	-	9,944.33	9,944.33
Trade payables	18.41	-	-	-	-
Other financial liabilities (current and non current)	2,421.97	-	-	-	-
Total	**9,644.60**	**-**	**-**	**9,944.33**	**9,944.33**

The Company has not disclosed the fair values for financial instruments for loans (current and non current), other financial assets (current and non current) , trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Trade payables, other financial liabilities (current and non current) because their carrying amounts are reasonably approximation of fair value. Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements is scoped out under Ind AS 109.

(*Rs. in million*)

Particulars	Carrying value	Fair Value			
	As at 31 March 2016	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost:					
Loans (current and non current)	5,225.77	-	-	-	-
Other financial assets (current and non current)	41.65	-	-	-	-
Trade receivables	4.53	-	-	-	-
Cash and cash equivalents	480.24	-	-	-	-
Bank balances other than cash and cash equivalents	88.95	-	-	-	-
Total	**5,841.14**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost:					
Borrowings (current and non current)	5,321.86	-	-	7,100.71	7,100.71
Trade payables	34.26	-	-	-	-
Other financial liabilities (current and non current)	1,678.20	-	-	-	-
Total	**7,034.32**	**-**	**-**	**7,100.71**	**7,100.71**

The Company has not disclosed the fair values for financial instruments for loans (current and non current), other financial assets (current and non current) , trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Trade payables, other financial liabilities (current and non current) because their carrying amounts are reasonably approximation of fair value. Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements is scoped out under Ind AS 109.

A Accounting classification and fair value (continued)

(*Rs. in million*)

Particulars	Carrying value	Fair Value			
	As at 1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost:					
Loans (current and non current)	4,470.12	-	-	-	-
Other financial assets (current and non current)	186.50	-	-	-	-
Trade receivables	2.94	-	-	-	-
Cash and cash equivalents	6.60	-	-	-	-
Bank balances other than cash and cash equivalents	-	-	-	-	-
Total	**4,666.16**	**-**	**-**	**-**	**-**
Financial liabilities measured at amortised cost:					
Borrowings (current and non current)	12,879.92	-	-	10,263.74	10,263.74
Trade payables	7.33	-	-	-	-
Other financial liabilities (current and non current)	7,003.89	-	-	-	-
Total	**19,891.14**	**-**	**-**	**10,263.74**	**10,263.74**

The Company has not disclosed the fair values for financial instruments for loans (current and non current), other financial assets (current and non current) , trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, Trade payables, other financial liabilities (current and non current) because their carrying amounts are reasonably approximation of fair value. Investment in equity shares are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements is scoped out under Ind AS 109.

Fair value hierarchy

Fair value hierarchy explains the judgement and estimates made in determining the fair values of the financial instruments that are-

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

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, contingent consideration and indemnification asset included in level 3.

B Measurement of fair values

(i) Valuation techniques and significant unobservable inputs

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

- The fair values of the Company's interest-bearing debentures and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2017 and 31 March 2016 was assessed to be insignificant.

The following tables show the valuation techniques used in measuring Level 3 fair values. The significant unobservable inputs used have not been disclosed as no financial assets and liabilities have been measured at fair value:

Financial instruments measured at fair value

(*Rs. in million*)

Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Borrowings	Discounted cash flows: The valuation model considers the present value of expected payment, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

C Financial risk management

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

- credit risk (see (b));

- liquidity risk (see (c)); and

- market risk (see (d)).

(a) Risk management framework

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

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

(b) Credit risk

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

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

i) **Trade receivables:**

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

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant changes in the expected performance and behavior of the borrower, including changes in the payment status of borrowers in the Company and changes in the operating results of the borrower

Based on the above analysis, the Company does not expect any credit risk from its trade receivables for any of the years reported in this financial statements.

ii) **Loans, security deposits and investments:**

Expected credit loss for loans, security deposits and investments

(*Rs. in million*)

Particulars		Period ended	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-17	Loans	7,147.94	0%	-	7,147.94
			Security deposits	2.81	0%	-	2.81
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-16	Loans	5,192.96	0%	-	5,192.96
			Security deposits	32.81	0%	-	32.81
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	1-Apr-15	Loans	4,467.31	0%	-	4,467.31
			Security deposits	2.81	0%	-	2.81

(c) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

Maturities of financial liabilities

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

(*Rs. in million*)

As at 31 March 2017	Carrying amount	Total	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Non-derivative financial liabilities							
Secured bank loans	2,448.65	3,285.37	149.28	149.05	1,678.50	1,308.54	-
Non-convertible redeemable debentures	7,157.09	8,243.78	2,153.08	2,204.15	3,886.55	-	-
Trade payables	18.41	18.41	18.41	-	-	-	-
	9,624.15	**11,547.56**	**2,320.77**	**2,353.20**	**1,308.54**	**-**	**-**

(Rs. in million)

As at 31 March 2016	Carrying amount	Total	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Secured bank loans	1,521.08	1,979.29	99.97	99.74	199.71	1,579.87	-
Non-convertible redeemable debentures	5,400.89	6,761.11	167.28	1,989.33	2,957.53	1,646.97	-
Trade payables	34.26	34.26	34.26	-	-	-	-
	6,956.23	**8,774.66**	**301.51**	**2,089.07**	**3,157.24**	**3,226.84**	**-**

(Rs. in million)

As at 1 April 2015	Carrying amount	Total	6 months or less	6–12 months	1–2 years	2–5 years	More than 5 years
Secured bank loans	3,269.93	3,620.33	891.23	1,902.70	826.40	-	-
Redeemable preference shares	712.34	712.34	712.34	-	-	-	-
Non-convertible redeemable debentures	6,816.01	9,026.08	818.69	204.14	4,770.37	3,232.88	-
Trade payables	7.33	7.33	7.33	-	-	-	-
	10,805.61	**13,366.08**	**2,429.59**	**2,106.84**	**5,596.77**	**3,232.88**	**-**

(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 any currency risk. The currencies in which these transactions are denominated is Rs.

ii) Interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The Company adopts a policy of ensuring that between 80% and 90% of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fixed rate instruments			
Financial liabilities	8,683.38	6,921.97	10,085.94
Variable rate instruments			
Financial liabilities	922.36	-	-

Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

Fair value sensitivity analysis for fixed-rate instruments A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased or decreased profit or loss by Rs.109.32 million (2015-16: Rs.81.35 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Cash flow sensitivity analysis for variable-rate instruments

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Rs. in million)

Particulars	Impact on profit or loss	
	31 March 2017	31 March 2016
Interest rates - increases by 100 bps	(2.58)	-
Interest rates - decreases by 100 bps	2.58	-

37 CAPITAL MANAGEMENT

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

The Company monitors capital using a ratio of net debt to equity. For this purpose, net debt is defined as total liabilities, comprising borrowings, trade payables and other liabilities less cash and cash equivalents. Equity comprises all components of equity. The Company's net debt to equity ratio at 31 March 2017 was as follows.

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Borrowings other than convertible preference shares and convertible debentures	9,605.74	6,931.50	10,798.28
Trade payables	18.41	34.26	7.33
Other payables	-	-	-
Less: cash and cash equivalents	7.71	480.24	6.60
Net debt	**9,616.44**	**6,485.52**	**10,799.01**
Equity and reserves	18,087.14	18,883.28	936.43
Convertible preference shares	-	-	2,399.90
Convertible debentures	-	-	6,315.82
Total equity	**18,087.14**	**18,883.28**	**9,652.15**
Net debt to equity ratio	**0.53**	**0.34**	**1.12**

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

38 FIRST TIME ADOPTION

As stated in Note 2.1, these financial statements of the Company for the year ended 31 March 2017 is the first prepared in accordance with Indian Accounting Standards (Ind AS). For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

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

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

Optional exemptions availed and mandatory exceptions

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

(a) **Optional exemptions availed:**

(i) Property plant and equipment, intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;

- or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

On transition to Ind AS, the Company has elected to recognise the carrying value of all of its property, plant and equipment as at 1 April 2015 as per para 16 of Ind AS 16 except for building which has been measured at fair value.

(ii) Leases

Ind AS 17 requires a lease of land to be assessed as an operating or finance lease at the commencement of the lease. However, Ind AS 101 provides the option to assess the same based on facts and circumstances existing on the date of transition.

The Company has elected to avail the exception available under Ind AS 101 and assess for the classification of lease as on the date of transition only.

(iii) Investments in subsidiaries and associates

Ind AS 101 provides an exemption to the first-time adopter to measure an investment in subsidiaries and associates at:

a) cost determined in accordance with Ind AS 27; or

b) deemed cost, which shall be its:
   i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or
   ii) previous GAAP carrying amount at that date.

The Company has chosen to avail the exemption provided by Ind AS 101 and value all its investments in subsidiaries and associates at cost as per Ind AS 27.

(b) Mandatory exceptions availed:

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP:

(i) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(ii) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

Upon an assessment of the estimates made under Previous GAAP, the Company has concluded that there was no necessity to revise such estimates under Ind AS, other than those required due to application of Ind AS.

(iii) De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS.

However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has chosen to avail the exception to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition.

(c) Reconciliation between previous GAAP and Ind AS:

(i) (a) Reconciliation of balance sheet as at date of transition (1 April 2015)

(Rs. in million)

	Note No.	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	91.04	(31.24)	59.80
Intangible assets		-	-	-
Financial Assets				
(i) Investments	2	15,865.32	12.13	15,877.45
(ii) Loans	3	4,461.79	(4,455.98)	5.81
(iii) Other non-current financial assets		186.02	-	186.02
Other tax assets	4,5	-	35.59	35.59
Other non-current assets		62.56	(62.56)	-
Total non-current assets		**20,666.73**	**(4,502.06)**	**16,164.67**
Current assets				
Financial assets				
(i) Trade receivables		2.94	-	2.94
(ii) Cash and cash equivalents		6.60	-	6.60
(iii) Loans	3	8.33	4,455.98	4,464.31
(iv) Other financial assets		0.48	-	0.48
Other current assets	5	250.82	(39.86)	210.96
Total current assets		269.17	4,416.12	4,685.29
Total assets		**20,935.90**	**(85.94)**	**20,849.96**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	6	162.31	(16.39)	145.92
Other equity	1,2,5,8	3,745.05	(2,954.90)	790.15
Total equity		**3,907.36**	**(2,971.29)**	**936.07**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	5	12,115.82	464.10	12,579.92
(ii) Other financial liabilities (other than those specified above)	5	199.03	(199.03)	-
Provisions	5	279.94	(275.96)	3.98
Other non-current liabilities	8	11.69	(11.69)	-
Total non-current liabilities		**12,606.48**	**(22.58)**	**12,583.90**
Current liabilities				
Financial liabilities				
(i) Borrowings		300.00	-	300.00
(ii) Trade payables				
Total outstanding dues to micro enterprises and small enterprises				
Total outstanding dues other than to micro enterprises and small enterprises		7.33		7.33
(iii) Other financial liabilities	5	3,883.62	3,120.27	7,003.89
Provisions	5	212.61	(212.34)	0.27
Other current liabilities		18.50	-	18.50
Total current liabilities		**4,422.06**	**2,907.93**	**7,329.99**
TOTAL EQUITY AND LIABILITIES		**20,935.90**	**(85.94)**	**20,849.96**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(b) Reconciliation of balance sheet as at 31 March 2016

(Rs. in million)

	Note No.	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	86.35	(29.24)	57.11
Intangible assets		0.09	-	0.09
Financial Assets				
(i) Investments	2	19,965.32	39.44	20,004.76
(ii) Loans	3	5,213.17	(5,176.36)	36.81
(iii) Other non-current financial assets		41.06	-	41.06
Other tax assets	4	-	28.22	28.22
Other non-current assets	5	45.73	(44.54)	1.19
Total non-current assets		**25,351.72**	**(5,182.48)**	**20,169.24**
Current assets				
Financial assets				
(i) Trade receivables		4.53	-	4.53
(ii) Cash and cash equivalents		480.24	-	480.24
(iii) Bank balances other than cash and cash equivalents		88.95	-	88.95
(iii) Loans	3	12.60	5,176.36	5,188.96
(iv) Other financial assets		0.59	-	0.59
Other current assets	5	15.83	(12.38)	3.45
Total current assets		**602.74**	**5,163.98**	**5,766.72**
TOTAL ASSETS		**25,954.46**	**(18.50)**	**25,935.96**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,060.02	-	2,060.02
Other equity	1,2,5,8	16,763.71	59.51	16,823.22
Total equity		18,823.73	59.51	18,883.24
Non-current liabilities				
Financial liabilities				
- Borrowings	5	5,230.00	91.86	5,321.86
- Other financial liabilities	5	413.38	(413.38)	-
Provisions		4.59	-	4.59
Other non-current liabilities	8	13.46	(13.46)	-
Total non-current liabilities		5,661.43	(334.98)	5,326.45
Current liabilities				
Financial liabilities				
(i) Trade payables				
Total outstanding dues to micro enterprises and small enterprises		-	-	-
Total outstanding dues other than to micro enterprises and small enterprises		34.26	-	34.26
- Other financial liabilities	2, 5	1,183.76	494.44	1,678.20
Provisions	5	237.71	(237.47)	0.24
Other current liabilities		13.57	-	13.57
Total current liabilities		**1,469.30**	**256.97**	**1,726.27**
TOTAL EQUITY AND LIABILITIES		**25,954.46**	**(18.50)**	**25,935.96**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes to the financial statements for the year ended 31 March 2017

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2016

(*Rs. in million*)

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
INCOME				
Revenue from operations	2	487.20	15.89	503.09
Other income		101.45	-	101.45
Total income		**588.65**	**15.89**	**604.54**
EXPENSES				
Purchase of stock in trade		207.06	-	207.06
Employee benefits expense	7	58.80	0.32	59.12
Finance costs	5	1,256.06	421.65	1,677.71
Depreciation and amortization expense	1	6.66	(1.98)	4.68
Other expenses	8	165.24	(1.77)	163.47
Total expenses		**1,693.82**	**418.22**	**2,112.04**
Loss before tax		(1,105.17)	(402.33)	(1,507.50)
Tax expense		-	-	-
Loss after tax		(1,105.17)	(402.33)	(1,507.50)
Other comprehensive income:				
Items that will not be reclassified to profit or loss:				
Remeasurements of defined benefit plan actuarial gains/ (losses)	7	-	0.32	0.32
Other comprehensive income for the period		-	0.32	0.32
Total Comprehensive Income for the period		**(1,105.17)**	**(402.01)**	**(1,507.18)**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(iii) Reconciliation of total equity as at 31 March 2016 and 1 April 2015

(*Rs. in million*)

Particulars	Note No.	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		18,823.73	3,907.36
Adjustments:			
Equity portion of redeemable and compulsory convertible preference shares classified as financial liability	6	-	(16.38)
Amortisation of finance cost under effective interest method	5	50.68	(2,944.12)
Reversal of straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation	8	13.46	11.69
Fair valuation impact of Building classified under Property, plant and equipment	1	(31.24)	(31.24)
Financial gurantee commission income	2	24.63	8.76
Decrease in depreciation consequent to adoption of deemed cost model for property, plant and equipment	1	1.98	-
Total adjustments		**59.51**	**(2,971.29)**
Total equity as per Ind AS		**18,883.24**	**936.07**

(iv) Reconciliation of total comprehensive income for the year ended 31 March 2016

(Rs. in million)

Particulars	Notes to first-time adoption	31 March 2016
Profit after tax as per previous GAAP		(1,105.17)
Financial gurantee commission income	2	15.89
Actuarial loss of defined benefit obligation - Gratuity (net of tax)	7	(0.32)
Amortisation of finance cost under effective interest method	5	(421.65)
Decrease in depreciation consequent to adoption of deemed cost model for property, plant and equipment	1	1.98
Reversal of straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation	8	1.77
Tax effects of adjustments		-
Total adjustments		**(402.33)**
Profit after tax as per Ind AS		(1,507.50)
Other comprehensive income	7	0.32
Total comprehensive income as per Ind AS		**(1,507.17)**

(v) Adjustments to the statement of cash flows:

(Rs. in million)

Particulars	For the year ended 31 March 2016		
	Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	413.74	(144.97)	268.77
Net cash flow from investing activities	(4,102.19)	56.02	(4,046.17)
Net cash flow from financing activities	4,251.04	-	4,251.04
Net increase/ (decrease) in cash and cash equivalents	**562.59**	**(88.95)**	**473.64**
Cash and cash equivalents as at 1 April 2015	6.60	-	6.60
Cash and cash equivalents as at 31 March 2016	**569.19**	**(88.95)**	**480.24**

* The previous GAAP figures have been reclassified to conform with Ind AS.

The adjustment is on account of fixed deposits as at 31 March 2016 amounting to Rs.88.95 million classified under cash and cash equivalents under previous GAAP which is classified under balances other than cash and cash equivalents under Ind AS.

(d) Notes to explanation of transition to Ind AS

1) **Fair valuation of property, plant and equipment and other intangible assets**

The Company has elected to measure building at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, a decrease of Rs.31.24 million (31 March 2016: Rs.29.24 million) was recognised in property, plant and equipment. This amount has been recognised against retained earnings.

2) **Financial guarantee commission to subsidiaries**

The Company has provided financial gurantees to bank and financial institutions for loans taken by its subsidiaries and step-subsidiaries. Hence at the date of transition to Ind AS, an increase of Rs.12.13 million (31 March 2016: Rs.39.43 million) was recognised in investments. This dividene income recognised against the same has been recognised against retained earnings.

3) **Loans to subsidiaries**

The Company has provided loans to its subsidiaries and step-subsidiaries. At the date of transition to Ind AS, the Company has reassesd the terms and conditions for loans given and classified as current financial assets.

4) **Current tax assets**

At the date of transition to Ind AS, the Company has reassesd the and classified the tax related assets classified under other non current assets as per the previous GAAP amounting 35.59 million as on the date of transition (31 March 2016: Rs.28.22 milliom) as current tax assets as per Ind AS.

5) **Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Notes to the financial statements for the year ended 31 March 2017

The impact arising on from the change is summarised as follows:

(*Rs. in million*)

	31 March 2016
Statement of profit and loss	
Finance costs	421.64

(*Rs. in million*)

Balance sheet	As at 31 March 2016	As at 1 April 2015
Borrowings at amortised cost	50.68	(2,944.12)
Adjustment to retained earnings	50.68	(2,944.12)

6) **Compulsorily convertible and non-convertible preference shares**

The Company has issued compulsorily convertible preference shares and non-convertible redeemable preference shares. The compulsorily convertible preference shares carry fixed cumulative dividend at rate of 0.001% p.a. and non-convertible redeemable preference shares carries non-cumulative preferred dividend calculated at the rate of 0.001%, if declared by the Company. Under Indian GAAP, these preference shares were classified as equity and dividend payable thereon was treated as distribution of profit, if any.

Under Ind AS, preference shares are classified as liability based on the terms of their contract. Interest and premium on liability component is recognised using the effective interest method. Thus the preference share capital is reduced by Rs.16.39 million (31 March 2016: Nil) with a corresponding increase in borrowings as liability component.

7) **Remeasurement of post-employment benefit expenses**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 31 2016 decreased by Rs.0.32 million. There is no impact on the total equity as at 31 March 2016.

8) **Rent equalisation reserve**

Under the previous GAAP, lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term. Under Ind AS, if the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, then lease payments are not straight-lined. Accordingly, the Company has reversed rent equalisation reserve under Ind AS. Difference due to this has been recognised as rent expense. Consequent to this change, the amount of rent equalisation reserve decreased by Rs.11.69 million as at 1 April 2015 (31 March 2016 – Rs.13.46 million). Total equity increased by Rs.11.69 million as on 1 April 2015. The profit for the year and total equity as at 31 March 2016 increased by Rs.1.71 million due to reversal of rent equalisation reserve.

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

(*Rs. in million*)

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	0.29	0.02	0.31
Add: Permitted receipts	-	0.23	0.23
Less: Permitted payments	-	0.02	0.02
Less: Amount deposited in banks	(0.29)	-	(0.29)
Closing cash in hand as on 30 December 2016	**-**	**0.27**	**0.27**

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

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Consolidated Financial Statements of Coffee Day Enterprises Limited

Independent Auditor's report

To
The Members of
Coffee Day Enterprises Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Coffee Day Enterprises Limited ("the Holding Company"), its subsidiaries, associates and joint ventures (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS financial statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statement.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group as at 31 March 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other matter

(a) We did not audit the Ind AS financial statements of certain subsidiaries, whose consolidated Ind AS financial statements reflect total assets of Rs.56,289.99 million and net assets of Rs.9,383.95 million as at 31 March 2017, total revenues of Rs.16,556.04 million and net cash inflows amounting to Rs.3,964.54 million for the year then ended, as considered in the consolidated Ind AS financial statements. These consolidated Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and joint ventures is based solely on the reports of the other auditors.

(b) The consolidated Ind AS financial statements also include the Group's share of total comprehensive income of Rs.604.14 million for the year ended 31 March 2017, as considered in this Statement, in respect of two associates and two joint ventures, whose Ind AS financial statements have not been audited by us. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these associates and joint ventures and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid associates and joint ventures is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    (c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with read with relevant rules issued thereunder;

    (e) On the basis of the written representations received from the directors of the Holding company as on 31 March 2017 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding company, its subsidiary companies, associate companies and joint venture companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in the Annexure; and

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

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 44 to consolidated Ind AS the financial statements;

(ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

(iii) There were no amounts during the year which were, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, associate companies and joint venture companies incorporated in India;

(iv) The requisite disclosures in the consolidated Ind AS financial statements, for holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016, have been provided with respect to Holding Company and its subsidiary companies incorporated in India. Based on audit procedures and reliance on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary companies incorporated in India and as produced to us by the Management of the Holding Company. Refer Note 46 to the consolidated Ind AS financial statements.

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

Supreet Sachdev
Partner
Membership number: 205385

Bangalore
18 May 2017

Annexure to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Coffee Day Enterprises Limited ('the Holding Company'), its subsidiaries, associates and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor's in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate

Opinion

In our opinion, the Holding Company, its subsidiaries, associates and joint venture companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note ICAI.

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to ten subsidiary companies and two associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

Supreet Sachdev
Partner
Membership number: 205385

Bangalore
18 May 2017

Consolidated balance sheet

as at 31st March, 2017

(Rs. in million)

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	18,904.61	17,361.42	16,402.38
Capital work-in-progress	4	8,156.37	7,063.24	6,117.61
Investment property	5	5,055.80	4,787.25	4,368.92
Investment property under development		3,206.52	2,684.11	2,473.98
Goodwill	6	5,000.85	5,017.04	5,009.05
Other intangible assets	7	428.88	219.11	260.94
Intangible assets under development	7	7.91	83.28	22.27
Investments accounted for using equity method	8A	6,348.75	6,000.70	5,394.95
Financial Assets				
- Investments	8B	274.87	138.10	168.71
- Trade receivables	9	-	67.30	19.00
- Loans	10	1,104.06	975.73	862.56
- Other non-current financial assets	11	272.02	1,420.12	978.10
Deferred tax assets (net)	12	635.73	501.34	520.18
Non current tax assets (net)		71.28	77.30	44.31
Other non-current assets	13	5,355.47	3,298.64	2,768.54
Total non-current assets		**54,823.12**	**49,694.68**	**45,411.50**
Current assets				
Inventories	14	1,325.40	1,250.17	1,175.09
Financial assets				
- Investments	15	17.74	126.08	5.15
- Trade receivables	9	4,089.03	3,059.08	2,720.64
- Cash and cash equivalents	16	12,686.95	9,791.69	6,191.10
- Bank balances other than cash and cash equivalents	17	1,806.86	2,003.81	949.36
- Loans	18	1,534.31	1,364.87	746.85
- Other current financial assets	19	1,249.54	978.80	809.69
Current tax assets (net)		497.23	673.66	712.63
Other current assets	20	2,255.12	1,371.50	1,273.03
Total current assets		**25,462.17**	**20,619.66**	**14,583.54**
Total assets		**80,285.29**	**70,314.34**	**59,995.04**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	21	2,060.02	2,060.02	145.92
Other equity	22	20,216.55	19,596.34	2,562.64
Equity attributable to owners of the Company		**22,276.57**	**21,656.36**	**2,708.56**
Non-controlling interests		6,214.47	5,749.38	5,050.80
Total equity		**28,491.04**	**27,405.74**	**7,759.36**
Non-current liabilities				
Financial liabilities				
- Borrowings	23	32,034.26	26,695.83	31,313.57
- Other financial liabilities	24	1,209.07	1,297.88	1,218.38
Provisions	25	120.52	105.33	79.15
Deferred tax liabilities (net)	26	256.23	160.05	142.79
Other non-current liabilities	27	217.39	226.63	213.98
Total non-current liabilities		**33,837.47**	**28,485.72**	**32,967.87**
Current liabilities				
Financial liabilities				
- Borrowings	28	5,416.74	5,222.87	4,616.18
- Trade payables	29			
Total outstanding dues to micro enterprises and small enterprises		-	-	-
Total outstanding dues other than micro enterprises and small enterprises		1,011.68	991.65	1,234.22
- Other financial liabilities	30	10,645.37	7,655.51	12,878.07
Provisions	31	43.28	45.97	35.02
Current tax liabilities (net)	32	268.34	206.37	47.10
Other current liabilities	33	571.37	300.51	457.22
Total current liabilities		**17,956.78**	**14,422.88**	**19,267.81**
Total equity and liabilities		**80,285.29**	**70,314.34**	**59,995.04**
Significant accounting policies	3			

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

As per our report of even date attached

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

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

Supreet Sachdev
Partner
Membership no.: 205385

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Consolidated statement of profit & loss

for the year ended 31st March, 2017

(*Rs. in million*)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
INCOME			
Revenue from operations	34	31,196.42	27,805.18
Other income	35	637.87	643.71
Total income		**31,834.29**	**28,448.89**
EXPENSES			
Cost of materials consumed	36	7,298.32	6,737.78
Cost of integrated logistics services	37	6,687.80	5,974.50
Purchases of stock-in-trade		454.34	68.64
Changes in inventories of finished goods, stock-in -trade and work-in-progress	38	63.98	(96.49)
Employee benefits expense	39	3,911.41	3,433.99
Finance costs	40	3,172.09	3,594.89
Depreciation and amortization expense	41	2,268.40	2,516.99
Other expenses	42	7,343.50	6,807.56
Total expenses		**31,199.84**	**29,037.86**
Profit/(loss) before investments accounted for using equity method and tax		**634.45**	**(588.97)**
Share of profit from associates and joint ventures accounted for using equity method		736.06	939.36
Profit before tax		**1,370.51**	**350.39**
Tax expense:	43A		
- Current tax		536.24	431.04
- Deferred tax		18.64	15.35
Profit/(loss) for the year		**815.63**	**(96.00)**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plan actuarial gains/ (losses)		2.51	(4.36)
Net changes in fair value of equity instruments through other comprehensive income		138.00	(32.22)
Share of other comprehensive income in associates and joint ventures, to the extent not to be classified into profit or loss		(109.82)	(39.41)
		30.69	**(75.99)**
Income tax relating to items that will not be reclassified to profit or loss	43B	(1.01)	2.62
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation reserve		14.00	(2.74)
Effective portion of gains and losses on hedging		7.31	15.27
		21.31	**12.53**
Income tax relating to items that will be reclassified to profit or loss	43B	(2.53)	(5.29)
Other comprehensive income for the period		**48.46**	**(66.13)**
Total comprehensive income for the period		**864.09**	**(162.13)**
Profit/ (loss) attributable to:			
- Owners of the Company		461.95	(424.63)
- Non- controlling interests		353.68	328.63
Other comprehensive income attributable to:			
- Owners of the Company		30.68	(62.03)
- Non- controlling interests		17.78	(4.10)
Total comprehensive income attributable to:			
- Owners of the Company		492.63	(486.66)
- Non- controlling interests		371.46	324.53
Earnings per equity share (for continuing operation):	45		
- Basic		2.39	(3.06)
- Diluted		2.39	(3.06)
Significant accounting policies	3		

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

As per our report of even date attached

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

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

Supreet Sachdev
Partner
Membership no.: 205385

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Consolidated statement of changes in equity

(Rs. in million)

Particulars	Equity share capital	Other equity: Reserves and Surplus: Debenture redemption reserve	General reserve	Shares options outstanding account	Reserve fund (As per 45IC of Reserve Bank of India, 1934)	Capital reserve	Securities premium	Retained earnings	Other comprehensive income: Foreign currency translation reserve	Equity instruments through other comprehensive income	Cash flow hedges	Remeasurements of actuarial gain and losses	Other items of other comprehensive income	Equity attributable to owners of the Company	Non controlling interests	Total equity
Balance as at 1 April 2015	145.92	183.40	0.01	24.38	-	395.60	3,722.36	(1,736.89)	(22.58)	19.76	(19.61)	(4.84)	1.05	2,708.56	5,050.80	7,759.36
Changes in total comprehensive income:																
Profit or (loss) during the year	-	-	-	-	-	-	-	(424.63)	-	-	-	-	-	(424.63)	328.63	(96.00)
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-	(2.80)	(27.24)	8.23	(1.42)	(38.80)	(62.03)	(4.10)	(66.13)
Contributions and distributions:																
Issue of bonus shares	1,021.41	-	-	-	-	-	(1,021.41)	-	-	-	-	-	-	-	-	-
Conversion of compulsorily convertible preference shares / debentures	542.08	-	-	-	-	-	8,487.47	-	-	-	-	-	-	9,029.55	-	9,029.55
Issue of shares pursuant to initial public offer	350.61	-	-	-	-	-	11,150.00	-	-	-	-	-	-	11,500.61	-	11,500.61
Transfer to debenture redemption reserve	-	91.70	-	-	-	-	-	(91.70)	-	-	-	-	-	-	-	-
Transfer to reserve fund	-	-	-	-	0.92	-	-	(0.92)	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	(761.37)	-	-	-	-	-	-	(761.37)	-	(761.37)
Share options exercised	-	-	-	27.25	-	-	-	-	-	-	-	-	-	27.25	-	27.25
Changes in ownership interest that do not result in loss of control:																
Dilution in ownership without change in control	-	-	-	-	-	(363.68)	-	-	2.10	-	-	-	-	(361.58)	374.05	12.47
Balance as at 31 March 2016	2,060.02	275.10	0.01	51.63	0.92	31.92	21,577.05	(2,254.14)	(23.28)	(7.48)	(11.38)	(6.26)	(37.75)	21,656.36	5,749.38	27,405.74

(Rs. in million)

Particulars	Equity share capital	Other equity: Reserves and Surplus: Debenture redemption reserve	General reserve	Shares options outstanding account	Reserve fund (As per 45IC of Reserve Bank of India, 1934)	Capital reserve	Securities premium	Retained earnings	Other comprehensive income: Foreign currency translation reserve	Equity instruments through other comprehensive income	Cash flow hedges	Remeasurements of actuarial gain and losses	Other items of other comprehensive income	Equity attributable to owners of the Company	Non controlling interests	Total equity
Balance as at 1 April 2016	2,060.02	275.10	0.01	51.63	0.92	31.92	21,577.05	(2,254.14)	(23.28)	(7.48)	(11.38)	(6.26)	(37.75)	21,656.36	5,749.38	27,405.74
Changes in total comprehensive income:																
Profit or (loss) during the year	-	-	-	-	-	-	-	461.95	-	-	-	-	-	461.95	353.68	815.63
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-	11.96	118.03	4.13	1.35	(104.78)	30.69	17.78	48.47
Contributions and distributions:																
Conversion of compulsorily convertible preference shares / debentures	-	-	-	-	-	-	168.37	-	-	-	-	-	-	168.37	-	168.37
Transfer to debenture redemption reserve	-	12.31	-	-	-	-	-	(12.31)	-	-	-	-	-	-	-	-
Transfer to reserve fund	-	-	-	-	0.94	-	-	(0.94)	-	-	-	-	-	-	-	-
Share options exercised	-	-	-	13.04	-	-	-	-	-	-	-	-	-	13.04	-	13.04
Changes in ownership interest that do not result in loss of control:																
Dilution in ownership without change in control	-	-	-	-	-	(45.69)	-	-	-	-	-	-	-	(45.69)	42.41	(3.28)
Increase in non-controlling interest in subsidiary pursuant to increase in share capital by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32.56	32.56
Loss of joint venture derecognized on sale	-	-	-	-	-	-	-	0.11	-	-	-	-	-	0.11	-	0.11
Transfer of wholly owned subsidiary within group with reduction of control	-	-	-	-	-	-	-	(16.89)	8.63	-	-	-	-	(8.26)	18.66	10.40
Balance as at 31 March 2017	2,060.02	287.41	0.01	64.67	1.86	(13.77)	21,745.42	(1,822.22)	(2.69)	110.55	(7.25)	(4.91)	(142.53)	22,276.57	6,214.47	28,491.04

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

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

for and on behalf of the Board of Directors of **Coffee Day Enterprises Limited**

V. G. Siddhartha
Managing Director
DIN: 00063987

Place: Bangalore
Date: 18 May 2017

Malavika Hegde
Director
DIN: 00136524

Place: Bangalore
Date: 18 May 2017

R Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Consolidated statement of cash flow

for the year ended 31st March, 2017

(*Rs. in million*)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flows from operating activities		
Profit/(loss) before investments accounted for using equity method and tax	634.45	(588.97)
Adjustments:		
- Interest income	(464.51)	(479.34)
- Loss on sale of fixed assets	3.00	36.70
- Provision for impairment of goodwill	7.07	-
- Rental expense/(income) on fair valuation of rental deposits	1.42	(5.51)
- Impact of rent straightlining	27.23	71.52
- Dividend income	(12.99)	(4.62)
- Interest expense	3,172.09	3,594.89
- Provision for doubtful debts	40.33	87.54
- (Gain)/ loss from forex hedging, net	(1.05)	(6.16)
- Stock compensation expense	13.04	27.25
- Depreciation and amortization	2,268.40	2,516.99
Operating cash flow before working capital changes	**5,688.48**	**5,250.29**
Changes in		
- Current and non current trade receivables	(1,002.99)	(474.27)
- Current and non current loans	(232.14)	(732.71)
- Other current and non-current financial assets	891.29	(561.06)
- Other current and non-current assets	(971.93)	(128.07)
- Inventories	(75.22)	(75.09)
- Trade payables	20.03	(242.57)
- Current and non current provisions	13.86	35.71
- Other current and non current liabilities	255.49	(226.40)
- Other current and non current financial liabilities	628.76	583.92
Cash generated from operations	**5,215.63**	**3,429.75**
Income taxes paid	(348.66)	(245.07)
Cash generated from operations [A]	**4,866.97**	**3,184.68**
Cash flows from investing activities		
Purchase of fixed assets	(7,087.46)	(4,997.01)
Proceeds from sale of fixed assets	29.74	25.98
Acquisition of investment property	(790.96)	(628.46)
(Investment in) / sale of associates and joint ventures	57.48	10.36
(Investment in) / sale of other investments	89.61	(115.45)
Withdrawal/ (Investment in) of fixed deposits	196.94	(1,054.45)
Interest received	451.50	429.27
Dividends received	296.22	295.34
Net cash used in investing activities [B]	**(6,756.93)**	**(6,034.42)**
Cash flows from financing activities		
Proceeds from issue of share capital including premium	-	11,500.00
Share issue expenses incurred	-	(761.37)
Proceeds from / (repayment of) long term and short term borrowings	7,824.34	(768.49)
Interest paid	(2,896.54)	(3,258.11)
Net cash generated from financing activities [C]	**4,927.80**	**6,712.03**
Increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	9,496.82	5,634.53
Movement in cash and cash equivalents [A +B +C]	3,037.84	3,862.29
Cash and cash equivalents at the end of the year	**12,534.66**	**9,496.82**
Components of cash and cash equivalents (refer note 16, 28 and 30)		
Cash in hand	**61.78**	**56.02**
Balances with banks		
- in current accounts	6,635.15	4,066.36
- in fixed deposits	5,970.97	5,634.37
- in escrow account	19.05	34.94
Less: Book overdraft	(151.78)	(152.64)
Less: Bank overdraft	(0.51)	(142.23)
Total cash and cash equivalents	**12,534.66**	**9,496.82**

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

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

1 GROUP OVERVIEW

Coffee Day Enterprises Limited ('CDEL' or 'the Company') and its subsidiaries, associates and joint venture (collectively known as 'The Group') was originally incorporated as a private limited Company under the Companies Act, 1956 on 20 June 2008 by conversion of erstwhile partnership firm M/s Coffee Day Holding Co. The registered office of the Company is located in Bangalore, India. The Company converted into a public Company during the year 2014-15. The Company undertook an Initial Public Offer of equity shares and subsequently got its equity shares listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) effective 2 November 2015.

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

The Company, primarily through its subsidiaries, associates and joint venture companies as detailed below are engaged in business in multiple sectors such as Coffee-retail and exports, Leasing of commercial office space, Financial services, Integrated Multimodal Logistics, Hospitality and Information Technology (IT) / Information Technology Enabled Services (ITeS).

List of subsidiaries with percentage holding –

Name of the entity	Country of incorporation and other particulars	Percentage of holding (%)
DIRECT SUBSIDIARIES		
Coffee Day Global Limited (erstwhile Amalgamated Bean Coffee Trading Company Limited) ('CDGL')	a subsidiary of the Company incorporated under the laws of India	86.63
Tanglin Developments Limited ('TDL')	a subsidiary of the Company incorporated under the laws of India	100.00
Coffee Day Hotels and Resorts Private Limited ('CDHRPL')	a subsidiary of the Company incorporated under the laws of India	100.00
Coffee Day Trading Limited (erstwhile Global Technology Ventures Limited) ('CDTL')	a subsidiary of the Company incorporated under the laws of India	88.77
STEP-DOWN SUBSIDIARIES		
Way2Wealth Securities Private Limited ('WSPL')	a subsidiary of TDL and CDTL incorporated under the laws of India	85.53
Amalgamated Holdings Limited ('AHL')	a subsidiary of CDGL incorporated under the laws of India	100.00
Ganga Coffee Curing Works Limited	a subsidiary of CDGL incorporated under the laws of India	100.00
A.N Coffeeday International Limited ('AN CCD')	a subsidiary of CDGL incorporated under the laws of Cyprus	100.00
Coffee Day Properties (India) Private Limited	a subsidiary of CDGL incorporated under the laws of India	100.00
Classic Coffee Curing Works	a partnership firm with CDGL as a controlling partner having a share of profit of 100%, registered under the laws of India	100.00
Coffeelab Limited	a subsidiary of AHL incorporated under the laws of India	100.00
Coffee Day Gastronomie Und Kaffeehandles GmbH	a subsidiary of AN CCD incorporated under the laws of Austria	100.00
Coffee Day CZ a.s	a subsidiary of AN CCD incorporated under the laws of Czech Republic	100.00
Tanglin Retail Reality Developments Private Limited ('TRR')	a subsidiary of TDL incorporated under the laws of India	100.00
Sical Logistics Limited ('SL')	a subsidiary of TRR incorporated under the laws of India	52.83
Sical Infra Assets Limited ('SIAL')	a subsidiary of SL incorporated under the laws of India	53.60
Sical Iron Ore Terminal Limited	a subsidiary of SL incorporated under the laws of India	63.00
Sical Iron Ore Terminal (Mangalore) Limited	a subsidiary of SL incorporated under the laws of India	100.00
Norsea Offshore India Limited	a subsidiary of SL incorporated under the laws of India	100.00
Sical Mining Limited	a subsidiary of SL incorporated under the laws of India	100.00
Sical Saumya Mining Limited	a subsidiary of SL incorporated under the laws of India	65.00
Sical Bangalore Logistics Park Limited	a subsidiary of SL incorporated under the laws of India	100.00
Sical Adams Offshore Limited	a subsidiary of SL incorporated under the laws of India	100.00

Name of the entity	Country of incorporation and other particulars	Percentage of holding (%)
Bergen Offshore Logistics Pte. Limited ('BOFL')	a subsidiary of SL incorporated under the laws of Singapore	100.00
Norsea Global Offshore Pte Ltd	a subsidiary of BOFL incorporated under the laws of Singapore	100.00
Sical Multimodal and Rail Transport Limited ('SMART')	a subsidiary of SIAL incorporated under the laws of India	100.00
Girividyuth India Limited	a subsidiary of TDL incorporated under the laws of India	100.00
Wilderness Resorts Private Limited ('WRPL')	a subsidiary of CDHRPL incorporated under the laws of India	100.00
Karnataka Wildlife Resorts Private Limited	a subsidiary of WRPL incorporated under the laws of India	100.00
Mandi2Market Traders Private Limited (erstwhile Way2Wealth Institutional Broking Private Limited / erstwhile Way2Wealth Insurance Broking Private Limited)	a subsidiary of WSPL incorporated under the laws of India	100.00
Way2Wealth Capital Private Limited	a subsidiary of WSPL incorporated under the laws of India	100.00
Way2Wealth Realty Advisors Private Limited	a subsidiary of WSPL incorporated under the laws of India	94.99
Way2Wealth Brokers Private Limited ('WBPL')	a subsidiary of WSPL incorporated under the laws of India	100.00
Way2Wealth Insurance Brokers Private Limited (erstwhile Total Insurance Brokers Private Limited)	a subsidiary of WSPL incorporated under the laws of India	100.00
AlphaGrep Securities Private Limited (erstwhile Way2Wealth Illuminati Securities Private Limited)	a subsidiary of WSPL incorporated under the laws of India	51.00
Way2Wealth Distributors Private Limited	a subsidiary of WSPL incorporated under the laws of India	100.00
Way2Wealth Commodities Private Limited	a subsidiary of WBPL incorporated under the laws of India	100.00
Way2Wealth Illuminati Pte. Limited ('W2WIP')	a subsidiary of WBPL incorporated under the laws of Singapore	100.00
AlphaGrep Holding HK Limited ('AHHKL')	a subsidiary of W2WIP incorporated under the laws of Hong Kong	100.00
AlphaGrep UK Limited	a subsidiary of W2WIP incorporated under the laws of Hong Kong	100.00
Shanghai Dao Ge International Trading Limited	a subsidiary of W2WIP incorporated under the laws of Hong Kong	100.00
Magnasoft Consulting India Private Limited ('MCIPL')	a subsidiary of CDTL incorporated under the laws of India	77.88
Magnasoft Europe Limited	a subsidiary of MCIPL incorporated under the laws of United Kingdom	100.00
Magnasoft Spatial Services Inc.	a subsidiary of MCIPL incorporated under the laws of Denver	100.00
ASSOCIATES		
Ittiam Systems Private Limited	an associate of TDL incorporated under the laws of India	21.91
Global Edge Software Private Limited	an associate of CDTL incorporated under the laws of India	26.50
Mindtree Limited	an associate of the Company and CDTL incorporated under the laws of India	16.70
Barefoot Resorts and Leisure India Private Limited	an associate of CDHRPL incorporated under the laws of India	27.69
JOINT VENTURES		
Coffee Day Schaerer Technologies Private Limited ('CDSTPL')	a joint venture of CDGL incorporated under the laws of India	49.00
PSA Sical Terminals Limited	a joint venture of SL incorporated under the laws of India	37.50
Sical Sattva Rail Terminal Private Limited	a joint venture of SMART incorporated under the laws of India	50.00

2 BASIS OF PREPARATION

A Statement of compliance

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

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 57.

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

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

B Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Ind AS financial statements are presented in Indian rupee (Rs.), which is Coffee Day Enterprises Limited's functional and presentation currency. All financial information presented in Indian rupee has been rounded to the nearest million unless otherwise indicated.

C Basis of measurement

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

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

D Current versus non-current classification

The Group 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 Group 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 realization in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

E Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with Ind ASs 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 an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgments

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

• note 23: Classification of an item as equity or liability;

• note 3(l): lease classification and straight lining of lease rentals.

Assumptions and estimation uncertainties

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

• note 4: depreciation method and useful life of items of property, plant and equipment;

• note 6: impairment of goodwill;

• note 44: provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources;

• note 49: measurement of defined benefit obligation - key actuarial assumptions.

• note 55: impairment of financial assets

F Measurement of fair values

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

- In the principal market for the asset or liability, or

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

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

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

- Financial instruments (note 55)

- Disclosures for valuation methods, significant estimates and assumptions (note 55)

- Quantitative disclosures of fair value measurement hierarchy (note 55)

- Financial instruments (including those carried at amortized cost) (note 55)

G Basis of Consolidation

Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015:

As part of its transition to Ind AS, the Group has elected to apply Ind AS 103, Business Combinations, to only those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see Note 6). The gain on business combination is recognized directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognized in the consolidated statement of profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognized in the consolidated statement of profit or loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognized in the consolidated statement of profit or loss or OCI, as appropriate.

Business combinations prior to 1 April 2015:

In respect of such business combinations, goodwill represents the amount recognized under the Group's previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles.

Subsidiary companies

Subsidiary Companies are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests (NCI)

NCI in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively. NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not results in a loss of control are accounted for as equity transactions.

Associates and Joint ventures

Interests in associates and joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 3 (h)(ii) below.

Change in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in the consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES

a Revenue recognition

Revenue is recognized 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, inclusive of excise duty and net of taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

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

Sale of products

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

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

Sale of services

Service revenues are recognized as the services are performed. Services provided pursuant to a contract are either recognized over the contract period or upon completion of the elements specified in the contract depending on the terms of the contract.

Operating revenues from the integrated logistics services / distribution and maintenance of vending machines are recognized when the services are rendered. Revenues include unbilled as well as billed amounts.

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

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

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

Income from leasing of commercial office space

The Company derives its revenue from licensing of usage of property to companies. License fee is in the nature of operating lease income and is recognized as per the terms of agreement unless the escalation is not in line with inflation. Where escalation is not in line with inflation revenue is recognized on a straight line basis over the non-cancellable lease term. Maintenance, electricity and transportation income are recognized on the accrual basis in accordance with the terms of the agreements with lessees.

Advance rent received is amortized on a straight line basis over the Lock-in period and income is recognized under income from operations.

Income from financial services

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

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

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

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

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

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

Futures and options trading income comprises of profit/ loss on derivative instruments and these are marked to market.

Other operating revenues

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

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

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

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

Other income

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

Dividends are recognized 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 Group, and the amount of the dividend can be measured reliably.

b Property, plant and equipment

1. Recognition and measurement

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

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

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

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

2. Transition to Ind AS

Certain items of property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group regards the fair value as deemed cost at the transition date, viz., 1 April 2015. Refer note 57.

3. Subsequent expenditure

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

4. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method as well as written down value basis from the date the assets are ready for intended use, and is generally recognized in the consolidated statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. The building built on leasehold land is classified as building and is amortized over the lease term or the useful life of the building, whichever is lower.

Coffee business

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

Asset	Management estimate of useful lives	Method of depreciation
Building	30 – 60 years	SLM
Leasehold improvements	9 years	SLM
Plant and machinery	12 years	SLM
Office equipment	5 years	SLM
Furniture and fixtures	8 - 10 years	SLM
Computers	3 years	SLM
Vehicles	8 years	SLM
Coffee vending machines	7 - 9 years	SLM
Leasehold land	Lease term	SLM

Integrated Logistics business

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

Asset	Management estimate of useful lives	Method of depreciation
Buildings	30 / 60 years	SLM
Furniture & Fixtures	10 / 15 years	SLM/WDV
Office Equipments	5 years	SLM
Computers	3 / 5 years	SLM/WDV
Plant & Machinery	5 years	SLM
Vehicles	8 years	SLM
Port handling equipment	20 years	SLM
Electrical Installations	10 / 5 years	SLM/WDV
Dredger	14 years	SLM
Tender boat	14 years	SLM
Pipes and floaters	20 years	WDV

Hospitality business

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

Asset	Management estimate of useful lives	Method of depreciation
Leasehold improvements	20 years	SLM
Plant and machinery	8 years	SLM
Office equipment	6 years	SLM
Computers (including software)	2 years	SLM
Furniture and fixtures	8 years	SLM
Vehicles	6 years	SLM

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

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

5. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangibles, excluding capitalized development costs, are not capitalized and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

The estimated useful lives of items of finite intangibles of the Group for the current and comparative periods are as follows:

Asset	Management estimate of useful lives	Method of amortization
Computer software	2 - 6 years	SLM
License fees	20 years	SLM
North star software	3 years	SLM

6. **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment property comprise of assets land, building, and other assets such as plant & machinery, furniture & fixtures and equipments which are integral to the generation of cash flows of group of assets. These asset are depreciated using straight line method over their estimated useful life as mentioned in the table below.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

The estimated useful lives of items of the Group for the current and comparative periods are as follows:

Asset	Management estimate of useful lives	Method of amortization
Building	60 Years	SLM
Plant and machinery	15 Years	SLM
Furniture and fixtures	6 Years	SLM
Office equipment	5 Years	SLM

c **Inventories**

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

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

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

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

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

d **Employee benefits**

Defined contribution plan

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

Defined benefit plans

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

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

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

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

Short-term employee benefit

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

Long-term employee benefit

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related services. 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 the consolidated statement of profit and loss. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

Share-based payment transactions

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

e Foreign currency transactions

Transactions and balances

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

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

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

As per Ind AS 101, the Group has chosen to avail the exemption of capitalising the exchange difference arising from foreign currency loan taken on or before 31 March 2016 and not recognised in the consolidated statement of profit and loss.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Rs.at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions.

For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of consolidated profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2014 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2014), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

f Income taxes

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

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

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:
- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

g Provisions and contingent liabilities

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

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

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

h Impairment

(i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:
- financial assets measured at amortised cost; and
- financial assets measured at FVOCI- debt investments.

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

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

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

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

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

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

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

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

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

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

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

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is one year or more past due.

Measurement of expected credit losses:

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

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

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

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

(ii) Impairment of non-financial assets:

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

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

Goodwill arising from a business combination is allocated to CGUs or Groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the consolidated statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

i Earnings per share

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

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

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

j Cash and cash equivalents

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

k Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

l Leases

As a lessee

Assets held under leases

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

Lease payments

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

As a lessor

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

m Government grants

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

Since the grant compensates the Group for expenses incurred, it is recognised in the consolidated statement of profit and loss as a reduction from the respective expenses on a systematic basis in the periods in which such expenses are recognised.

n Contributed equity

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

o Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

p Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets: Classification and subsequent measurement

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

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

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

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

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 55 for financial liabilities designated as hedging instruments.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

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

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

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

Cash flow hedges

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

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

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

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

vi. Compound financial instruments

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

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

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

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

q 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.

r Segment reporting

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Coffee and related business, Integrated multimodal logistics, Financial services, Leasing of commercial office space, Hospitality services and Investment and other corporate functions.

s Recent accounting pronouncements

(a) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

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

4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(Rs. in million)

Particulars	Owned														Leased		Total	Capital work-in-progress
	Freehold land	Buildings (refer note i)	Leasehold improvements	Plant and equipment	Office equipment	Furniture and fixtures	Dredger	Tender boat	Pipes and floaters	Electrical installation	Port handling equipment	Computers	Vehicles	Coffee vending machine	Plant and equipment (refer note iii)	Leasehold land (refer note iii)		
Cost or deemed cost:																		
Balance as at 1 April 2015	4,091.94	2,876.65	2,366.35	2,792.86	154.78	568.59	1,292.10	30.40	11.00	0.40	1,165.20	178.91	708.57	2,041.90	25.87	968.09	19,273.61	6,117.61
Additions (refer note ii)	3.60	64.51	549.71	574.21	18.13	357.60	75.20	1.80	-	-	2.16	26.33	489.86	738.27	13.37	-	2,914.75	2,315.76
Reclassification (refer note iv)	-	-	19.59	(58.57)	10.33	25.73	-	-	-	-	-	2.92	-	-	-	-	-	-
Disposals/ capitalisation	-	-	(34.46)	(54.39)	(0.38)	(3.48)	-	-	-	-	-	(0.90)	(121.77)	-	-	-	(215.38)	(1,370.13)
Exchange differences on translation of foreign operations (refer note v)	-	-	5.91	9.04	1.86	4.86	-	-	-	-	-	0.46	-	-	-	-	22.13	-
Balance as at 31 March 2016	4,095.54	2,941.16	2,907.10	3,263.15	184.72	953.30	1,367.30	32.20	11.00	0.40	1,167.36	207.72	1,076.66	2,780.17	39.24	968.09	21,995.11	7,063.24
Balance as at 1 April 2016	4,095.54	2,941.16	2,907.10	3,263.15	184.72	953.30	1,367.30	32.20	11.00	0.40	1,167.36	207.72	1,076.66	2,780.17	39.24	968.09	21,995.11	7,063.24
Additions (refer note ii)	57.59	219.98	347.56	563.61	63.45	269.13	-	-	-	-	2.10	47.58	1,152.95	973.28	3.53	-	3,700.76	2,484.97
Disposals/ capitalisation	-	-	(29.60)	-	(0.20)	(12.82)	(30.00)	(0.70)	-	-	-	(0.80)	(0.80)	-	-	-	(74.92)	(1,391.84)
Exchange differences on translation of foreign operations (refer note v)	-	-	(3.16)	(6.01)	(1.06)	(3.10)	-	-	-	-	-	(0.25)	-	-	-	-	(13.58)	-
Balance as at 31 March 2017	4,153.13	3,161.14	3,221.90	3,820.75	246.91	1,206.51	1,337.30	31.50	11.00	0.40	1,169.46	254.25	2,228.81	3,753.45	42.77	968.09	25,607.37	8,156.37
Accumulated depreciation																		
Balance as at 1 April 2015	-	238.80	99.62	571.39	117.99	194.93	311.60	6.30	7.20	0.24	794.60	148.48	358.54	-	21.54	-	2,871.23	-
Depreciation for the year (refer Note 41)	-	114.10	567.33	441.49	17.66	128.20	86.00	2.00	0.60	0.10	56.90	12.50	75.44	390.89	5.05	-	1,898.26	-
Reclassification (refer note iv)	-	-	22.15	(54.99)	8.35	22.22	-	-	-	-	-	2.27	-	-	-	-	-	-
Exchange differences on translation of foreign operations (refer note v)	-	-	5.25	5.79	1.44	3.94	-	-	-	-	-	0.48	-	-	-	-	16.90	-
Disposals	-	-	(18.70)	(23.99)	(0.38)	(0.45)	-	-	-	-	-	(0.84)	(108.34)	-	-	-	(152.70)	-
Balance as at 31 March 2016	-	352.90	675.65	939.69	145.06	348.84	397.60	8.30	7.80	0.34	851.50	162.89	325.64	390.89	26.59	-	4,633.69	-
Balance as at 1 April 2016	-	352.90	675.65	939.69	145.06	348.84	397.60	8.30	7.80	0.34	851.50	162.89	325.64	390.89	26.59	-	4,633.69	-
Depreciation for the year (refer Note 41)	-	119.58	589.87	451.20	20.21	168.80	89.20	2.10	0.50	-	52.20	15.03	147.71	460.13	6.00	-	2,122.53	-
Exchange differences on translation of foreign operations (refer note v)	-	-	(4.18)	(3.66)	(0.95)	(2.26)	-	-	-	-	-	(0.23)	-	-	-	-	(11.28)	-
Disposals	-	-	(26.59)	-	(0.20)	(13.89)	-	-	-	-	-	(0.70)	(0.80)	-	-	-	(42.18)	-
Balance as at 31 March 2017	-	472.48	1,234.75	1,387.23	164.12	501.49	486.80	10.40	8.30	0.34	903.70	176.99	472.55	851.02	32.59	-	6,702.76	-
Carrying amount:																		
As at 1 April 2015	4,091.94	2,637.85	2,266.73	2,221.47	36.79	373.66	980.50	24.10	3.80	0.16	370.60	30.43	350.03	2,041.90	4.33	968.09	16,402.38	6,117.61
As at 31 March 2016	4,095.54	2,588.26	2,231.45	2,323.46	39.66	604.46	969.70	23.90	3.20	0.06	315.86	44.83	751.02	2,389.28	12.65	968.09	17,361.42	7,063.24
As at 31 March 2017	4,153.13	2,688.66	1,987.15	2,433.52	82.79	705.02	850.50	21.10	2.70	0.06	265.76	77.26	1,756.26	2,902.43	10.18	968.09	18,904.61	8,156.37

4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS (Contd.)

Notes:

i) Includes building constructed on leasehold land.

ii) As per Ind AS 101, a 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. Accordingly, the Group has opted to avail the option as given in paragraph D13AA of Ind AS 101 - First-time Adoption of Indian Accounting Standards and accordingly capitalised foreign exchange gain/ (loss) of Rs.24.82 million (31 March 2016: (Rs.159.82 million)).

iii) Finance leases

- The carrying value of land held under finance leases as at 31 March 2017 was Rs.968.09 million (31 March 2016: Rs.968.09 million, 1 April 2015: Rs.968.09 million). The Group has taken land admeasuring 10.05 acres in Chikmangalur on lease for a period of 99 years on 1 April 1995. The Group has classified the lease as as a finance lease since it has an option to purchase the land at the end of the lease period.

- Leased plant and machinery represents assets acquired under finance leases contracts. Leased assets are pledged as security for the related finance lease liabilities.

iv) Represents reclassification of certain assets in the previous year from plant and machinery to other asset categories.

v) Represents the effect of translation of assets held by foreign subsidiaries.

vi) Security

- Property, plant and equipment amounting to Rs.15,969.43 million as at 31 March 2017 (31 March 2016: Rs.14,215.12 million; 1 April 2015: Rs.13,239.71 million) has been pledged as security by the Company against loans taken from banks and financial institutions.

- Vehicles with a carrying amount of Rs.11.35 million as at 31 March 2017 (31 March 2016: Rs.1.93 million, 1 April 2015: Rs.2.85 million) are subject to vehicles loans from bank.

vii) Contractual obligations

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities on account of cafés in the course of opening amounting to Rs.23.23 million (March 2016: 132.74 million, April 2015: 203.18 million).

viii) Significant estimates

Property, plant and equipment represents a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life, if any. The useful lives and residual values of Group'sassets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. (Refer note 2(e))

5 INVESTMENT PROPERTY

(*Rs. in million*)

Particulars	Owned					Total
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	
Cost or deemed cost:						
Balance as at 1 April 2015	481.84	4,995.69	804.14	179.77	9.38	6,470.82
Additions	-	809.39	152.14	17.98	1.18	980.69
Balance as at 31 March 2016	481.84	5805.08	956.28	197.75	10.56	7451.51
Balance as at 1 April 2016	481.84	5805.08	956.28	197.75	10.56	7451.51
Additions	225.03	156.31	0.88	-	-	382.22
Deletions	-	-	-	(3.53)	-	(3.53)
Balance as at 31 March 2017	706.87	5961.39	957.16	194.22	10.56	7830.20
Accumulated depreciation						
Balance as at 1 April 2015	-	1528.37	410.47	153.77	9.29	2101.90
Depreciation for the year (refer note 41)	-	392.31	153.37	16.62	0.06	562.36
Balance as at 31 March 2016	-	1920.68	563.84	170.39	9.35	2664.26
Balance as at 1 April 2016	-	1920.68	563.84	170.39	9.35	2664.26
Depreciation for the year (refer note 41)	-	68.24	30.45	11.20	0.25	110.14
Balance as at 31 March 2017	-	1988.92	594.29	181.59	9.60	2774.40
Carrying amount:						
As at 1 April 2015	481.84	3467.32	393.67	26.00	0.09	4368.92
As at 31 March 2016	481.84	388.40	392.44	27.36	1.21	4787.25
As at 31 March 2017	706.87	3972.47	362.87	12.63	0.96	5055.80

Notes to the consolidated financial statements for the year ended 31 March 2017

5 INVESTMENT PROPERTY (Contd.)

A. Notes:

i) For investment property existing as on 1 April 2015, i.e. its date of transition to Ind AS, the group has used Indian GAAP carrying value as deemed cost.

ii) During the year the Company has changed the useful life of building from 30 to 60 years, Plant and machinery from 6 to 15 years and depreciation on the same has been accounted prospectively.

iii) As per Ind AS 101, a 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. Accordingly, the Group has opted to avail the option as given in paragraph D13AA of Ind AS 101 - First-time Adoption of Indian Accounting Standards and accordingly capitalised foreign exchange gain/ (loss) of Rs.164.49 million (31 March 2016: (Rs.411.93 million); 1 April 2015: (Rs.274.21 million)).

iv) Borrowing cost capitalised during the year amounts to Rs.242.46 million (31 March 2016: Rs.275.78 million); 1 April 2015: (Rs.303.57 million)

v) Contractual obligations
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounting to Rs.370.00 million (March 2016: Rs.227.00 million, April 2015: Rs.59.00 million).

vi) Security
Investment property amounting to Rs.4,698 million as at 31 March 2017 (31 March 2016: Rs.4,429 million; 1 April 2015: Rs.4,011 million) has been pledged as security by the Company against loans taken from banks and financial institutions.

B. Amounts recognised in profit and loss for investment properties

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Rental income derived from investment properties	1,100.34	1,000.42
Direct operating expenses (including repairs and maintenance)	(61.16)	(58.78)
Profit arising from investment properties before depreciation and indirect expenses	**1,039.18**	**941.64**
Less: Depreciation	(110.14)	(562.36)
Profit arising from investment properties before indirect expenses	**929.04**	**379.28**

C. Fair value

The Group obtains independent valuations for its investment properties at least annually. As at 31 March 2017, 31 March 2016 and 1 April 2015, the fair values of the properties are Rs.22,388 million, Rs.21,776 million and Rs.17,794 million respectively. The fair value of investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for all of the investment property has been categorised as level 3 fair value based on the inputs to the valuation techniques used.

All resulting fair value estimated for investment properties are based on the inputs as follows:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Considering the revenue generating potential of the existing built-up area both under Part A (Non-SEZ) and Part B (SEZ), opinion on Market Value of the built-up area of the Project Site - 1 is offered using 'Discounted Cash Flow' approach. Further, the Project Site - 1 also has unutilized built potential under both SEZ & Non-SEZ area of about 7,170,410 sq. ft. Since the micro-market does not have large land parcels transacted/sold and/or available for sale, the opinion on Market Value of the unutilized built potential of the Project Site - 1 is offered using only 'Residual' Approach. The paragraphs below present description of the proposed valuation approaches used in the valuation of different project components of the Project Site - 1.	- Teminal yield rate: 31 March 2017: 10.7%; 31 March 2016: 10.7%,; 1 April 2015: 10.7%. – Discount rates: 31 March 2017: 13%, 31 March 2016 : 13%, 31 March 2015 13%. - Benchmark rentals - 44 per sq. ft. per month - Occupancy loss for each lease renewal- Nil - Rent free period for new leases - Nil	- Teminal Yield Rate: - Increase in 100 basis points in terminal yield would result in fair valuation of Rs.19,398 million - Decrease in 100 basis points in terminal yield would result in fair valuation of Rs.24,207 million - Discount rates: - Increase in 100 basis points in risk through increased discount rate would result in fair valuation of Rs.20,747 million - Decrease in 100 basis points in risk through increased discount rate would result in fair valuation of Rs.22,482 million - Benchmark Rentals - Increase in benchmark rentals by 500 basis points would result in fair valuation of Rs.23,030 million. - Decrease in benchmark rentals by 500 basis points would result in fair valuation of Rs.20,126 million. - Occupancy Loss for each lease renewal by six months would result in fair valuation of Rs.21,307 million - Rent Free period for new leases if increased to one year would result in fair valuation of Rs.20,699 million.

5 INVESTMENT PROPERTY (Contd.)

Discounted Cash Flow Approach: The discounted cash flow method is based on the present value of the future receivable net income from the current operational leases / revenues. The current revenues and the future achievable revenues derived from the operational project components of the project site would be adjusted for the outgoing expenses to derive 10-year cash flows. The same is then discounted at an appropriate discounting rate linked with risk adjusted discounting factor to arrive at the sale value for the operational project components.

Residual Approach: Residual approach is adopted in valuing the unutilized land parcel vis- à-vis the property with the benefit of the proposed development scheme together with the provided information and relevant assumptions. The residual approach involves firstly the assessment of the capital value of the land parcel vis-à-vis the property on completion basis i.e. assuming completed as at the date of valuation. Estimated total cost of the construction of the development including fees, plus an allowance for interest and other associated expenditure including developer's risk and profit are deducted from the gross development value. The resultant figure is the residual value. This method is subject to a number of hypothetical assumptions/ parameters. A slight change in one or more of the assumptions/ parameters would have a significant impact on the conclusions reached.

6 GOODWILL

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Carrying amount at the beginning of the year	**5,017.04**	**5,009.05**
Exchange differences on translation of foreign operations	(9.12)	7.99
Provision for impairment of goodwill	(7.07)	-
Carrying amount at the end of the year	**5,000.85**	**5,017.04**

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows:-

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Coffee and related business	3,358.12	3,367.25
Financial services	864.79	864.79
Hospitality services	402.10	402.10
Integrated multimodal logistics	303.12	303.12
Multiple units without significant goodwill	79.79	79.78
Less: impairment of goodwill in coffee business	(7.07)	-
	5,000.85	**5,017.04**

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date or the market capitalization as at the date of reporting. Value in use is generally calculated as the net present value of the projected post-tax cash flows, based on financial budgets approved by management at the assumptions mentioned below plus a terminal value of the cash generating unit to which the goodwill is allocated. Management has determined the values assigned to each of the key assumptions as follows:

Assumption	Approach used to determining values
Terminal value growth rate	This is the weighted average growth rate used to extrapolate revenue beyond the budget period. The rates are consistent with forecasts included in industry reports.
Discount rate	Reflect specific risks relating to the relevant segments and the countries in which they operate.
Terminal EBITDA growth rate	Operating EBITDA has been estimated based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth.

Coffee business

The key assumptions used in the estimation of the recoverable amount are set out below:

Particulars	As at 31 March 2017
Terminal value growth rate	5.0%
Discount rate	18.2%
Terminal EBITDA growth rate	Discounted comparable EBIDTA multiple

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources. Discount rate reflects the current market assessment of the risks specific to a CGU or group of CGUs. The discount rate is estimated based on the capital asset pricing method for respective CGU or group of CGUs. The cash flow projections included specific estimates for seven years developed using internal forecasts. The planning horizon reflects the assumptions for short-to-midterm market developments. The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

6 GOODWILL (Contd.)

Coffee testing:

During the year ended 31 March 2017, the CGU made a downward revision in the future profitability projection for the coffee testing division primarily due to a lowering of previous expectations. The CGU assessed the events and circumstances and determined that it was more likely than not that the fair value of the coffee testing unit was less than its carrying value. Accordingly, the CGU conducted the goodwill impairment tests using profitability projection and recalculated the implied fair value of the goodwill of the reporting unit. As a result of this recalculation, the carrying value of the goodwill was determined to be zero. Consequently, the entire amount of the goodwill related to coffee testing, Rs.7.70 million, was impaired during the current year. The impairment loss is included in other operating expense in the consolidated statements of profit and loss.

Financial services

The key assumptions used in the estimation of the recoverable amount are set out below:

Particulars	As at 31 March 2017
Terminal value growth rate	4.0%
Discount rate	15.0%
Terminal EBITDA growth rate	7.4%

The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Discount rate reflects the current market assessment of the risks specific to a CGU. The discount rate is estimated based on the weighted average cost of capital for respective CGU. The cash flow projections included specific estimates for five years developed using internal forecasts. The planning horizon reflects the assumptions for short-to-midterm market developments. The Group believes that any reasonably possible change in the key assumptions on which a recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

Hospitality services

The recoverable amount of this CGU is based on fair value less cost to sell, estimated using an independent valuer report of the identified real properties under assumed earnings (in use premise) as of the March 31, 2017. The estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

Integrated multimodal logistics

The recoverable amount of this CGU is based on fair value, estimated based on the market capitalization. As of March 31, 2017, the estimated recoverable amount of the CGU exceeded its carrying amount, hence impairment is not triggered.

7 OTHER INTANGIBLE ASSETS

(*Rs. in million*)

Particulars	License fees	Software	Total	Intangible assets under development
Cost or deemed cost:				
Balance as at 1 April 2015	**190.90**	**193.90**	**384.80**	**22.27**
Additions	-	14.47	14.47	61.01
Exchange differences on translation of foreign operations (refer note i)	-	0.42	0.42	-
Balance as at 31 March 2016	**190.90**	**208.79**	**399.69**	**83.28**
Balance as at 1 April 2016	**190.90**	**208.79**	**399.69**	**83.28**
Additions	-	245.50	245.50	73.48
Disposals/ capitalisation	-	-	-	(148.85)
Balance as at 31 March 2017	**190.90**	**454.29**	**645.19**	**7.91**
Accumulated amortisation				
Balance as at 1 April 2015 (refer note 41)	**-**	**123.86**	**123.86**	**-**
Amortisation for the year	24.80	31.56	56.36	-
Exchange differences on translation of foreign operations (refer note i)	-	0.36	0.36	-
Disposals/ capitalisation	-	-	-	-
Balance as at 31 March 2016	**24.80**	**155.78**	**180.58**	**-**
Balance as at 1 April 2016 (refer note 41)	**24.80**	**155.78**	**180.58**	**-**
Amortisation for the year	5.90	29.83	35.73	-
Balance as at 31 March 2017	**30.70**	**185.61**	**216.31**	**-**
Carrying amount:				
As at 1 April 2015	**190.90**	**70.04**	**260.94**	**22.27**
As at 31 March 2016	166.10	53.01	219.11	83.28
As at 31 March 2017	**160.20**	**268.68**	**428.88**	**7.91**

Note:

i) Represents the effect of translation of assets held by foreign subsidiaries.

8 NON-CURRENT INVESTMENTS

A Investments accounted for using equity method

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Investment in Equity instrument:			
Quoted			
- 28.06 million (31 Mar 2016: 28.06 million, 1 Apr 2015: 14.03 million) equity shares of Mindtree Limited of Rs.10 each fully paid-up	5,650.35	5,335.64	4,748.41
Unquoted			
- 5.97 million (31 Mar 2016: 5.97 million, 1 Apr 2015: 5.97 million) equity shares of Global Edge Software Private Limited of Rs.1 each	188.42	153.86	133.57
- 3.20 million (31 Mar 2016: 3.20 million, 1 Apr 2015: 3.20 million) equity shares of Ittiam Systems Private Limited of Rs.1 each	182.07	183.73	183.41
- 0.02 million (31 Mar 2016: 0.02 million, 1 Apr 2015: 0.02 million) equity shares of Barefoot Resorts & Leisure India Private Limited of Rs.100 each	157.19	158.12	158.56
- 5.63 million (31 Mar 2016: 5.63 million, 1 Apr 2015: 5.63 million) equity shares of PSA Sical Terminals Limited of Rs.10 each	148.80	139.10	131.10
- 1.73 million (31 Mar 2016: 1.73 million, 1 Apr 2015: 1.73 million) equity shares of Sical Sattva Rail Terminal Private Limited of Rs.10 each	20.20	29.90	39.90
- 0.69 million (31 Mar 2016: 0.19 million, 1 Apr 2015: Nil) equity shares of Coffee Day Schaerer Technologies Private Limited of Rs.10 each	1.72	0.35	-
	6,348.75	**6,000.70**	**5,394.95**

B Other Non-current investments

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Quoted			
(i) Investments carried at fair value through profit and loss			
- 0.05 million (31 Mar 2016: 0.05 million, 1 Apr 2015: 0.05 million) equity shares of Sicagen India Limited of Rs.10 each fully paid-up	1.30	0.80	0.51
(ii) Investments carried at fair value through other comprehensive income			
- 1.60 million (31 Mar 2016: 1.60 million, 1 Apr 2015: 1.56 million) equity shares of Lakshmi Vilas Bank Limited of Rs.10 each fully paid-up	270.63	133.32	163.07
(iii) Investments carried at amortized cost			
- Nil (31 Mar 2016: 100, 1 Apr 2015: 100) units of 9.95% SBI Bonds of face value Rs.1000 each	-	1.05	1.05
Unquoted			
(i) Investments carried at fair value through other comprehensive income			
- 133,150 (31 Mar 2016: 133,150, 1 Apr 2015: 133,150) equity shares of BGSE Properties & Securities Private Limited of Rs.1 each (fully paid-up)	2.58	2.57	3.73
- 20,000 (31 Mar 2016: 20,000, 1 Apr 2015: 20,000) equity shares of BGSE Financials Limited of Rs.10 each (fully paid-up)	0.36	0.36	0.35
	274.87	**138.10**	**168.71**

Aggregate amount of unquoted investments	701.34	667.99	650.62
Aggregate amount of quoted investments	5,922.28	5,470.81	4,913.04
Aggregate amount of market value of quoted investments	12,979.90	18,462.76	9,308.51

Information about the Company's exposure to credit and market risks, and fair value measurement is included in Note 55.

Notes to the consolidated financial statements for the year ended 31 March 2017

9 TRADE RECEIVABLES

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good	4,089.03	3,126.38	2,739.64
Doubtful	394.41	396.10	317.26
	4,483.44	**3,522.48**	**3,056.90**
Loss allowance for doubtful debts	(394.41)	(396.10)	(317.26)
	4,089.03	**3,126.38**	**2,739.64**
Current	4,089.03	3,059.08	2,720.64
Non-current	-	67.30	19.00

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Total trade receivables from related parties (refer note 51)	21.08	27.11	25.87
Loss allowance:	-	-	-
Net trade receivables	**21.08**	**27.11**	**25.87**

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables is disclosed in Note 55.

10 NON-CURRENT LOANS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured, considered good			
- Loans and advances to clients	41.09	-	0.37
Unsecured, considered good			
Security deposit			
- Deposits with others	1,001.07	923.92	812.17
- Deposits with Stock Exchange/ Clearing Member	57.90	47.81	47.02
Other loans			
- Loans and advance to employees	4.00	4.00	3.00
	1,104.06	**975.73**	**862.56**

11 OTHER NON-CURRENT FINANCIAL ASSETS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fixed bank deposit accounts with banks*	110.39	1,350.49	925.10
Margin money deposits with banks	161.63	69.63	53.00
	272.02	**1,420.12**	**978.10**

* Notes

- includes Rs.106.20 million (31 March 2016: Rs.1,262.91 million, 1 April 2015: Rs.811.52 million) given as security to banks for loans and various credit facilities availed by the subsidiaries.
- includes Rs.2 million (31 March 2016: Nil, 1 April 2015: Rs.2 million) marked as lien in favour of Insurance Regulatory Development Authority by the subsidiary.

12 DEFERRED TAX ASSETS, NET

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax assets			
- Unabsorbed losses	497.51	526.12	509.42
- Provision for doubtful debts	92.90	56.53	38.84
- Employee benefits	29.13	26.13	20.27
- Borrowings measured at amortized cost	18.72	18.84	21.26
- Rent straightlining	18.39	18.39	10.65
- Security deposit	14.91	14.91	13.27
- Excess of depreciation provided in the books over depreciation allowable under income tax laws	8.50	2.25	13.89
- Investment carried at fair value through other comprehensive income	4.50	-	4.50
- Expenditure covered under 40(a)(ia) of Income-tax Act, 1961	1.79	-	-
- Loss on fair value routed through other comprehensive income as per Ind AS 109	0.14	-	7.96
Deferred tax liability			
- Other disallowance under income tax laws	(464.53)	(468.16)	(382.12)
- Excess of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	(26.82)	(26.01)	(38.14)
- Net unrealised gain on open future positions	(2.78)	(0.45)	(1.37)
- Net gain on fair valuation of equity or debt instruments	(0.66)	(0.29)	(0.57)
Minimum Alternate Tax credit entitlement	444.03	333.08	302.32
	635.73	**501.34**	**520.18**

13 OTHER NON-CURRENT ASSETS

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital advances (refer note 51)	4,501.21	2,485.62	1,992.14
Advances other than capital advances:			
- Deferred rental expense	206.88	222.14	219.54
- Taxes paid under protest	69.18	46.68	38.10
- LIC fund for gratuity	26.30	33.40	24.30
- Advances for supply of goods and rendering of services	31.28	40.24	37.30
- PF demand deposited under protest	3.45	3.45	3.40
- Prepaid expenses	20.17	27.42	14.80
- Balances with government authorities	203.39	146.69	145.96
- Other advances	293.61	293.00	293.00
	5,355.47	**3,298.64**	**2,768.54**

14 INVENTORIES

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Raw materials			
- Stock of raw coffee and packing materials	490.78	190.72	134.92
- Stock of perishables, consumables and merchandise	506.81	671.67	748.23
Finished goods of clean and roasted coffee	112.27	175.37	94.57
Stores and spares	134.70	130.80	131.75
Work-in-progress	79.44	80.21	64.32
Loose tools	1.40	1.40	1.30
	1,325.40	**1,250.17**	**1,175.09**
Carrying amount of inventories pledged as securities for borrowings (refer note 23)	633.02	397.92	245.23

15 CURRENT INVESTMENTS

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Quoted			
(i) Investments carried at fair value through profit and loss*			
- Investments in equity instruments (fully paid-up)	7.26	6.08	5.09
- Investments in mutual funds	10.48	120.00	0.06
	17.74	**126.08**	**5.15**
Aggregate amount of quoted investments and market value thereof	17.74	126.08	5.15

* Notes

a) Since the amount of individual investments are insignificant, further breakup is not provided.

b) Information about the Company's exposure to credit and market risks, and fair value measurement is included in Note55.

16 CASH AND CASH EQUIVALENTS

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
- in current accounts	6,635.15	4,066.36	1,271.83
- in escrow accounts	19.05	34.94	23.21
- in fixed deposit accounts with banks (original maturity less than 3 months)	5,970.97	5,634.37	4,844.07
Cash in hand	61.78	56.02	51.99
	12,686.95	**9,791.69**	**6,191.10**

17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks*			
-in margin money deposits with banks	168.09	228.24	123.40
- in fixed deposit accounts with banks	1,638.77	1,775.57	825.96
	1,806.86	**2,003.81**	**949.36**

* Notes

- includes Rs.1,230.61 million (31 March 2016: Rs.126.05 million, 1 April 2015: Rs.474.00 million) given as security to banks for loans and various credit facilities availed by the Group.

17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS (Contd.)

- includes Rs.15.49 million (31 March 2016: Rs.15.49 million, 1 April 2015: Rs.12.89 million) held as margin money deposits against guarantees given by the subsidiary.
- includes NIL (31 March 2016: Rs.2.00 million, 1 April 2015: NIL) marked as lien in favour of Insurance Regulatory Development Authority by the subsidiary.

18 CURRENT LOANS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured, considered good			
- Loan to clients	121.78	127.36	83.41
Unsecured, considered good			
- Loan to clients	3.64	1.78	14.26
Security deposit			
- Security Margin money with Stock exchange/ Clearing house	987.61	835.30	278.86
- Other deposits	126.51	100.68	78.10
Loans to related parties (refer note 51)			
- Coffee Day Barefoot Resorts Private Limited	153.39	149.78	151.57
- Coffee Day Resorts MSM Private Limited	-	63.39	63.36
Other loans (refer note 51)			
- Alphagrep Technologies Pvt. Ltd.	63.71	61.92	63.48
- Alphagrep HK Ltd.	-	1.12	1.05
- Ess & Ess HRM Services Private limited	6.12	5.81	0.96
- Illuminati Software Private Limited	32.51	-	-
- Loans and advance to employees	39.04	17.73	11.80
	1,534.31	**1,364.87**	**746.85**

19 OTHER CURRENT FINANCIAL ASSETS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Derivatives instruments at fair value through OCI			
Cash flow hedges/ not designated as hedges			
- Interest rate swaps	6.55	-	-
Others			
Unsecured, considered good			
Interest accrued	124.57	111.56	61.50
Export benefit receivable	31.07	75.73	90.40
Receivable from exchanges	94.80	110.04	94.31
Advance to ESOP Trust	-	-	10.58
Insurance claims	3.50	-	13.90
Electricity charges recoverable	38.39	36.18	30.57
Staff advances	38.96	25.34	9.75
Unbilled revenue	458.51	272.86	93.33
Receivable from clients	350.53	288.39	322.42
Other receivables	102.66	58.70	82.93
	1,249.54	**978.80**	**809.69**
Unsecured, considered doubtful			
Receivable from clients	62.63	63.23	65.91
Less: Provision for receivable from clients	(62.63)	(63.23)	(65.91)
	1,249.54	**978.80**	**809.69**

Notes to the consolidated financial statements for the year ended 31 March 2017

20 OTHER CURRENT ASSETS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Advances for supply of goods and rendering of services	1,028.83	570.29	505.42
Prepaid expenses	898.09	536.10	558.73
Statutory advances	86.60	16.00	18.00
Balances with government authorities	87.46	74.84	57.20
Deferred rental expense	56.90	65.14	60.71
Service tax credit receivable	27.80	21.70	10.90
Other advances	69.44	87.43	62.07
	2,255.12	**1,371.50**	**1,273.03**

21 EQUITY SHARE CAPITAL

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
270,584,000 (31 March 2016: 270,584,000, 1 April 2015: 270,000,000) equity shares of Rs.10 each	2,705.84	2,705.84	2,700.00
3,500,000 (31 March 2016: 3,500,000, 1 April 2015: 3,500,000) compulsorily convertible preference shares of Rs.10 each	35.00	35.00	35.00
Nil (31 March 2016: Nil, 1 April 2015: 238,000) series A non-convertible redeemable preference shares of Rs.10 each	-	-	2.38
Nil (31 March 2016: Nil, 1 April 2015: 346,000) series B non-convertible redeemable preference shares of Rs.10 each	-	-	3.46
	2,740.84	**2,740.84**	**2,740.84**
Issued, subscribed and fully paid up			
206,001,719 (31 March 2016: 206,001,719, 1 April 2015: 14,591,551) equity shares of Rs.10 each.	2,060.02	2,060.02	145.92
	2,060.02	**2,060.02**	**145.92**

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

(*Rs. in million*) (*except share data*)

Particulars	As at 31 March 2017		As at 31 March 2016	
	No of shares	**Amount**	No of shares	Amount
Number of shares outstanding at the beginning of the year	206,001,719	2,060.02	14,591,551	145.92
Add:				
- Issue of bonus shares [Refer Note 21 (d)]	-	-	102,140,857	1,021.41
- Conversion of compulsorily convertible preference shares held by Standard Chartered Private Equity (Mauritius) II Limited [Refer note 23]	-	-	13,969,232	139.69
- Conversion of compulsorily convertible debentures held by KKR Mauritius PE Investments II Limited [Refer note 23]	-	-	17,826,912	178.27
- Conversion of compulsorily convertible debentures held by Arduino Holdings Ltd. [Refer note 23]	-	-	22,412,192	224.12
- Issue of shares pursuant to initial public offer [Refer Note 21 (b)]	-	-	35,060,975	350.61
Number of shares outstanding at the end of the year	**206,001,719**	**2,060.02**	**206,001,719**	**2,060.02**

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

Equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time, subject to preferential right of preference shareholders to payment of dividend. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid.

21 EQUITY SHARE CAPITAL (Contd.)

Failure to pay any amount called up on shares may lead to their forfeiture. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

During the month of November 2015, the Company has completed the initial public offer (IPO) and raised a total capital of Rs.11,500 million by issuing 35,060,975 equity shares of Rs.10 each at a premium of Rs.318 per share. The equity shares of the Company were listed on BSE and NSE effective 2 November 2015. The proceeds from IPO aggregates to Rs.10,739 million (net of issue expenses of Rs.761.37 million).

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

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	% of holding	No of shares	% of holding	No of shares
Equity shares				
Mr. V G Siddhartha	33.58%	69,174,700	31.04%	63,945,904
KKR Mauritius PE Investments II Limited	10.60%	21,826,912	10.60%	21,826,912
NLS Mauritius LLC	10.88%	22,412,992	10.88%	22,412,992
Devadarshini Info Technologies Private Limited	6.02%	12,408,440	6.02%	12,408,440
Coffeeday Consolidations Private Limited	5.96%	12,268,416	5.96%	12,268,416
Marina West (Singapore) Pte. Ltd.	5.54%	11,402,901	-	-
Gonibedu Coffee Estates Private Limited	5.37%	11,071,104	5.37%	11,071,104
Standard Chartered Private Equity (Mauritius) II Limited	-	-	6.78%	13,969,232

(d) Pursuant to the approval of the shareholders granted at its extraordinary general meeting held on 8 May 2015, 102,140,857 equity shares were allotted as fully paid-up to the existing shareholders of the Company in the ratio of seven equity shares for every one equity share held on 7 May 2015. As on 7 May 2015, 14,591,551 equity shares were outstanding. The bonus equity shares were issued by capitalisation of the reserves lying to the credit of the securities premium account of the Company.

(e) During the five year period ended 31 March 2017:
102,140,857 equity shares were allotted as fully paid-up bonus shares to the existing shareholders of the Company in the ratio of seven equity shares for every one equity share held on 7 May 2015. The bonus equity shares were issued by capitalisation of the reserves lying to the credit of the securities premium account of the Company. The Company has not 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.

22 OTHER EQUITY

Summary of other equity balances*

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Reserves and Surplus			
- Debenture redemption reserve	287.41	275.10	183.40
- General reserve	0.01	0.01	0.01
- Share options outstanding account	64.67	51.63	24.38
- Reserve fund (As per 45IC of Reserve Bank of India, 1934)	1.86	0.92	-
- Capital reserve	(13.77)	31.92	395.60
- Securities premium	21,745.42	21,577.05	3,722.36
- Retained earnings	(1,822.22)	(2,254.14)	(1,736.89)
Other comprehensive income			
- Foreign currency translation reserve	(2.69)	(23.28)	(22.58)
- Equity instruments through other comprehensive income	110.55	(7.48)	19.76
- Cash flow hedges reserve	(7.25)	(11.38)	(19.61)
- Remeasurements of actuarial gain and losses	(4.91)	(6.26)	(4.84)
- Other items of other comprehensive income	(142.53)	(37.75)	1.05
	20,216.55	**19,596.34**	**2,562.64**

*Refer consolidated statement of changes in equity for detailed movement in other equity balances.

22 OTHER EQUITY (Contd.)

Nature and purpose of other equity:

Debenture redemption reserve
Debenture redemption reserve is created out of the profits which is available for payment of premium for the purpose of redemption of debentures.

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

Share options outstanding account
The fair value of the equity-settled share based payment transactions with employees is recognised in statement of profit and loss with corresponding credit to employee stock options outstanding account.

Reserve fund (as per section 45IC of RBI Act 1934)
Reserve fund represents the accumulation of amount transferred from surplus year on year based on the fixed percentage of profit for the year, as per section 451C of Reserve Bank of India Act 1934.

Capital reserve
Share of pre-acquisition profits of subsidiaries at the time of acquisition by the Group is accounted as capital reserve.

Securities premium
Securities premium account comprises of the premium on issue of shares. The reserve is utilised in accordance with the specific provision of the Companies Act, 2013.

Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to investors.

Foreign currency translation reserve
This reserve comprises of all foreign currency differences arising from the translation of the financial statements of foreign operations to functional currency.

Equity instruments through other comprehensive income
This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income that have been recognised in other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off and the income tax thereon.

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

Remeasurements of actuarial gain and losses
The cumulative balances of actuarial gain or loss arising on remeasurements of defined benefit plan is accumulated and recognised. Items included in actuarial gain or loss reserve will not be reclassified subsequently to profit and loss.

Other items of other comprehensive income
The cumulative balances of share of income or loss from associates and joint ventures from other comprehensive income net of taxes has been recognised, amounts reclassified to retained earnings when those assets have been disposed off and the income tax thereon.

23 NON-CURRENT BORROWINGS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured:			
Debentures	9,492.51	4,800.79	6,965.05
Term loans	22,247.93	21,391.17	17,275.76
Long-term maturities of finance lease obligations	3.36	5.81	2.41
Unsecured:			
Debentures	290.46	498.06	7,070.35
	32,034.26	**26,695.83**	**31,313.57**

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 55.

Notes:

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
Reliance Mutual Fund	Secured	Debentures	2,164.26	§ Security § Pledge of a proportion of the shares of Mindtree Limited and Tanglin Development Limited held by the Company; § Personal guarantee of Mr. V. G. Siddhartha. § These debentures carry fixed maturity internal rate of return of 14.25% p.a. including quarterly payable coupon interest rate of 6.5% p.a. § Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay. § The principal amount shall be repaid in 9 equal quarterly instalments beginning from 18 March 2017 and expiring on the scheduled maturity date (i.e., 15 March 2019). § The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement. § During the year, the Company redeemed debentures worth Rs.777.78 million.
ICICI Prudential Asset Management Company	Secured	Debentures	998.28	§ These debentures carry interest @ MIBOR plus 600 base points subject to a minimum of 10.99% and maximum of 11.01% § Security - Pledge of shares of Mindtree where the aggregate amount shall be equal to the principal amount. - Pledge of shares of CDGL where the aggregate amount shall be 2.5 times the benchmark amount from the allotment date and atleast 1.5 times the benchmark amount from the effective date of issue of Mindtree shares. - Personal guarantee of Mr. V. G. Siddhartha. § The Company at all times shall maintain a minimum reserve which shall be equal to the money due and payable to the debenture holders. § The amount shall be paid on bullet repayment basis on the expiry of the term. (i.e.; 11 March 2019) § Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the cash coupon rate. § The Company can redeem such debentures before maturity by giving one day notice of the same.

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
DSP Blackrock Income opportunities Fund	Secured	Debentures	1,046.78	§ Security - Pledge of shares of Mindtree where the aggregate value is equal to the benchmark amount - Pledge of Tanglin Shares where the aggregate value of the shares is equal to the benchmark amount - The Company shall at all times, deposit monies in the designated accounts which is due and payable to the debenture holders on the Scheduled Maturity Date. - Personal guarantee of Mr. V G Siddhartha. § These debentures carry fixed redemption premium of 11.50 % with an interest rate of 8% p.a. cash coupon § Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay. § These debentures are redeemable by way of bullet repayment at the end of 19 months and 6 days from the date of issue (i.e., 25 October 2018) The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.
Birla Sun Life	Secured	Debentures	1,198.28	§ Security - Pledge of a proportion of the shares of Mindtree Limited and Coffee Day Global Limited held by the Company; - Pledge of a proportion of the shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited - Personal guarantee of Mr. V. G. Siddhartha § These debentures have been allotted in two tranches- 27 April 2015- Rs.600 million and 12 May 2015- Rs.600 million. § These debentures carry an interest rate of 14.5% p.a. (increases to 15.5% after one year from date of allotment) § Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay. § These debentures are redeemable by way of bullet repayment at the end of 36 months from the date of issue i.e., 26 April 2018 (Rs.600 million) and 11 May 2018 (Rs.600 million). The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.
Aditya Birla Finance Limited	Secured	Term loan	1,526.30	A) Principal amount of loan amounting to Rs.600 million § Security - Pledge of a proportion of the shares of Mindtree Limited, Coffee Day Global Limited, Sical Logistics Limited held by the Company; - Personal guarantee of Mr. V. G. Siddhartha § The loan carries an interest rate of 13.75% p.a. payable quarterly § Any delay in repayment of interest entails payment of penal interest @ 24% p.a. for the period of delay. § The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% on the principal amount outstanding as on the date of prepayment. The loan is repayable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 26 May 2018). B) Principal amount of loan amounting to Rs.930 million § Security - Pledge of a proportion of the shares of Mindtree Limited and Tanglin Developments Limited held by the Company; - Personal guarantee of Mr. V. G. Siddhartha § The loan carries an interest rate of 12.50% p.a. payable quarterly § Any delay in repayment of interest entails payment of penal interest @ 24% p.a. for the period of delay. § The Company has an option of voluntary prepayment under certain circumstances as set out in the arrangement. Further, the Company has an option to repay the loan in advance with a prepayment premium of 2% on the principal amount outstanding as on the date of prepayment. The loan is repayable by way of bullet repayment at the end of 36 months from the date of issue (i.e., 26 May 2018).

(Rs. in million)

Institution	Nature	Type	Amount	Terms and conditions
Axis Bank Limited	Secured	Term loan	922.36	§ Security - Pledge of Mindtree shares (55% of total security cover). - Listed shares of Sical Logistics Ltd./ Lakshmi Vilas Bank/ CDEL/ any other listed entity acceptable to the lender (65% of total security cover), held by promoter/ group covering 120% of exposure. - Personal guarantee of Mr. V G Siddhartha - Corporate guarantee of any entity pledging shares of Mindtree Ltd and Sical Logistics Ltd/ Lakshmi Vilas Bank/ CDEL/ any other listed entity acceptable to the lender. - Security cover by way of listed shares of at least 1.2x of the outstanding/ disbursed facility amount to be maintained during the tenor of the loan on MTM basis. § The interest rate for the loan is as follows: - 1 year MCLR+ 1%(Spread) p.a, payable monthly (First three years) - 1 year MCLR+ 1.75%(Spread) p.a, payable monthly (subject to minimum effective rate of interest of 10.65% p.a) (Post three years) § The lender can exercise the call option at the end of three years § The Company has an option of voluntary prepayment with no penalty § The loan amount shall be repaid in 4 half yearly instalments beginning from 42nd month of first disbursement (i.e., 28 June 2020) § Amounts unpaid on due date will attract overdue interest at 2% p.a
ICICI Prudential Asset Management Company	Secured	Debentures	949.87	§ These debentures carry interest @ 13% p.a payable quarterly § Security - Pledge of Mindtree shares equal to one time the principal amount with security cover being maintained at all times - Pledge of CDGL shares aggregate of which shall be equal to 1.5 times the face value of the debentures - Personal guarantee of Mr. V. G. Siddhartha. - Company shall at all points of time maintain in a account designated for this purpose amount equal to the cash coupons payable by the Company in the financial quarter in which such date occurs. § The amount shall be paid on bullet repayment basis on the expiry of the term. (i.e.; 16 April 2017) § Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the cash coupon rate. § The Company can redeem such debentures before maturity by giving one day notice of the same.
ICICI Prudential Asset Management Company	Secured	Debentures	799.62	§ These debentures carry interest @ 13% p.a payable quarterly § Security - Pledge of Mindtree shares equal to one time the principal amount with security cover being maintained at all times - Pledge of CDGL shares aggregate of which shall be equal to 1.5 times the face value of the debentures - Personal guarantee of Mr. V. G. Siddhartha. - Company shall at all points of time maintain in a account designated for this purpose amount equal to the cash coupons payable by the Company in the financial quarter in which such date occurs. § The amount shall be paid on bullet repayment basis on the expiry of the term. (i.e.; 8 April 2017) § Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the cash coupon rate. § The Company can redeem such debentures before maturity by giving one day notice of the same.

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
Rabobank International	Secured	Term loan	1,163.16	Secured by § Personal guarantee of the Promoter; § Charge on specific movable assets of the Coffee Day Global Limited; and § First ranking equitable mortgages on the following immovable properties– o Converted land of 2 estates with building located in Mangalore owned by Tanglin Developments Limited; o Land and building located in Hassan, owned by Ganga Coffee Curing Works; and o Land located in Palace Road, Bangalore owned by the Coffee Day Global Limited with a carrying amount of Rs.79 million as at 31 March 2017 (31 March 2016: Rs.79 million, 1 April 2015: Rs.79 million). § Second ranking equitable mortgage on the land and buildings of the Corporate Headquarters of the Coffee Day Global Limited located at Vittal Mallya Road, Bangalore with a carrying amount of Rs.1,314 million as at 31 March 2017 (31 March 2016: Rs.1,390 million, 1 April 2015: Rs.1,465 million) Loan from Rabobank International, Singapore carries a floating interest rate of LIBOR plus 4.15% margin p.a and is repayable in 12 biannual instalments. The Group has entered into an interest rate swap agreement to pay fixed LIBOR of 1.67% (31 March 2016: 1.67%, 1 April 2015: 1.67%) and receive floating LIBOR rate for the above loans. Loan from Rabobank International, Hong Kong carries a floating interest rate of LIBOR plus 3.5% margin p.a and is repayable in 8 biannual instalments with effect from January 2017.
Standard Chartered Bank	Secured	Term loan	191.06	Secured by § Charge on all movable fixed assets of the Coffee Day Global Limited; § Charge over all cash deposits with landlords for cafes and future cafes starting with Standard Chartered Bank facility. § First exclusive charge and irrecoverable rights of lien and set-off on the fixed deposit with Standard Chartered Bank with a carrying value of Rs.Nil (31 March 2016: Rs.88.48 million, 1 April 2015: Rs.86.89 million) The loan carries a floating interest rate of 3 months LIBOR plus 2.75% margin p.a. which is repayable in 17 equal quarterly instalments with effect from August 2013. The loan is denominated in foreign currency. The Coffee Day Global Limited has entered into an interest rate swap to pay fixed rate of interest of 4.46% (31 March 2016: 4.46%, 1 April 2015: 4.46%) and receive floating LIBOR rate.
Vehicle loans	Secured	Term loan	1.24	Secured by hypothecation of vehicles. This loan carries an interest rate within a range of 11.10% p.a. to 11.75% p.a. The principal amount has to be repaid in equal instalments over the period of loan in respect of each vehicle.
FMO	Unsecured	Debentures	460.22	These debentures carry interest rate of 14.5% p.a. payable bi-annually. The debentures shall be converted into equity shares on earlier of the following dates: - Mandatory conversion date i.e. date falling 10 years after the issue of debentures (i.e., 30 March 2010); - Optional conversion date i.e. dates falling 66 months, 72 months, 78 months, 84 months, 90 months, 96 months, 102 months and 108 months from the closing date (i.e. 30 March 2010); - In the event of IPO, the latest permissible date up to which the debentures can remain outstanding under local laws; and - At the investors option upon the occurrence of an event of default. The number of equity shares arising upon conversion will result in 2.85% of total issued and paid up equity share capital of the Coffee Day Global Limited on a fully diluted basis on the date of issue of debentures.. During the year, the holders sold 1,697,572 (31 March 2016: 848,786) Compulsorily Convertible Debentures (CCDs) to the promoter V.G. Siddhartha, subsequent to which the CCDs were converted to 1,230,910 (31 March 2016: 615,455) equity shares of Re 1 each as per the original terms of agreement.

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
Karnataka Bank Limited	Secured	Loan repayable on demand	377.64	Secured by § Hypothecation of stocks of coffee beans located at Chikmangalur; § Hypothecation of goods covered under export bills; § Further, the loan is collaterally secured by - - Deposit of title deeds of a property belonging to a relative of Promoter; - Personal guarantee of Promoter and relatives of Promoter; and - Promissory note provided by the Coffee Day Global Limited and the Promoter.
Oriental Bank of Commerce	Secured	Loan repayable on demand	334.13	Secured by § Foreign documentary demand/ usance bill having maximum usance of 270 days accompanied by Airways bills/ Bill of Lading and drawn under irrevocable letter of credit/ confirmed orders only towards bills purchased; § Hypothecation of stock of coffee at Hassan earmarked for export and advance paid to planters; § Equitable/ Registered mortgage of non agricultural industrial land in the name of Classic Coffee Curing Works at Chikmangalur; and § Personal guarantee of the Managing Director and relatives of the Managing Director.
HSBC Bank	Secured	Loan repayable on demand	100.00	Secured by § Exclusive charge over movable fixed assets, both present and future of the Coffee Day Global Limited's outlets (café's) with asset cover of 1.75x. § Personal Guarantee of Managing Director.
Vijaya bank	Secured	Loan repayable on demand	49.88	Secured by § Hypothecation of stocks and receivables pertaining to vending division of Coffee Day Global Limited
Kotak Mahindra Bank Limited	Secured	Loan repayable on demand	140.57	Secured by § Exclusive charge over movable fixed assets of 100 café outlets and 2,146 vending machines of Coffee Day Global Limited
HDFC Bank Limited	Secured	Term loan	2.57	Secured by hypothecation of vehicles of Coffee Day Global Limited This loan carries an interest rate of 9.25% p.a. The principal amount has to be repaid in 36 equal instalments over the period of loan in respect of each vehicle.
Kotak Mahindra Investments Limited	Secured	Term loan	495.19	The loan is secured by: - Pledge of shares of Mindtree Limited, Sical Logistics Limited and Coffeeday Global Limited. - Personal guarantee of Mr. V G Siddhartha.. Loan is repayable within 60 months from date of first disbursement (first disbursement being March 2016) Rate of interest 12.50% p.a. compounded monthly and payable quarterly ,loan carries effective interest rate of 12.81% p.a
HDFC Bank Limited	Secured	Loan repayable on demand	130.25	USD 2,000,000 overdraft facility was obtained by foreign subsidiary Way2wealth Illuminate PTE limited and it is secured by SBLC issued by Way2wealth Brokers Private Limited in favour of HDFC Bank. Rate of interest is 1 year LIBOR + 2.5%. § Secured against fixed deposit with the Bank and it is payable on demand. Rate of interest: 0.75%-2%
Bajaj Finance Limited	Secured	Loan repayable on demand	36.02	Loans are borrowed against securities. - Rate of interest is 11.5% p.a.
DBS Bank	Secured	Loan repayable on demand	178.31	Secured against fixed deposit of group company. Interest rate for each drawing will be 3% p.a. Loan tenure is 3 months from the date of renewal.

Notes to the consolidated financial statements for the year ended 31 March 2017

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
RBL Bank Limited	Secured	Debentures	500.45	These debentures carry interest rate of 12.50% p.a. These debentures are secured by - Share pledge of Mindtree Limited held by Mr.V.G. Siddhartha, M/s Coffeeday Enterprises Limited & Coffeeday Trading Limited Share pledge of Coffee Day Global Limited held by the Company Personal guarantee of V G Siddhartha These debentures are redeemable by way of bullet repayment at the end of 2 years from the date of issue (i.e., 23 June 2018).
RBL Bank Limited	Secured	Debentures	502.25	These debentures carry interest rate of 11.50% p.a. These debentures are secured by - Share pledge of Mindtree Limited held by Mr.V.G. Siddhartha, M/s Coffeeday Enterprises Limited & Coffeeday Trading Limited Share pledge of Coffee Day Global Limited held by the Company Personal guarantee of V G Siddhartha These debentures are redeemable by way of bullet repayment at the end of 2 years from the date of issue (i.e., 23 June 2018).
Indiabulls Mutual Fund	Secured	Debentures	265.83	These debentures carry interest rate of 1.25% p.a. and are redeemable at premium with effective interest rate of 14.25% p.a.p.q including the cash coupons paid earlier i.e. 1.25% interest payment. These debentures are secured by - Pledge of Sical Shares held by Tanglin Retail Reality Developers Private Limited Pledge of Coffee Day Global Limited Shares held by Cofeeday Enterprises Limited and Corporate guarantee of Tanglin Retail Reality Developers Private Limited Personal guarantee of V G Siddhartha These debentures are redeemable by way of bullet repayment at the end of 38 months from the date of issue (i.e., 22 November 2019).
Birla Sunlife Trustee Company Private Limited	Secured	Debentures	1,205.33	These debentures carry interest rate of 12.75% p.a.These debentures are secured by - Pledge of Coffeeday Global Limited shares held by Coffee Day Enterprises Limited and personal guarantee of VG Siddhartha These debentures are redeemable by way of bullet repayment at the end of 38 months from the date of issue (i.e., 22 November 2019).
A.K Capital Finance Private Limited	Secured	Debentures	263.08	These debentures carry interest rate of 1.25% p.a. and are redeemable at premium with effective interest rate of 13.55% p.a after taking into account cash coupons paid at the rate of 1.25% p.a. These debentures are secured by - Pledge of Sical Logistics Limited Shares held by Tanglin Retail Reality Developments Private limited Corporate guarantee of Coffee Day Enterprises Limited Corporate guarantee of Tanglin Retail Reality Developments Private limited Pledge of Coffee Day Global Limited Shares held by Coffee Day Enterprises Limited Personal guarantee of V G Siddhartha These debentures are redeemable by way of bullet repayment at the end of 38 months from the date of issue (i.e., 23 Jan 2020).

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
Axis Bank Limited	Secured	Term loan	1,001.68	§ Security Pledge of Shares of Mindtree Limited held by coffeeday Enterprises Limited ,Coffee Day Trading Limited and VG Siddhartha. Pledge of shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited. Pledge of shares of Lakshmi Vilas Bank held by Sivan Securities Limited. Pledge of shares of Coffee Day Global Limited held by Company. Personal Guarantee of Mr.V G Siddhartha and Corporate Guarantee of Sivan Securities Limited and Tanglin Retail Reality Private Limited. The loan carries interest rate at MCLR+0% for first nine month and MCLR+1.75% post nine months (Spread will be modified for an effective interest rate of 11% post nine months) . The maturity date of the loan is 27 September 2018.
Housing Development Finance Corporation Limited	Secured	Term loan	8,119.63	a) Rs.4,000 million- loan is to be repaid in 4 equal instalments at the end of the 7th, 8th, 9th and 10th year from the date of disbursement i.e. repayable after June 2018, while the interest is to be serviced at the end of every calendar quarter. The Loan is currently denominated in the notional USD Terms and it was to be converted to rupee terms 1/3rd each (i.e., Rs.1,340 million- at end of 4th year, Rs.1,330 million- each at the end of 5th and 6th year based on average RBI rate for USD for the one week prior to conversion). During the year the Company has requested the lender to continue to denominate the loan in Notional USD terms. The rate of Interest for the period, the loan is a notional USD Loan, is 3 month USD LIBOR plus 570 basis points and after conversion into Rs.Terms, the interest rate shall be the HDFC Corporate Prime Lending Rate (HDFC CPLR) minus 450 basis points. b) Rs.1,100 million- loan is to be repaid in 15 equal quarterly instalments of Rs.92.5 million- each and a final payment of Rs.51.33 million (including interest component) beginning from the end of 4 calendar quarters from the date of disbursement. Interest is to be serviced quarterly at the rate of HDFC CPLR minus 400 basis points. The loan has been repaid during the year. c) Rs.1,200 million - loan is to be repaid in 4 equal instalments at the end of the 7th, 8th, 9th and 10th year from the date of disbursement i.e.. repayable after June 2019, while the interest is to be serviced at the end of every calendar quarter. The Loan is currently in the Notional USD Terms and it will be converted to mutually agreeable rupee terms at the end of 4th year (i.e. June 2016). The rate of Interest for the period the loan is a notional USD Loan, is 3 month USD LIBOR plus 625 to 700 basis points and after conversion into Rs.Terms, the interest rate shall be the HDFC Corporate Prime Lending Rate (HDFC CPLR). d) Rs.500 million loan is to be repaid in 16 quarterly instalments; instalment consisting of 16 equal quarterly instalments of Rs.31.25 million- each beginning from the end of 24 quarters from the date of disbursement i.e.. repayable after June 2020. The interest is to be serviced quarterly and interest at the rate of HDFC CPLR minus 410 basis points would be charged. e) Rs.850 million- (availed to the extent of Rs.800 million-) loan is to be repaid in 29 quarterly instalments; instalment consisting of,18 equal quarterly instalments of Rs.35 million each and 11 equal quarterly instalments of Rs.20 million each, beginning from the end of 7 quarters from the date of disbursement. The repayment towards the loan has been started from June,2015.The interest is to be serviced quarterly and interest at the rate of HDFC CPLR minus 400 basis points would be charged. Entire loan is secured by mortgage of Investment property of global village software park.

Notes to the consolidated financial statements for the year ended 31 March 2017

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
Bajaj Finance Limited	Secured	Term loan	450.00	§ Security Equitable mortgage over the land and buildings of property pledge and pledge of shares of Coffee Day Global Limited Corporate Guarantee from Coffee Day Hotels and Resorts Limited, Corporate guarantee from wilderness Resorts Private Limited, Personal guarantee of the V G Siddhartha and Letter of comfort from Coffee Day Enterprises; The loan is repayable within 36 Months from the date of disbursement (i.e. 29 Feb 2020) Loan bears interest at the rate of 10.75% (i.e. BFL rate minus 40 basis points) payable quarterly.
HDFC Bank Limited	Secured	Term loan	3.07	Secured by hypothecation of vehicles. This loan carries an interest rate of 10 - 11.25% p.a. The principal amount has to be repaid in 60 equal instalments over the period of loan in respect of each vehicle.
ICICI Bank Limited	Secured	Term loan	6.04	Secured by hypothecation of vehicles. This loan carries an interest rate of 8.85 - 9.0% p.a. The principal amount has to be repaid in 60 equal instalments over the period of loan in respect of each vehicle.
Standard Chartered Investments and Loans (India) Limited	Secured	Loan repayable on demand	500.00	**The loan is secured by:** Corporate guarantee of Coffee Day Global Limited The loan carries interest rate of 12.5% p.a. till 20 March 2017 and 13.25% thereafter. The loan is repayable within 3 months from the date of disbursement/amendment date (i.e. 19 June 2017)
Aditya Birla Finance Limited	Secured	Loan repayable on demand	750.00	**The loan is secured by:** a) Pledge of shares of Coffee Day Global Limited (formerly Amalgamated Bean Coffee Trading Co Limited), Mindtree Limited, Sical Logistics Limited held by Tanglin Retail Reality Developers Private Limited, b) Personal guarantee of Mr.V.G.Siddhartha, Director of the holding company c) Demand promissory note for the amount The loan carries interest rate of 14% p.a.
A.K Capital Finance Private Limited	Secured	Loan repayable on demand	250.00	The loan is secured by: Registered Mortgage over the immovable property of Coffeeday Curing Works admeasuring 20Acres owned by Vasanthi hegde situated at KM road, Chikmangalur along with irrevocable power of attorney in favour of the lender within 2 months from the date of first disbursement including deposition of original title deeds for the said property. Pledge of 29,49,173 equity shares of Coffee Day Global held by Coffee Day Enterprises unconditional, irrevocable personal guarantee of Mr.V.G. Siddhartha unconditional, irrevocable personal guarantee of the holding company The loan carries interest rate of 18% p.a. 50% of the facility amount shall be repaid at the end of 2nd month from the date of first disbursement under the facility And balance of the facility amount shall be repaid at the end of 3nd month from the date of first disbursement under the facility The Company has the option to be rollover the facility for maximum period up to 3Months in such a way that the facility rolled over shall not go beyond the validity of the facility.
ECL Finance Ltd	Secured	Term loan	1,000.00	The facility carries interest at ECL Prime Lending Rate (EPLR) minus 300 basis points per annum, subject to minimum of 14.5% p.a payable monthly and the loan is secured by: § Pledge of shares of Sical Logistics Limited held by the Company § Pledge of shares of Company held by group companies § Pledge of shares of Mindtree Limited held by group companies § Corporate Guarantee of Tanglin Developments Limited § Personal guarantee of Mr. V.G. Siddhartha Tenure of Loan - 36 months from the first drawdown date Repayment is to be done at the end of 36 months commencing from the first drawdown date or on demand whichever is earlier

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
Kotak Mahindra Investments Limited	Secured	Term loan	59.31	The facility of Rs.250 million carries interest rate of 15.00%p.a compounded monthly, payable quarterly and the loan is secured by: § Pledge of Mindtree shares Limited Capped at Rs.12.50 crores § Pledge of 10,81,15-0 shares of Coffee Day Global Limited Capped at Rs.12.50 crores § Pledge of shares of Sical Logistics Limited towards additional security § Personal guarantee of Mr. V.G. Siddhartha Tenure of Loan - 60 months from the date of first disbursement Repayment is to be done at the end of 60 months from the date of first disbursement or on exercise of call/ put option by the lender or borrower respectively Out of the credit availed, Rs.190 million was repaid during the year 2016-17
Kotak Mahindra Prime Limited	Secured	Term loan	199.81	The facility of Rs.250 million carries interest rate of 12.50% p.a compounded monthly, payable quarterly and the loan is secured by: § Pledge of shares of Mindtree Limited § Pledge of shares of Coffee Day Global Limited § Pledge of shares of Sical logistics Limited towards additional security § Guarantee of pledger § Personal guarantee of Mr. V.G. Siddhartha Tenure of Loan - 36 months from the date of first disbursement of this facility Repayment is to be done at the end of 36 months from the date of first disbursement or on exercise of call/ put option by the lender or borrower respectively Out of the credit availed, Rs.48.50 million was repaid during the year 2016-17
Standard Chartered Investments and Loans (India) Limited	Secured	Term loan	942.40	The facility carries interest rate of 12.50% p.a. payable monthly and the loan is secured by: § Pledge of shares of Mindtree Ltd held by group companies § Pledge of shares of Sical Logistics Ltd held by the Company § Mortgage of property situated at Mangalore held by Tanglin Developments Ltd § Personal Guarantee of Mr. V.G. Siddhartha Tenure of Loan - 24 months The credit availed has to be repaid at the end of 24 months commencing from first utilisation date.
Tata Capital Financial Services Ltd	Secured	Term loan	595.51	The credit availed carries an interest of 11.60% p.a. payable quarterly and the loan is secured by: § Pledge of unencumbered shares of Mindtree Limited held by the Company § Mortgage of property situated at Mangalore city admeasuring 6.76 acres standing the name of Tanglin Developments Limited § Corporate guarantee of Tanglin Developments Limited § Personal guarantee of Mr. V.G. Siddhartha The tenure of this facility is 36 months from the first drawdown date A bullet repayment at the end of 36 months or on exercise of call/ put option by the lender or borrower respectively is to be done.

Notes to the consolidated financial statements for the year ended 31 March 2017

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
A.K Capital Finance Private Limited	Secured	Loan repayable on demand	250.00	The facility carries an interest rate of 18.00% p.a. and was borrowed and the loan is secured by: § Mortgage over the immovable property owned by Mahadeshwara Enterprises situated in Malleshwaram § Pledge of unencumbered Equity shares of Coffee Day Global Limited. held by Coffee Day Enterprises Limited. § Corporate Guarantee of Coffee Day Enterprises Limited (CDEL) § Personal guarantee of Mr. V.G. Siddhartha Repayment Terms: § First 50% of the facility should be repaid at the end of the 2nd month from the date of first disbursement § The balance 50% of the facility should be repaid at the end of the 3rd month from the date of first disbursement § An option to rollover the facility for a maximum period up to 9 months in a way that it does not go beyond the validity of the facility taken (Validity being 12 months from date of disbursement). A facility of the Rs.25,00,00,000 was borrowed and repaid during the year 2016-17 having similar terms.
Standard Chartered Investments and Loans (India) Limited	Secured	Term loan	550.00	The loan is secured by: § Pledge against the shares of companies and Mortgage over land owned by Group company § Personal guarantee of the Promoter and corporate guarantee. The loan carries interest rate of 12.5% p.a and is repayable within 24 months(For Rs.30 Crores) and 22 months (For Rs.25 Crores) from the date of first utilisation.
Oriental Bank of Commerce	Secured	Term loan	152.50	The loan is secured by: § First charge over specific fixed assets. § Personal guarantee of the Promoter. The loan carries interest rate of bank rate plus 4.35% bank spread and is repayable in 28 quarterly instalments. The maturity date of the loan is 30.06.2020
Axis Bank Limited	Secured	Loan repayable on demand	0.51	Secured by § Hypothecation of stocks and receivables. § Charge over movable fixed assets of the subsidiary.
Clix Capital Services Private Limited	Secured	Term loan	750.00	The loan is secured by: § Pledge of unencumbered Equity shares of Coffee Day Global Limited. held by Coffee Day Enterprises Limited. § Corporate Guarantee of Company § Personal guarantee of Mr. V.G. Siddhartha The loan carries interest rate of 12.5% p.a and is repayable within 12 months from the date of first utilisation.
IDFC Bank Limited	Secured	Debentures	1,000.00	The Group had raised a sum of Rs.1000 million through issue of 1,000 Nos. secured listed 11% Non-convertible debentures of Rs.10 lakh each against the security of dredger belonging to the subsidiary company viz Norsea Offshore India Ltd for the purpose of redeeming the then existing debentures of Kotak Mahindra [earlier ING Vysya Bank Limited]. The NCDs are listed in NSE. The IDBI Trusteeship Services Ltd has been appointed as the debenture trustees. Debentures are redeemable on 25 June 2021.

Notes to the consolidated financial statements for the year ended 31 March 2017

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
RBL Bank Limited	Secured	Debentures	1,000.00	Sical Multimodal and Rail Transport Limited has raised a sum of Rs.1000 million through issue of 1000 Nos. Secured listed 11% Non-convertible debentures of Rs.10 lakh each against the security of - (a) Exclusive first ranking mortgage on 0.60 acres of land situated at Anupampattu Village, Ponneri Taluk, Thiruvallur District, Tamil Nadu; (b) Exclusive first mortgage charge on land (admeasuring 19.5 acres) & Building situated there on at Minjur, Chennai; (c) First Pari passu mortgage charge along with existing charge holder on land (admeasuring around 2.248 acres) owned by SMART covering access road to above mentioned land & building; (d) Exclusive first charge over specific plant & machinery/ movable fixed assets (i.e. 2 rakes & 1,045 Containers) and (e) Unconditional and irrevocable Corporate Guarantee of SICAL Logistics Limited.
Canara Bank	Secured	Term loan	750.00	The subsidiary has taken a secured term loan of Rs.400 million during FY 2013-14, Rs.100 million in FY 2014-15 and Rs.5,00 million during the year against security of pari pasu second charge over current assets and movable fixed assets of the Company with a moratorium period of 12 months along with Bank of Baroda who has the first charge over the assets. Loan is repayable in 16 equal quarterly instalments. The interest rate as on 31 March 2017 is 11.55% which is linked to the base rate.
Indusind Bank	Secured	Term loan	688.40	a) The subsidiary has taken a term loan of Rs.270 million during the FY 2013-14 against security of pari-passu charge on the Ennore Project Assets. Loan is repayable in 84 equal monthly instalments. The interest rate as on 31 March 2017 is 10.98% which is linked to the base rate. b) The subsidiary has taken a term loan of Rs.70 million during the current financial year general corporate purposes. Loan is repayable in 45 equal monthly instalments. The subsidiary has also taken Rs.521 millions of term loan during the current financial year. Loan is repayable in 59 step-up monthly instalments including 3 months of moratorium. The interest rate as on 31 March 2017 is 10.98% which is linked to the base rate. The securities offered for these loans are as below (including a)): i) charge on receivables from Ennore project; ii) pari-passu charge on the Ennore project assets and iii) exclusive charge on the office building located at 11, 12, 13, 14 and 15 Rajgiri Chambers, Mumbai. c) The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 11.00%.
Bank of Baroda	Secured	Term loan	1,224.90	a) The subsidiary had taken term loan of Rs.750 million during the FY 2014-15 against security of certain Immovable properties (Land) for carrying CAPEX and other expenditure for work orders awarded from Neyveli Lignite Corporation Limited and Mahanadi Coal fields Limited, with a moratorium period of 9 months. Loan is repayable in step up 16 quarterly instalments. The interest rate as on 31 March 2017 is 13.10% which is linked to the base rate. b) The subsidiary has taken term loan of Rs.34 million secured by way of hypothecation charge of assets created out of term loan from CFS division. The loan is repayable in 21 monthly instalments. The interest rate as on 31 March 2017 is 11.40% which is linked to the base rate. c) Sical Multimodal and Rail Transport Limited has taken term loan of Rs.941 million against security of equitable mortgage of land and building situated at CFS Minjur comprising of 35.50 acres of land and charge on assets created out of term loan, with a moratorium period of 12 months. Loan is repayable in step up 24 quarterly instalments. The interest rate as on 31 March 2017 is 11.40% which is linked to the base rate.

Notes to the consolidated financial statements for the year ended 31 March 2017

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
South India Bank	Secured	Term loan	500.00	The subsidiary had taken a term loan of Rs.500 million during the FY 2015-16 to meet its capital expenditure requirements against security of movable Fixed assets to be funded out of the loan amount, with a moratorium period of 12 months. Loan is repayable in 12 equal quarterly instalments. The interest rate as on 31 March 2017 is 12.80% which is linked to the base rate.
Yes Bank	Secured	Term loan	2,796.10	a) The subsidiary had taken a term loan of Rs.1300 million during the FY 2015-16 to meet its capital expenditure requirements against security of fixed and current assets, with a moratorium period of 6 months. Loan is repayable in 18 quarterly instalments. The interest rate as on 31 March 2017 is 14% which is linked to the base rate. b) The subsidiary has taken a term loan of Rs.1050 million during the current financial year to meet its capital expenditure requirements against security of subservient charge over fixed and current assets and charge over FD of Rs.300 million. Loan is repayable in 12 step-up quarterly instalments, including moratorium of 6 months. The interest rate as on 31 March 2017 is 11.25% which is linked to the base rate. c) Norsea Offshore India Limited had obtained Rs.800 million term loan facility carrying an interest rate of 10.70% which is linked to the base rate during FY 2012-13. This term loan is secured by subservient charge over dredger. The tenor of the loan is 84 months including a moratorium of 36 months followed by 16 quarterly repayment. d) The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 10.75%.
Axis Bank Limited	Secured	Term loan	92.40	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 9.52%.
Kotak Mahindra Bank Limited	Secured	Term loan	62.20	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 10.01%.
DCB Bank Limited	Secured	Term loan	168.80	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 10.0%.
RBL Bank Limited	Secured	Term loan	776.80	The loan availed by Sical Saumya Mining Limited from bank is secured by exclusive charge on current assets of the Company, unconditional and irrevocable corporate guarantee of Sical Logistics Limited. The loan is repayable over 32 months including a moratorium period of 2 months. The interest rate as on 31 March 2017 is 12.45% which is liked to the base rate.
SREI Infrastructure Finance Limited	Secured	Term loan	442.90	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 9.47%.
Sundaram Finance Limited	Secured	Term loan	191.40	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 10.34%.
Tata Finance Limited	Secured	Term loan	73.40	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 10.79%.
Daimler Financial Services India Private Limited	Secured	Term loan	311.90	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 10.66%.
Cholamandalam Invest & Finance Co Ltd	Secured	Term loan	130.70	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 10.39%.
HDB Financial Service Ltd	Secured	Term loan	12.80	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 11%.
Reliance Commercial Finance Limited	Secured	Term loan	33.40	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 13.50%.
Siemens Financial Services Private Limited	Secured	Term loan	15.10	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 9.60%.
Tata Motor Finance Service Limited	Secured	Term loan	94.30	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 10.28%.
Volvo Financial Services India Private Limited	Secured	Term loan	210.30	The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on 31 March 2017 is 8.95%.

(*Rs. in million*)

Institution	Nature	Type	Amount	Terms and conditions
Bank of Baroda	Secured	Loan repayable on demand	1,988.70	a) Working capital facility is secured by composite hypothecation of entire raw materials, stock in process, stores and spares, packing material, finished goods, plant and machinery etc and book debts and trade advances of the Company both present and future as well as equitable mortgage of certain immovable properties. The interest rate as on 31 March 2017 is 11.90% which is liked to the base rate. b) Working capital facility is secured by composite hypothecation agreement for hypothecation of entire raw materials, stock-in-process, stores & spares, packing materials, finished goods, etc and Book-debts & trade advance of the Company, both present & future of CFS division. The interest rate as on 31 March 2017 is 11.40% which is liked to the base rate.
Hewlett Packard Financial Services India Pvt Ltd	Secured	Term loan	2.77	Secured by § Charge on movable fixed assets of the Magnasoft Consulting India Private Limited with WDV of Rs.27,83,577 as on 31 March 217; The loan carries a interest rate of 12% to 16% p.a. which is repayable in equal monthly instalments with effect from August 2015 payable.
Hewlett Packard Financial Services India Pvt Ltd	Secured	Long-term maturities of finance lease obligations	10.47	Secured by § Charge on leased plant and equipment of the Magnasoft Consulting India Private Limited with WDV of Rs.10.17 as on 31 March 217; The loan carries a interest rate of 13.35% which is repayable in equal monthly instalments.
ICICI Bank Limited	Secured	Loan repayable on demand	79.72	Primary Security: Exclusive charge on the entire current assets of the group. Exclusive Charge on the movable fixed asset of the group and the assets funded by the bank . Collaterally Secured by lien on Fixed Deposit of the group to the extent of Rs.2.14 million and lien on fixed deposit held by the holding group M/s.Coffee Day Trading Limited(formerly known as Global Technology Ventures Limited) ,to the extent of Rs.13.28 million. Personal Guarantee: Mr.Harmit Karla, Director and Member (Personal Guarantee is not less than Rs.100 million) Corporate guarantee by the holding group. Rate of Interest: For cash credit - I Base plus 3.25% For FCNR loan Cash credit - Upfront 1.7% and monthly 3 months LIBOR plus 5.45% Other short term loan - Upfront 2% and monthly 3 months LIBOR plus 5.15%. FCNR short term loan is repayable in 2 years in monthly instalments with an option to renew for 1 more year.
Axis Bank Limited	Secured	Loan repayable on demand	14.29	Collaterally Secured by lien on Fixed Deposit of the Company to the extent of Rs.2,01,123 and lien on fixed deposit held by the holding company M/s. Coffee Day Trading Limited(formerly known as Global Technology Ventures Limited) ,to the extent of Rs.95,13,457/- Personal Guarantee: Mr.Harmit Karla, Director and Member (Personal Guarantee is not less than Rs.100,000) Rate of interest: For cash credit - 2.15% above axis bank's MCLR 3 months (the MCLR 3 M rate applicable at present being 9.15% p.a.) i.e., with present applicable rate of 11.30% per annum

Notes to the consolidated financial statements for the year ended 31 March 2017

24 OTHER NON-CURRENT FINANCIAL LIABILITIES

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deposits from customers	371.80	276.16	227.68
Derivative liability	15.00	58.10	27.40
Rental deposits	815.90	801.32	786.01
Interest accrued but not due on borrowings	5.42	-	38.89
Payables for purchase of fixed assets	-	162.30	138.40
Other payables	0.95	-	-
	1,209.07	**1,297.88**	**1,218.38**

25 NON-CURRENT PROVISIONS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
- Gratuity	108.81	97.31	72.62
- Compensated absence	11.21	7.55	6.07
Others			
- Contingent provisions against standard assets	0.50	0.47	0.46
	120.52	**105.33**	**79.15**

26 DEFERRED TAX LIABILITIES (NET)

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax liability			
- Excess of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	917.91	770.75	724.45
- Net unrealised gain on open future positions	-	0.46	0.54
- Net gain on fair valuation of equity or debt instruments	-	-	0.17
- Others	9.90	8.80	7.70
Deferred tax assets			
- Unabsorbed losses	(578.90)	(482.70)	(498.60)
- Expenditure covered under 43 B of Income-tax Act, 1961	(26.90)	(26.11)	(1.10)
- Other disallowance under income tax laws	-	(4.80)	(3.10)
- Gratuity	(1.28)	(0.85)	(1.07)
- Provision for doubtful trade receivables	(64.50)	(105.50)	(86.20)
	256.23	**160.05**	**142.79**

27 OTHER NON-CURRENT LIABILITIES

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Due to others			
- Advance from customers	147.87	181.65	177.46
- Rent equalisation reserve	69.52	44.98	36.52
	217.39	**226.63**	**213.98**

28 CURRENT BORROWINGS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured:			
Loan repayable on demand *	5,179.51	4,783.32	4,009.95
Unsecured:			
- Loans from related parties (refer note 51)	-	26.05	23.12

28 CURRENT BORROWINGS (Contd.)

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
- Loans and advances from parties other than related parties			
- Illuminati Trading Private Limited	115.00	85.00	25.00
- DAX Partners	61.61	34.03	-
- Highgrove Management	60.11	62.35	58.85
- Ess & Ess HRM services Private Limited	-	-	12.75
- Bank overdraft *	0.51	142.23	127.71
- Commercial papers issued to banks/ financial institution	-	89.89	358.80
	5,416.74	**5,222.87**	**4,616.18**

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 55.

* For detailed terms and conditions refer note 23.

29 TRADE PAYABLES

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Outstanding dues to micro enterprises and small enterprises	-	-	-
Outstanding dues to other than micro enterprises and small enterprises (refer note 51)	1,011.68	991.65	1,234.22
	1,011.68	**991.65**	**1,234.22**

All trade payables are 'current'.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 55.

30 OTHER CURRENT FINANCIAL LIABILITIES

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long-term debt *			
- Debentures	2,571.28	2,268.33	1,347.54
- Term loans	4,462.47	2,427.47	5,336.50
- Others loans	-	258.08	3,575.68
Current maturity of finance lease obligation *	7.11	5.64	2.46
Interest accrued			
- Interest accrued and not due on borrowings	346.36	142.04	182.29
- Interest accrued and due on borrowings	6.66	2.22	12.42
Derivatives not designated as hedges			
- foreign exchange forward contracts	-	1.82	0.30
Others			
- Security deposits	20.23	4.57	43.93
- Accrued salaries and benefits	354.66	422.53	206.24
- Payable to clients	801.56	393.29	321.31
- Creditors for capital goods (refer note 51)	256.81	134.41	138.96
- Employee dues	19.78	-	14.17
- Deposits from customers	442.07	443.67	356.30
- Book overdraft	151.78	152.64	428.86
- Creditors for expenses	1,122.02	913.15	792.30
- Other payables	82.58	85.65	97.07
- Liability towards purchase of shares	-	-	21.74
	10,645.37	**7,655.51**	**12,878.07**

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 55.

* For detailed terms and conditions refer note 23.

Notes to the consolidated financial statements for the year ended 31 March 2017

31 CURRENT PROVISIONS

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
- Gratuity	12.56	11.49	12.59
- Compensated absence	30.72	33.12	22.43
- Others	-	1.36	-
	43.28	**45.97**	**35.02**

32 CURRENT TAX LIABILITIES

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
- Provision for tax, net of advance tax	268.34	206.37	47.10
Closing balance	**268.34**	**206.37**	**47.10**

33 OTHER CURRENT LIABILITIES

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
- Advance from customers (refer note 51)	306.05	78.67	226.95
- Government subsidy received in advance (refer note 48)	2.86	38.34	25.00
- Statutory dues	226.10	163.67	182.49
- Advance payments towards unexpired gift vouchers	6.13	3.86	12.80
- Rent equalisation reserve	10.83	8.15	6.53
- Others	19.40	7.82	3.45
	571.37	**300.51**	**457.22**

34 REVENUE FROM OPERATIONS

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products		
Sale of coffee beans	4,606.36	4,046.22
Sale of food, beverages and other items	11,877.96	10,299.15
Sale of merchandise items	624.44	634.06
Sale of traded goods	2.35	-
Sale of services		
Rental income from SEZ and IT parks	1,100.34	1,000.42
Income from integrated logistics services	9,850.80	8,297.20
Service income from coffee vending machines	807.80	696.27
Income from software development and related services	410.33	397.15
Income from operations of resort	227.83	207.29
Maintenance income	146.44	152.58
Income from financial services		
Consultancy services	368.56	166.15
Trading income - securities	2,725.45	2,981.55
Brokerage income	610.20	548.64
Transaction charges	901.22	624.38
Delayed payment charges	46.89	50.18
Depository charges	20.26	25.85
Portfolio management fees	10.44	5.29
Interest income	31.70	30.15
Other operating revenue		
Sale of import entitlements	104.76	89.59
Advertisement income	300.09	224.36
Interest Income	41.56	35.65
Gain / (loss) from commodity futures	50.08	(36.09)

34 REVENUE FROM OPERATIONS (Contd.)

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Electricity charges	128.97	145.31
Others	8.54	21.23
Less: quality claims	(3.80)	(1.66)
Less: sales tax and luxury tax	(1,260.94)	(1,117.26)
Less: service tax	(1,837.35)	(1,357.67)
Less: trade discounts	(704.86)	(360.81)
	31,196.42	**27,805.18**

35 OTHER INCOME

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income	464.51	479.34
Interest on Income tax refund	54.21	11.57
Rental income	49.92	22.76
Excess provision written back	49.47	11.20
Dividend income		
- Investments carried at fair value through profit and loss	12.99	4.62
Bad debts recovered	1.43	0.22
Gain from forex hedging	1.05	6.16
Profit on sale of asset	0.03	3.20
Foreign exchange gain, net	-	63.33
Non-redemption of gift vouchers	-	1.95
Miscellaneous income	4.26	39.36
	637.87	**643.71**

36 COST OF MATERIALS CONSUMED

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock of raw coffee, packing materials, perishables, consumables and merchandise	862.39	883.15
Purchase of raw materials and packing materials		
- Purchase of coffee beans	3,633.68	3,606.29
- Purchase of perishables, consumables and packing materials	3,699.99	2,981.92
- Purchase of merchandise items	99.85	128.81
Closing stock of raw coffee, packing materials, perishables, consumables and merchandise	(997.59)	(862.39)
	7,298.32	**6,737.78**

37 COST OF INTEGRATED LOGISTICS SERVICES

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Handling and transportation	4,049.10	3,675.10
Freight	1,873.80	1,559.60
Other cost of integrated logistics services	764.90	739.80
	6,687.80	**5,974.50**

Notes to the consolidated financial statements for the year ended 31 March 2017

38 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Opening stock		
Finished goods	175.37	94.57
Work-in-progress	79.91	64.22
(b) Closing stock		
Finished goods	(112.27)	(175.37)
Work-in-progress	(79.03)	(79.91)
	63.98	**(96.49)**

39 EMPLOYEE BENEFITS EXPENSE

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries and wages	3,529.92	3,116.39
Contribution to provident and other funds	269.19	221.71
Share based payments to employees	13.04	27.25
Staff welfare expenses	99.26	68.64
	3,911.41	**3,433.99**

40 FINANCE COSTS

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense	3,074.67	3,422.77
Other borrowing costs	97.42	172.12
	3,172.09	**3,594.89**

41 DEPRECIATION AND AMORTIZATION EXPENSE

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation of property, plant and equipment (refer note 4)	2,122.53	1,898.27
Depreciation on Investment Properties (refer note 5)	110.14	562.36
Amortization of intangible assets (note 7)	35.73	56.36
	2,268.40	**2,516.99**

42 OTHER EXPENSES

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Rent	2,033.81	1,715.18
Securities transaction tax	1,277.00	1,168.79
Exchange charges	1,210.79	1,051.97
Brokerage and commission	359.76	326.01
Power and fuel	320.60	344.36
Legal, professional and consultancy	295.54	220.53
Transportation, traveling and conveyance	263.43	233.26
Communication expenses	234.52	155.59
Rates and taxes	152.71	148.73
Café housekeeping and maintenance	150.95	173.22
Subcontracting charges	136.41	127.34

42 OTHER EXPENSES (Contd.)

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Repairs and maintenance		
- plant and machinery	79.77	155.59
- buildings	31.31	26.29
- vehicles	2.40	2.30
- others	99.86	82.41
Advertising and business promotion expenses	80.17	216.07
Grinding and curing charges	80.17	72.35
Security charges	63.34	47.52
Insurance	42.15	26.92
Freight and handling charges	41.23	87.07
Membership and subscription	40.52	28.75
Provision for doubtful debts	40.33	87.54
Office maintenance and utilities	26.23	29.76
Recruitment charges	22.46	9.73
Foreign exchange loss, net	21.73	-
License fee	20.07	26.15
Payment to auditor's	14.06	14.00
Printing and stationery	13.71	14.98
Food, beverages and other consumables	11.73	9.57
Corporate social responsibility	11.70	6.25
Provision for impairment of goodwill	7.07	-
Director's fees	5.32	8.87
Hotel maintenance	4.12	2.99
Linen, room and other operating expenses	4.12	4.21
Bad debts written off	3.61	16.23
Commission to directors	3.10	3.10
Loss on sale of assets, net	3.03	39.89
Miscellaneous expenses	134.67	124.04
	7,343.50	**6,807.56**

43 INCOME TAX

A Amounts recognised in statement of profit and loss

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current income tax:		
Income tax charge	617.35	469.10
Adjustments in respect of income tax of previous year	(81.11)	(38.06)
	536.24	**431.04**
Deferred tax:		
Relating to origination and reversal of temporary differences	76.72	68.55
Increase/ reduction of tax rate	(7.50)	(0.61)
Recognition of previously unrecognised/ (derecognition of previously recognised) deductible temporary differences	-	(3.58)
Minimum alternative tax credit entitlement	(44.02)	(49.01)
Minimum alternative tax credit entitlement of earlier years	(6.56)	-
	18.64	**15.35**
Income tax expense reported in the statement of profit or loss	**554.88**	**446.39**

Notes to the consolidated financial statements for the year ended 31 March 2017

43 INCOME TAX (Contd.)

B Amounts recognised in other comprehensive income

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Gain/(loss) on financial assets measured at fair value through other comprehensive income, net of tax	-	0.37
Effective portion of gains and losses on hedging	(2.53)	(5.29)
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	(1.01)	2.25
Income tax charged to other comprehensive income	**(3.54)**	**(2.67)**

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit/ (loss) before investment, accounted for using equity method and tax	**634.45**	**(588.97)**
Loss from entities in the Group before taxes	1,146.46	1,868.64
Adjusted profit before tax	**1,780.91**	**1,279.67**
Tax at the Indian tax rate of 34.61% (31 March 2016: 34.61%)	616.37	442.89
Effect of:		
Recognition of previously unrecognised tax loses	(117.43)	(64.05)
Changes in unrecognised temporary differences	89.87	85.38
Adjustments in respect of current income tax of previous years	(19.98)	0.94
Income taxed at special rates	(10.15)	(13.05)
Others	(3.80)	(5.72)
	554.88	**446.39**

D. Amount for which no deferred tax asset is recognised in the balance sheet:

Deferred tax assets have not been recognised in respect of the following losses arisen in the Group that have been loss-making and it is not likely to generate taxable income in the foreseeable future.

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Unused tax losses	3,719.88	1,915.60
Deductible temporary differences	24.59	15.72
Provision for bad and doubtful debts	-	0.28

The unused tax losses of the previous year are set off against current year income.	8.25
The subsidiary company has earned sufficient profits to set off major portion of the opening unused tax losses.	0.41*

*Accordingly deffered tax asset is recognised as at the year end in respect of carry forward of unutilised tax losses and deductible temporary differences.

Other deductible temporary differences do not expire under current tax legislation.

44 CONTINGENT LIABILITIES AND COMMITMENTS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Contingent liabilities:			
Claims against the Group not acknowledged as debt (includes tax demands)	2,424.68	1,979.91	1,088.46
Guarantees excluding financial guarantees	1,994.33	1,231.43	822.83
Other financial guarantees	32.00	88.50	82.70
Commitments:			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	440.15	360.83	444.13
Other commitments towards advertisement contract entered by the Company	-	-	50.00
	4,891.16	**3,660.67**	**2,488.12**

Notes:

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

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

45 EARNINGS PER SHARE (EPS)

(i) Reconciliation of earnings for calculation of earnings per share:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Total comprehensive income as per statement of profit and loss	492.63	(486.66)
Net profit for basic earnings per share	**492.63**	**(486.66)**
Net profit for diluted earnings per share	**492.63**	**(486.66)**

(ii) Reconciliation of number of equity shares for computation of basic earnings per share is set out below:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Number of equity shares at the beginning of the year (Refer note 21)	206,001,719	14,591,551
Add: Weighted average number of equity shares issued during the year	-	42,492,521
Number of weighted average equity shares outstanding during the year	**206,001,719**	**57,084,072**
Add: Bonus shares issued during the year*	-	102,140,857
Weighted average number of equity shares for calculation of earnings per share	**206,001,719**	**159,224,929**

* In accordance with Ind AS 33 on 'Earnings Per Share', basic and diluted earnings per share is adjusted for 1:7 bonus issue for previous period presented.

(iii) Earnings per share:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
From continuing operations		
- Basic	2.39	(3.06)
- Diluted	2.39	(3.06)

Notes to the consolidated financial statements for the year ended 31 March 2017

46 SPECIFIED BANK NOTE

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

(*Rs. in million*)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand on 8 November, 2016	63.27	9.65	72.92
(+) Permitted receipts	-	416.78	416.78
(-) Permitted payments	2.41	11.89	14.30
(-) Amount deposited in Banks	60.86	349.79	410.65
Closing cash in hand on 30 December, 2016	-	**64.75**	**64.75**

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

47 SHARE-BASED PAYMENTS

A. Description of share-based payment arrangements:

Certain employees of one of the subsidiary, **Coffee Day Global Limited (CDGL)** have received employee stock options ('ESOP') on the shares granted by a trust sponsored by the promoters of the CDGL. The Employee Option Plan is designed to reward the employees.

The promoters of the CDGL have reserved 6.2 million equity shares of the CDGL with ABC Employees' Welfare Trust ('the Trust') for issuance to eligible employees, under ESOP plans ('Plan A and Plan B').

The Plans are administered by an ESOP Advisory Committee ('the Committee') constituted by the Board of the CDGL.

Under the plans, the options will be issued to employees at an exercise price, which may be decided by the committee from time to time. The equity shares covered under these options vest over a period of thirty six months for Plan A and eighteen months for Plan B from the date of grant. The exercise period of the options is 3 months from the date of vesting.

The terms and conditions related to the grant of the share options are as follows:-

Plan A:

Particulars	
Employees entitled	All Employees in permanent employment except the Promoters and Directors
Number of options	6.2 million shares have been reserved for issue under employee stock option scheme (Plan A and Plan B).
Vesting conditions	25% of the options will expire at the end of the 1st and 2nd year and the remaining 50% will expire at the end of the third year.
Contractual life of years	The contractual life of the options are 39 months.

Plan B:

Particulars	
Employees entitled	All Employees in permanent employment except the Promoters and Directors
Number of options	6.2 million shares have been reserved for issue under employee stock option scheme (Plan A and Plan B).
Vesting conditions	100% of the Grants vests at the end of 18 months from Grant date.
Contractual life of years	The contractual life of the options are 21 months.

In addition to above scheme, certain employees of the **Magnasoft Consulting India Private Limited (MCIPL)** have also received employee stock options ('ESOP') on the shares granted by a trust sponsored by the promoters of the MCIPL. The Employee Option Plan is designed to reward the employees.

The group have reserved 1.34 million equity shares of the group with Magnasoft Employees' Welfare Trust ('the Trust') for issuance to eligible employees, under ESOP plans.

The Plans are administered by the Board of the group.
Under the plans, the options will be issued to employees at an exercise price, which may be decided by the Board from time to time. The equity shares covered under these options vest over a period of 12 to 36 months from the date of grant.

47 SHARE-BASED PAYMENTS (Contd.)

The terms and conditions related to the grant of the share options are as follows:-

Particulars	
Employees entitled	All Employees in permanent employment except the Promoters and Directors
Number of options	1.3 million shares have been reserved for issue under employee stock option scheme (Plan A)
Vesting conditions	100% of the Grants vests at the end of 12 - 36 months from Grant date.
Contractual life of years	The contractual life of the options are 36 months

B. Measurement of fair values

The fair value at the grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value at the grant date of options granted to employees of **CDGL** during the year ended 31 March 2017 was Rs.Nil per option (31 March 2016: Rs.20.81). The inputs used in the measurement of the grant date fair values of the plan are as follows:

Plan A:

Ind AS 102 requires the share-based plan to be measured at fair value. However, Ind AS 101 gives an optional exemption to measure the equity settled share-based plan at intrinsic value for options which were vested as on the transition date. For options vested before 1 April 2015, the Group has availed the exemption and accounted the same at intrinsic value. For options unvested as at 1 April 2015, the Group has measured the options at fair value. However, there are no outstanding options as at 31 March 2017 as all the options that were granted have been exercised or forfeited during the year. The fair value at the grant date of options granted during the previous year ended 31 March 2016 was Rs.25.58 per option. The fair value at the grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The inputs used in the measurement of the grant date fair values of the plan are as follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Vesting period	-	36 months
Exercise price	-	30
Expected term (years)	-	3.25
Fair value of share price at grant date	-	44.71
Expected price volatility of shares	-	54.49%
Expected dividend yield	-	0%
Risk free interest rate	-	6.58%

Plan B:

There are no outstanding options as at 31 March 2017 as all the options that were granted have been forfeited during the year. The fair value at the grant date of options granted during the previous year ended 31 March 2016 was Rs.86.94 per option. The fair value at the grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The inputs used in the measurement of the grant date fair values of the plan areas follows:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Vesting period	-	18 months
Exercise price	-	150
Expected term (years)	-	1.75
Fair value of share price at grant date	-	199.42
Expected price volatility of shares	-	54.49%
Expected dividend yield	-	0%
Risk free interest rate	-	7%

The fair value at the grant date of options granted to employees of **MCIPL** during the year ended 31 March 2017 was Rs.Nil per option (31 March 2016: Rs.5.86). The model inputs for options granted during the year ended 31 March 2017 included:

47 SHARE-BASED PAYMENTS (Contd.)

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Vesting period	-	0.16 to 3.31 years
Exercise price	-	Rs.1
Grant date	-	Various dates
Expiry date	Upon termination of employment	
Share price at grant date	-	Rs.6.58 - 8.67
Expected price volatility of shares	-	0%
Expected dividend yield	-	0%
Risk free interest rate	-	7.66% to 7.87%

- The expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

- As per Ind AS 102, the risk-free interest rate is the implied yield currently available on zero-coupon government issues of the country in whose currency the exercise price is expressed, with a remaining term equal to the expected term of the option being valued (based on the option's remaining contractual life and taking into account the effects of expected early exercise).

- The expected term of an option is the length of the period over which the option is expected to be unexercised.

C. Reconciliation of outstanding share option

The movements in the options under the plans during the year ended 31 March 2017 and 31 March 2016 is set out below:

CDGL Plan A: (*Rs. except per share data*)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Weighted average price	Shares arising out of options	Weighted average price	Shares arising out of options
Outstanding at the beginning of the year	22.00	136,187	22.00	136,187
Granted during the year	-	-	-	-
Forfeitures during the year	30.00	(115,087)	-	-
Exercised during the year	30.00	(21,100)	-	-
Outstanding at the end of the year	**-**	**-**	**22.00**	**136,187**
Exercisable at the end of the year	**-**	**-**	**-**	**99,125**

The trust had 136,187 shares outstanding at the end of the year ended 31 March 2016 having an exercise price of Rs.30. The weighted average fair value of the above mentioned options estimated on the grant dates using the Black-Scholes-Merton model is Rs.25.58. The options outstanding as at 31 March 2017 had a weighted average remaining contractual life of Nil years (Previous year: 1 year).

CDGL Plan B: (*Rs. except per share data*)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Weighted average price	Shares arising out of options	Weighted average price	Shares arising out of options
Outstanding at the beginning of the year	150.00	822,000	-	-
Granted during the year	-	-	150.00	822,000
Forfeitures during the year	150.00	822,000	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**-**	**-**	**150.00**	**822,000**
Exercisable at the end of the year	**-**	**-**	**-**	**-**

The trust has granted 822,000 shares during the previous year at an exercise price of Rs.150. The weighted average fair value of the above mentioned options estimated on the grant dates using the Black-Scholes-Merton model is Rs.86.94. The options outstanding as at 31 March 2017 had a weighted average remaining contractual life of Nil years (Previous year: 1 year).

47 SHARE-BASED PAYMENTS (Contd.)

MCIPL Plan: (*Rs. except per share data*)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Weighted average price	Shares arising out of options	Weighted average price	Shares arising out of options
Outstanding at the beginning of the year	1.00	1,399,900	-	-
Granted during the year	-	-	1.00	1,399,900
Forfeitures during the year	-	-	-	-
Exercised/ forfeited during the year	1.00	(1,219,500)	-	-
Outstanding at the end of the year	**1.00**	**180,400**	**1.00**	**1,399,900**
Exercisable at the end of the year	**1.00**	**117,400**	**1.00**	**963,850**

The trust has granted 1,219,500 shares during the previous year at an exercise price of Re. 1. The weighted average fair value of the above mentioned options estimated on the grant dates using the Black-Scholes-Merton model is Rs.5.86. The options outstanding as at 31 March 2017 had a weighted average remaining contractual life of 1 year (Previous year: 1 year).

Share options outstanding at the end of the year have the following expiry date and exercise price:

(*Rs. in million*)
(except share data)

Type of arrangement	Grant Date	Exercise price	Number of options granted (outstanding as at the year end)	Fair value as at 31 March 2017	Expense recognized during the year	Outstanding liability as at the year end
CDGL:						
Plan A	1-Aug-12	30.00	-	-	2.42	7.07
Plan B	1-Oct-15	150.00	-	-	10.40	56.97
MCIPL	Various dates	1.00	180,400	-	0.22	0.63
Total					**13.04**	**64.67**

48 GOVERNMENT GRANT

The Group is entitled to receive grant from various State Governments under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (erstwhile Aajeevika Skills Development Programme) launched by the Ministry of Rural Development (MoRD), Government of India, towards providing training facilities. As at 31 March 2017, the Company has received cumulatively, total grant of Rs.77.05 million (31 March 2016 Rs.68.62 million, 1 April 2015: Rs.31.95 million).

The Group has incurred a cost of Rs.49.52 million (Previous year: Rs.23.34 million) under various heads. The said expenses has been reduced from the proceeds of this grant.

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Staff welfare expenses	23.04	9.87
Rent	18.32	7.44
Legal and professional	2.05	3.45
Transportation, travelling and conveyance	3.54	1.11
Repairs and maintenance - buildings	1.28	1.04
Power and fuel	0.72	0.39
Printing and stationery	0.57	0.04
	49.52	**23.34**

49 EMPLOYEE BENEFITS OBLIGATIONS

A. Defined contribution plan

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

49 EMPLOYEE BENEFITS OBLIGATIONS (Contd.)

B. Reconciliation of the projected benefit obligations

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Change in projected benefit obligation:		
Obligations at the beginning of the year	195.41	166.27
Included in profit and loss:		
- Service cost	49.69	36.16
- Interest cost	11.84	9.99
Included in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in financial assumptions	5.46	1.17
- Actuarial (gains)/ losses arising from experience adjustments	(9.42)	3.86
- (Return)/ loss on plan assets excluding interest income	(0.23)	(0.32)
Benefits settled	(22.43)	(21.72)
Obligations at year end	**230.32**	**195.41**
Change in plan assets:		
Plans assets at the beginning of the year, at fair value	120.01	113.97
Expected return on plan assets	12.97	13.27
Actuarial (loss)/gain	1.68	(0.35)
Contributions	23.02	14.84
Benefits settled	(22.43)	(21.72)
Plans assets at year end, at fair value	**135.25**	**120.01**

Liability recognised in the balance sheet

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Fair value of plan assets:	135.25	120.01
Present value of defined benefit obligation at the end of the year	230.32	195.41
Total employee benefit liabilities	**95.07**	**75.40**
Net Liability		
- Current	12.56	11.49
- Non current	108.81	97.31
- Prepaid gratuity	(26.30)	(33.40)

C. (i) Expense recognised in profit or loss:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Cost for the year		
Service cost	49.69	36.16
Interest cost	11.84	9.99
(Return)/ loss on plan assets excluding interest income	(6.93)	(6.37)
Interest income	(6.04)	(6.90)
Net gratuity cost	**48.56**	**32.88**

(ii) Remeasurements recognised in other comprehensive income:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Actuarial (gains)/ losses arising from changes in financial assumptions	1.77	6.20
Actuarial (gains)/ losses arising from experience adjustments	(5.72)	(1.17)
(Return)/ loss on plan assets excluding interest income	1.44	(0.67)
Net gratuity cost	**(2.51)**	**4.36**

D. Plan Assets comprise of the funds amounting to Rs.135.25 million (March 2016: 120.01 million).

49 EMPLOYEE BENEFITS OBLIGATIONS (Contd.)

E. Defined benefit obligation

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest rate	6.65% - 7.82%	7.31% to 8.13%
Expected rate of return on plan assets	7.50% - 9.00%	8.50% to 9.31%
Salary increase	3.00% - 10.00%	3.00% - 10.00%
Retirement age	60 years	60 years
Attrition rate	2.00% - 37.00%	2.00% - 37.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

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

(ii) Sensitivity analysis

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	110.93	117.62	89.70	95.01
Future salary growth (100 basis points movement)	117.68	110.82	95.07	89.59

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.

50 LEASES

(i) Operating lease

Assets given on operating lease:

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Cancellable	249.69	355.75
Non-cancellable	997.09	797.25
	1,246.78	**1,153.00**

The future minimum lease receivables under non-cancellable operating leases in aggregate are as follows:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than 1 year	236.02	367.44	212.85
Later than 1 year and not later than 5 years	229.53	444.49	328.21
More than 5 years	135.82	155.94	176.07

Amounts recognised in other comprehensive income

Assets taken on operating lease:

The Company leases office premises, café outlets, residential facilities and warehouses under operating lease agreements. The Company intends to renew such leases in the normal course of its business. Total rental expense under operating leases was Rs.2,033.81 million and Rs.1,715.18 million for the year ended 31 March 2017 and 31 March 2016 respectively.

50 LEASES (Contd.)

The future minimum lease payments under non-cancellable operating leases in aggregate are as follows:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Not later than 1 year	1,587.32	1,293.09	1,116.65
Later than 1 year and not later than 5 years	4,846.56	4,901.43	3,743.36
More than 5 years	1,961.06	1,782.28	2,020.83

(ii) Finance lease

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

(*Rs. in million*)

Particulars	As at 31 March 2017		As at 31 March 2016		As at1 April 2015	
	Minimum lease payments	Net present value	Minimum lease payments	Net present value	Minimum lease payments	Net present value
Not later than 1 year	8.12	7.11	7.00	5.64	2.98	2.46
Later than 1 year and not later than 5 years	3.61	3.36	7.91	5.81	2.57	2.41

51 RELATED PARTY TRANSACTIONS

A. **Enterprises where control exists**

The related parties where control exists include subsidiaries, associates and joint ventures as referred in Note 1

B. **Parties where significant influence exists/ parties under common control and with whom transactions have taken place:**

Mysore Amalgamated Coffee Estates Limited
Sivan Securities Private Limited
Dark Forest Furniture Company Private Limited
Coffee Day Barefoot Resorts Private Limited
Coffee Day Resorts (MSM) Private Limited
Sical Sattva Logistics Private Limited
Mindtree Limited
Global Edge Software Private Limited
Coffee Day Schaerer Technologies Private Limited
PSA SICAL Terminals Limited
AlphaGrep Trading Limited*
AlphaGrep HK Limited*
Alphagrep Technologies Limited*
Sampigehutty Estates Private Limited

* Alphagrep Technologies Limited, AlphaGrep HK Limited and AlphaGrep Trading Limited ceased to be joint ventures due to loss of control by divestment of 40.5% stake in the entities.

C. **Key management personnel :**

Executive key management personnel:

Mr. V. G. Siddhartha
Mr. R. Ram Mohan
Mr. Sadananda Poojary
Mr. Jayraj Hubli
Mr. Venu Madhav
Mr. B G Srinath
Mr. M R Shashi Bhushan
Mr. Kush Desai
Mr. Sumit R Kamath
Mr. Capt. K.N. Ramesh
Mr. Shankar V
Mr. Harmit Kalra
Mr. Radhakrishnan

Non-Executive / Independent Directors:

Ms. Malavika Hegde
Mr. Sanjay Nayar
Mr. M. D. Mallya
Mr. S.V. Ranganath
Dr. Albert Hieronimus

51 RELATED PARTY TRANSACTIONS (Contd.)

D. Related party transactions other than those with key management personnel

I. The following is a summary of transactions:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Services provided		
PSA SICAL Terminals Limited	-	16.00
Cost of services		
Sical Sattva Logistics Private Limited	14.20	22.80
Loan / advance given		
Dark Forest Furniture Company Private Limited	220.08	-
Mysore Amalgamated Coffee Estates Limited	6,028.94	6,946.60
Coffee Day Barefoot Resorts Private Limited	4.25	0.82
Loan received		
Coffee Day Resorts (MSM) Private Limited	0.35	-
Mysore Amalgamated Coffee Estates Limited	3,385.60	3,152.84
Repayment of loan / advances		
Mysore Amalgamated Coffee Estates Limited	2,945.14	3,152.83
Sivan Securities Private Limited	-	10.06
Loans / advance recovered		
Mysore Amalgamated Coffee Estates Limited	6,108.37	7,000.67
Coffee Day Resorts MSM Private Ltd	63.38	-
Interest received		
Mysore Amalgamated Coffee Estates Limited	88.26	60.08
Interest paid on advances received from		
Mysore Amalgamated Coffee Estates Limited	5.52	14.56
Reimbursement of expenses paid		
Coffee Day Schaerer Technologies Private Limited	8.77	1.57
Purchase of fixed assets		
Dark Forest Furniture Company Private Limited	344.70	356.48
Purchase of clean and raw coffee		
Mysore Amalgamated Coffee Estates Limited	440.46	469.00
Sampigehutty Estates Private Limited	268.56	-
Purchases of coffee vending machines		
Coffee Day Schaerer Technologies Private Limited	18.73	-
Sale of coffee vending machines spares		
Coffee Day Schaerer Technologies Private Limited	-	1.45
Sale of coffee and service income		
Mindtree Limited	24.40	24.37
Rent received		
Global Edge Software Private Limited	41.18	36.67
Mindtree Limited	419.21	415.32
Refundable deposit received		
Mindtree Limited	117.41	-
Global Edge software Private Limited	-	5.10
Deposits refunded		
Mindtree Limited	159.71	193.52
Discount provided		
Mindtree Limited	16.62	-
Advance received for sale of land		
Coffee Day Barefoot Resorts Private Limited	-	400.00
Advance refunded for sale of land		
Coffee Day Barefoot Resorts Private Limited	-	400.00
Purchase of software		
Mindtree Limited	50.89	11.23

51 RELATED PARTY TRANSACTIONS (Contd.)

D. Related party transactions other than those with key management personnel (continued)

II. The following is a summary of balances receivable from and payable:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Creditors for capital goods			
Mindtree Limited	37.41	10.37	-
Dark Forest Furniture Company Private Limited	105.33	22.32	-
Coffee Day Schaerer Technologies Private Limited	11.69	-	-
Deposits payable			
Mindtree Limited	481.61	523.91	717.44
Global Edge Software Private Limited	26.92	26.92	21.82
Other current liabilities			
Mindtree Limited	-	31.71	110.00
Current borrowings			
Sivan Securities Private Limited	-	0.07	10.06
Alphagrep Holding HK ltd	-	25.24	13.06
AlphaGrep Trading Limited	-	0.74	-
Trade payables			
Sical Sattva Logistics Private Limited	25.20	28.00	21.89
Dark Forest Furniture Company Private Limited	-	2.82	0.38
Current loans			
Coffee Day Barefoot Resorts Private Limited	153.39	149.78	151.57
Coffee Day Resorts (MSM) Private Limited	-	63.39	63.36
AlphaGrep HK Limited	-	1.12	1.05
Alphagrep Technologies Limited	63.71	61.92	63.48
Advance for purchase of property (Capital advances)			
Sivan Securities Private Limited	1,400.00	1,400.00	1,400.00
Trade receivables			
Mysore Amalgamated Coffee Estates Limited	-	1.26	0.66
Coffee Day Schaerer Technologies Private Limited	-	2.40	-
Mindtree Limited	21.08	23.45	22.04
PSA SICAL Terminals Limited	-	-	3.17

E. Related party transactions with key management personnel

I. The following is a summary of transactions:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Compensation		
- Short-term employee benefits*	76.80	69.47
- Sitting fees	23.00	47.00
Guarantee given/ (closed)	(956.90)	(138.18)

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

II. The following is a summary of balances receivable from and payable:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Loans and advances	2.81	-	-
Corporate guarantee received	2,172.22	3,129.12	3,267.30

F. Terms and conditions

All outstanding balances with these related parties are priced on an arm's length basis and resulting outstanding balances 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.

52 SEGMENT INFORMATION

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker ("CODM") evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Chairman & Managing Director of the Company have been identified as the CODM.

Accordingly, information has been presented along these business segments viz. Coffee and related business, Integrated multimodal logistics, Financial services, Leasing of commercial office space, Hospitality services and Investment and other corporate operations.

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

Segment result represents EBITDA i.e. earnings before interest expense, depreciation / amortisation expense and tax. For the purpose of segment reporting, the Group has included share of profit from associates and joint ventures under respective business segments.

Since the information about segment assets and segment liabilities are not reviewed by the CODM, the Group has not presented such information as a part of its segment disclosure which is in accordance with the requirements of Ind AS 108.

Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.

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

(i) Segment Revenue:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from external customers:		
Coffee and related business	18,273.14	15,872.37
Integrated multimodal logistics	9,850.80	8,297.20
Financial services	4,758.11	4,482.09
Leasing of commercial office space	1,375.74	1,298.31
Hospitality services	335.28	299.76
Investment and other corporate operations	410.30	397.15
Inter-segment revenue:		
Coffee and related business	0.94	6.73
Integrated multimodal logistics	478.20	251.00
Financial services	1.44	-
Leasing of commercial office space	15.76	21.13
Hospitality services	19.33	16.86
Investment and other corporate operations	-	0.12
Total segment revenue	**35,519.04**	**30,942.72**
Reconciling items:		
- taxes and discounts on sales	(3,806.95)	(2,837.40)
- inter-segment revenue	(515.67)	(300.14)
Total revenue as per statement of profit and loss	**31,196.42**	**27,805.18**

(ii) Segment Results:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Coffee and related business	2,605.64	2,410.59
Integrated multimodal logistics	1,653.80	1,158.50
Financial services	556.17	750.91
Leasing of commercial office space	1,165.33	1,105.21
Hospitality services	49.12	45.79
Investment and other corporate operations	780.94	991.27
Total segment results	**6,811.00**	**6,462.27**
Reconciling items:		
- depreciation	(2,268.40)	(2,516.99)
- finance cost	(3,172.09)	(3,594.89)
Profit before tax as per statement of profit and loss	**1,370.51**	**350.39**
Income tax expense	(554.88)	(446.39)
Profit after tax as per statement of profit and loss	**815.63**	**(96.00)**

Notes to the consolidated financial statements for the year ended 31 March 2017

52 SEGMENT INFORMATION (Contd.)

(iii) Geographical information

(a) Segment Revenue:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from external customers:		
- India	27,980.10	25,022.04
- Europe	2,831.13	2,292.09
- Other foreign countries	385.19	491.05
Total segment revenue	**31,196.42**	**27,805.18**

(b) Segment non-current assets:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
- India	51,589.68	45,851.86	42,335.25
- Europe	726.47	581.73	421.59
- Other foreign countries	220.29	158.50	106.11
Total	**52,536.44**	**46,592.09**	**42,862.95**
Reconciling items:			
- deferred tax assets	635.73	501.34	520.18
- non-current financial assets	1,650.95	2,601.25	2,028.37
Total non-current assets	**54,823.12**	**49,694.68**	**45,411.50**

(iv) Revenue from major products and services

The Group's revenue from continuing operations from its major products or services are as follows:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of food, beverages and coffee beans	18,273.14	15,872.37
Income from integrated logistics services	9,850.80	8,297.20
Securities trading, brokerage and consultancy services	4,758.11	4,482.09
License fee and maintenance income from SEZ and IT parks	1,375.74	1,298.31
Income from software development and related services	410.30	397.15
Income from operations of resort	335.28	299.76

(v) Information about major customers

Revenue from top three customers of the Group's leasing of commercial office space segment is Rs.792 million (Previous year: Rs.735 million) which is more than 10% of the segment's total revenue.

Revenue from top five customers of the Group's integrated multimodal logistics segment is Rs.5,911 million (Previous year: Rs.4,530 million) which is more than 10% of the segment's total revenue.

The Group does not derive more than 10% of it's revenues in other segments from a single customer.

53 CONSOLIDATED FINANCIAL INFORMATION

Additional information required to be disclosed pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 - 'General instructions for the preparation of consolidated financial statements' as at and for the year ended 31 March 2017 is as follows:

(*Rs. in million*)

Name of the entity in the group	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent company								
Coffee Day Enterprises Limited	69.9%	19,905.80	-157.3%	(1,283.26)	0.8%	0.39	-148.5%	(1,282.87)
Indian subsidiaries								
Coffee Day Global Limited*	1.7%	497.44	30.8%	251.58	8.1%	3.91	29.6%	255.49
Sical Logistics Limited*	8.5%	2,427.52	48.5%	395.44	0.0%	-	45.8%	395.44
Way2Wealth Securities Private Limited*	3.1%	891.60	37.5%	305.61	317.2%	153.73	53.2%	459.34
Tanglin Development Limited	7.6%	2,178.56	74.1%	603.99	0.2%	0.11	69.9%	604.10
Coffee Day Trading Limited	-0.6%	(172.61)	-1.5%	(12.29)	0.1%	0.05	-1.4%	(12.24)
Magnasoft Consulting India Private Limited*	0.8%	223.60	11.0%	90.05	0.2%	0.09	10.4%	90.14
Coffee Day Hotels And Resorts Private Limited	-1.8%	(504.05)	-11.7%	(95.56)	0.0%	-	-11.1%	(95.56)
Wilderness Resorts Private Limited	-0.2%	(65.44)	-7.7%	(62.65)	0.0%	-	-7.3%	(62.65)
Karnataka Wildlife Resorts Private Limited	-0.8%	(216.11)	3.7%	29.78	0.0%	-	3.4%	29.78
Tanglin Retail Reality Developments Private Limited	-1.5%	(438.35)	-16.8%	(136.81)	0.0%	-	-15.8%	(136.81)
Girividyuth India Limited	0.0%	0.06	0.0%	(0.05)	0.0%	-	0.0%	(0.05)
Associates (investment as per the equity method)								
Mindtree Limited*	12.6%	3,578.45	85.7%	698.96	-214.0%	(103.69)	68.9%	595.26
Ittiam Systems Private Limited*	0.2%	53.35	-0.1%	(0.91)	-1.6%	(0.76)	-0.2%	(1.66)
Global Edge Software Private Limited*	0.5%	134.03	4.0%	32.68	-11.1%	(5.37)	3.2%	27.31
Barefoot Resorts & Leisure India Private Limited	0.0%	(2.81)	-0.1%	(0.93)	0.0%	-	-0.1%	(0.93)
Total		**28,491.04**		**815.63**		**48.46**		**864.09**
Attributable to: Owners of the group	78.2%	22,276.57	56.6%	461.95	63.3%	30.68	57.0%	492.63
Attributable to: Non-controlling interests	21.8%	6,214.47	43.4%	353.68	36.7%	17.78	43.0%	371.46

Further adjusted for inter company transactions and balances arising on account of acquisition.

* Balances extracted from consolidated financial statements of the entity and includes step down subsidiaries along with associates and joint ventures accounted for using equity method at respective entity level.

Notes to the consolidated financial statements for the year ended 31 March 2017

54 INTEREST IN OTHER ENTITIES

(i) Subsidiaries:

(a) The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of the entity	Country of incorporation	Principal activities	Ownership interest held by the group (%)			Ownership interest held by non-controlling interest (%)		
			31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Coffee Day Global Limited	India	Integrated coffee business	86.63%	87.26%	90.53%	13.37%	12.74%	9.47%
Sical Logistics Limited	India	Integrated logistics provider	52.83%	52.83%	52.83%	47.17%	47.17%	47.17%
Way2Wealth Securities Private Limited	India	Financial intermediary services	85.53%	85.53%	85.53%	14.47%	14.47%	14.47%
Coffee Day Trading Limited	India	Investments in IT/ITeS	88.77%	88.77%	88.77%	11.23%	11.23%	11.23%
Magnasoft Consulting India Private Limited	India	Geospatial services	77.88%	77.88%	77.88%	22.12%	22.12%	22.12%
Tanglin Development Limited	India	Development of Tech Parks / SEZs	100.00%	100.00%	100.00%	-	-	-
Tanglin Retail Reality Developments Private Limited	India	Property developers	100.00%	100.00%	100.00%	-	-	-
Girividyuth India Limited	India	Power generation	100.00%	100.00%	100.00%	-	-	-
Coffee Day Hotels And Resorts Private Limited	India	Operation of holiday resorts	100.00%	100.00%	100.00%	-	-	-
Wilderness Resorts Private Limited	India	Operation of holiday resorts	100.00%	100.00%	100.00%	-	-	-
Karnataka Wildlife Resorts Private Limited	India	Operation of holiday resorts	100.00%	100.00%	100.00%	-	-	-

(b) Summarised financial information of the material subsidiaries that have non-controlling interest before inter company eliminations:

(*Rs. in million*)

Summarised balance sheet	Coffee Day Global Limited			Sical Logistics Limited			Way2Wealth Securities Private Limited		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Current assets	5,937.58	7,356.00	4,456.36	5,587.40	4,030.40	3,179.10	3,839.90	2,532.90	2,070.50
Non-current assets	11,944.54	11,562.95	10,693.86	17,533.40	15,694.10	14,262.80	701.50	1,059.00	498.20
Current liabilities	3,422.59	4,347.63	4,283.64	7,478.80	5,267.00	4,674.90	2,102.50	1,654.70	1,179.80
Non-current liabilities	1,653.01	2,220.19	3,191.46	8,822.10	8,030.60	6,526.60	541.20	532.40	368.50
Accumulated balance of NCI	1,215.37	1,137.84	734.93	2,287.66	2,106.75	2,019.85	192.57	131.95	92.76

(*Rs. in million*)

Summarised statement of profit and loss	Coffee Day Global Limited		Sical Logistics Limited		Way2Wealth Securities Private Limited	
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue	15,354.66	13,699.72	9,219.50	7,774.30	4,554.60	4,336.20
Profit for the year	263.54	241.27	393.10	184.00	306.60	417.60
Other comprehensive income	13.59	5.18	-	-	153.80	(33.20)
Total comprehensive income	**277.13**	**246.45**	**393.10**	**184.00**	**460.40**	**384.40**
Total comprehensive income allocated to NCI	35.12	28.86	180.91	86.89	60.62	39.19
Dividend allocated to NCI	-	-	-	-	-	-

54 INTEREST IN OTHER ENTITIES (Contd.)

(Rs. in million)

Summarised Cash Flows	Coffee Day Global Limited		Sical Logistics Limited		Way2Wealth Securities Private Limited	
	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flow from operating activities	1,783.81	2,026.26	548.50	754.90	455.40	253.80
Cash flow from investing activities	(289.80)	(3,560.55)	(2,238.40)	(1,876.40)	55.10	(314.80)
Cash flow from financing activities	(2,000.50)	2,668.69	1,979.60	1,193.60	(34.90)	249.20
Net increase/ (decrease) in cash and cash equivalents	**(506.49)**	**1,134.40**	**289.70**	**72.10**	**475.60**	**188.20**

(ii) Associates and joint ventures

(a) The associates and joint ventures of the group as at 31 March 2017 which in the opinion of the directors, are material to the Group are listed below:

(Rs. in million)

Name of the entity	Principal activities	Country of incorporation	% of ownership interest	Relationship	Accounting method	Quoted fair value		
						31 March 2017	31 March 2016	1 April 2015
Mindtree Limited	IT consulting and software development	India	16.70%	Associate	Equity method	12,707.97	18,327.59	9,143.88

(Rs. in million)

Name of the entity	Country of incorporation	% of ownership interest	Relationship	Accounting method	Carrying amount		
					31 March 2017	31 March 2016	1 April 2015
Other immaterial associates	India	-	Associate	Equity method	527.68	495.71	475.54
Other immaterial joint ventures	India	-	Joint ventures	Equity method	170.72	169.35	171.00

(b) Summarised financial information about the joint venture or associate:

(Rs. in million)

Summarised balance sheet	Mindtree Limited		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current assets			
- Cash and cash equivalents	2,508.00	2,332.00	3,763.00
- Other current assets	18,102.00	15,942.00	14,935.00
Total	**20,610.00**	**18,274.00**	**18,698.00**
Non-current assets	**13,296.00**	**14,495.00**	**7,996.00**
Current liabilities			
- Financial liabilities (excluding trade payables)	3,616.00	3,169.00	2,011.00
- Trade payables	1,651.00	1,890.00	1,418.00
- Provisions	1,105.00	1,289.00	797.00
- Other current liabilities	1,449.00	1,396.00	825.00
Total	**7,821.00**	**7,744.00**	**5,051.00**
Non-current liabilities			
- Financial liabilities (excluding trade payables)	243.00	785.00	250.00
- Other non-current liabilities	71.00	91.00	128.00
Total	**314.00**	**876.00**	**378.00**
Net assets	**25,771.00**	**24,149.00**	**21,265.00**

54 INTEREST IN OTHER ENTITIES (Contd.)

Reconciliation to carrying amount:

(*Rs. in million*)

Summarised balance sheet	Mindtree Limited As at 31 March 2017	Mindtree Limited As at 31 March 2016
Opening net assets	**24,149.00**	**21,265.00**
Profit for the year	4,186.00	5,525.00
Other comprehensive income	(621.00)	(242.00)
Dividend paid	(2,005.00)	(2,489.00)
Changes in other equity	62.00	90.00
Closing net assets	**25,771.00**	**24,149.00**
Group's share in %	16.70%	16.72%
Group's share in Rs.	4,303.76	4,037.71
Goodwill	1,346.59	1,297.93
Carrying amount	**5,650.35**	**5,335.64**

(*Rs. in million*)

Summarised statement of profit and loss	Mindtree Limited As at 31 March 2017	Mindtree Limited As at 31 March 2016
Revenue	52,364.00	46,730.00
Depreciation and amortization	1,858.00	1,658.00
Finance costs	191.00	160.00
Tax expense	1,363.00	1,706.00
Profit/ (loss) for the year	4,186.00	5,525.00
Other comprehensive income	(621.00)	(242.00)
Total comprehensive income	3,565.00	5,283.00

(c) **Individually immaterial joint venture and associates**

The Group also has interests in a number of immaterial joint venture and associates that are accounted for using the equity method.

(*Rs. in million*)

Particulars	Associates			Joint Venture		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Carrying amount of interests in all individually immaterial associates/ joint ventures	527.68	495.71	475.54	170.72	169.35	171.00
Aggregate amount of Group's share of:						
- profit or loss from continuing operations.	30.85	19.11	-	6.26	(3.61)	-
- post-tax profit or loss from discontinued operations.	-	-	-	-	-	-
- other comprehensive income	(6.13)	1.06	-	-	-	-
Total comprehensive income	**24.72**	**20.17**	**-**	**6.26**	**(3.61)**	**-**

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT

A. Accounting classification and fair value

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

As at 31 March 2017 (*Rs. in million*)

Particulars	Carrying value				Fair Value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
- Non-current investments	1.30	273.57	-	274.87	271.93	-	2.94	274.87
- Non-current loans								
Security deposits	-	-	1,058.97	1,058.97	-	-	-	-
Others	-	-	45.09	45.09	-	-	-	-
- Other non-current financial assets	-	-	272.02	272.02	-	-	-	-
- Current investments	17.74	-	-	17.74	17.74	-	-	17.74
- Trade receivables	-	-	4,089.03	4,089.03	-	-	-	-
- Cash and cash equivalents	-	-	12,686.95	12,686.95	-	-	-	-
- Bank balances other than cash and cash equivalents	-	-	1,806.86	1,806.86	-	-	-	-
- Current loans								
Security deposits	-	-	1,114.12	1,114.12	-	-	-	-
Others	-	-	420.19	420.19	-	-	-	-
- Other current financial assets								
Interest rate swaps	-	6.55	-	6.55	-	6.55	-	6.55
Others	-	-	1,242.99	1,242.99	-	-	-	-
Total	**19.04**	**280.12**	**22,736.22**	**23,035.38**	**289.67**	**6.55**	**2.94**	**299.16**
Financial liabilities:								
- Non-current borrowings (including current maturities)								
Fixed rate instruments	-	-	18,103.09	18,103.09	-	19,360.69	-	19,360.69
Variable rate instruments	-	-	20,972.03	20,972.03	-	-	-	-
- Other non-current financial liabilities								
Derivative liability	15.00	-	-	15.00	-	15.00	-	15.00
Others	-	-	1,194.07	1,194.07	-	-	-	-
- Current borrowings								
Fixed rate instruments	-	-	2,331.26	2,331.26	-	-	-	-
Variable rate instruments	-	-	3,085.48	3,085.48	-	-	-	-
- Trade payables	-	-	1,011.68	1,011.68	-	-	-	-
- Other current financial liabilities (excluding current maturities)	-	-	3,604.51	3,604.51	-	-	-	-
Total	**15.00**	**-**	**50,302.12**	**50,317.12**	**-**	**19,375.69**	**-**	**19,375.69**

Notes to the consolidated financial statements for the year ended 31 March 2017

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

As at 31 March 2016

(*Rs. in million*)

Particulars	Carrying value				Fair Value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
- Non-current investments	0.80	136.25	1.05	138.10	135.17	-	2.93	138.10
- Non-current loans								
Security deposits	-	-	971.73	971.73	-	-	-	-
Others	-	-	4.00	4.00	-	-	-	-
- Other non-current financial assets	-	-	1,420.12	1,420.12	-	-	-	-
- Current investments	126.08	-	-	126.08	126.08	-	-	126.08
- Trade receivables	-	-	3,126.38	3,126.38	-	-	-	-
- Cash and cash equivalents	-	-	9,791.69	9,791.69	-	-	-	-
- Bank balances other than cash and cash equivalents	-	-	2,003.81	2,003.81	-	-	-	-
- Current loans								
Security deposits	-	-	935.98	935.98	-	-	-	-
Others	-	-	428.89	428.89	-	-	-	-
- Other current financial assets	-	-	978.80	978.80	-	-	-	-
Total	**126.88**	**136.25**	**19,662.45**	**19,925.58**	**261.25**	**-**	**2.93**	**264.18**
Financial liabilities:								
- Non-current borrowings (including current maturities)								
Fixed rate instruments	-	-	12,113.29	12,113.29	-	12,322.71	-	12,322.71
Variable rate instruments	-	-	19,542.06	19,542.06	-	-	-	-
- Other non-current financial liabilities								
Derivative liability	58.10	-	-	58.10	-	58.10	-	58.10
Others	-	-	1,239.78	1,239.78	-	-	-	-
- Current borrowings								
Fixed rate instruments	-	-	2,865.69	2,865.69	-	-	-	-
Variable rate instruments	-	-	2,357.18	2,357.18	-	-	-	-
- Trade payables	-	-	991.65	991.65	-	-	-	-
- Other current financial liabilities (excluding current maturities)	-	-	2,695.99	2,695.99	-	-	-	-
Total	**58.10**	**-**	**41,805.64**	**41,863.74**	**-**	**12,380.81**	**-**	**12,380.81**

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

As at 1 April 2015 *(Rs. in million)*

Particulars	Carrying value				Fair Value			
	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
- Non-current investments	0.51	167.15	1.05	168.71	164.63	-	4.09	168.72
- Non-current loans								
Security deposits	-	-	859.19	859.19	-	-	-	-
Others	-	-	3.37	3.37	-	-	-	-
- Other non-current financial assets	-	-	978.10	978.10	-	-	-	-
- Current investments	5.15	-	-	5.15	5.15	-	-	5.15
- Trade receivables	-	-	2,739.64	2,739.64	-	-	-	-
- Cash and cash equivalents	-	-	6,191.10	6,191.10	-	-	-	-
- Bank balances other than cash and cash equivalents	-	-	949.36	949.36	-	-	-	-
- Current loans								
Security deposits	-	-	356.96	356.96	-	-	-	-
Others	-	-	389.89	389.89	-	-	-	-
- Other current financial assets	-	-	809.69	809.69	-	-	-	-
Total	**5.66**	**167.15**	**13,278.35**	**13,451.16**	**169.78**	**-**	**4.09**	**173.87**
Financial liabilities:								
- Non-current borrowings (including current maturities)								
Fixed rate instruments	-	-	13,555.32	13,555.32	-	13,715.77	-	13,715.77
Variable rate instruments	-	-	22,192.08	22,192.08	-	-	-	-
Convertible instruments	-	-	5,828.35	5,828.35	-	-	-	-
- Other non-current financial liabilities								
Derivative liability	27.40	-	-	27.40	-	27.40	-	27.40
Others	-	-	1,190.98	1,190.98	-	-	-	-
- Current borrowings	-	-		-	-	-	-	-
Fixed rate instruments	-	-	2,061.99	2,061.99	-	-	-	-
Variable rate instruments	-	-	2,554.19	2,554.19	-	-	-	-
- Trade payables	-	-	1,234.22	1,234.22	-	-	-	-
- Other current financial liabilities (excluding current maturities)	-	-	2,615.89	2,615.89	-	-	-	-
Total	**27.40**	**-**	**51,233.02**	**51,260.42**	**-**	**13,743.17**	**-**	**13,743.17**

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

B. Measurement of fair values

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

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

Notes to the consolidated financial statements for the year ended 31 March 2017

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

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 net asset value.

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

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

Valuation technique and significant unobservable inputs

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

(*Rs. in million*)

Financial instruments measurement	Type	Valuation technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Fair value	Investments	Quoted market prices of the respective investments.	Not applicable	Not applicable
Fair value	Derivative liability - Interest rate swaps	The fair value is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to a credit risk adjustment that reflects the credit risk of the entity and of the counterparty; this is calculated based on credit spreads derived from current credit default swap or bond prices.	Not applicable	Not applicable
Amortised cost	Borrowings	Discounted cash flows: The valuation model considers the present value of expected receipt/payment discounted using risk-adjusted / appropriate discounting rates.	Not applicable	Not applicable
Fair value	Equity shares	Estimated enterprise value per share of the investee company.	Not applicable	Not applicable

C. Financial risk management

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

- credit risk (refer note ii below)

- liquidity risk (refer note iii below)

- market risk (refer note iv below)

(i) Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

C. Financial risk management (continued)

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

(ii) Credit risk

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

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

Trade and other receivables:

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

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each client. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. In respect of trade and client receivables each company in the group uses a provision matrix to compute the expected credit loss allowance. The provision matrix takes into account available external and internal credit risk factors such as credit default and the group's historical experience from customers.

Expected credit loss (ECL) assessment for customers as at 31 March 2017, 31 March 2016 and 1 April 2015:

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

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

(Rs. in million)

Particulars	As at 31 March 2017		As at 31 March 2016		As at1 April 2015	
	Carrying amount	Provision amount	Carrying amount	Provision amount	Carrying amount	Provision amount
Up to 180 days	1,528.42	-	1,242.25	-	1,204.17	-
180 days - 1 year	2,416.71	40.09	1,787.81	20.00	1,447.46	-
1 - 2 years	462.49	278.50	410.17	293.85	335.81	247.80
More than 2 years	75.82	75.82	82.25	82.25	69.46	69.46
	4,483.44	**394.41**	**3,522.48**	**396.10**	**3,056.90**	**317.26**

The gross carrying amount of trade receivables is Rs.4,443.44 million as at 31 March 2017 (31 March 2016: Rs.3,522.48 million; 1 April 2015: Rs.3,056.90 million).

Loans and other financial asset:

Expected credit loss for loans and other financialasset is as follows:

Particulars		Period ended	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-17	Security deposits	2,173.09	0.0%	-	2,173.09
			Other financial asset	1,521.56	4.1%	62.63	1,458.93
			Loan	465.28	0.0%	-	465.28
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-16	Security deposits	1,907.71	0.0%	-	1,907.71
			Other financial asset	2,398.92	2.6%	63.23	2,335.69
			Loan	432.89	0.0%	-	432.89

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

Particulars		Period ended	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	1-Apr-15	Security deposits	1,216.15	0.0%	-	1,216.15
			Other financial asset	1,787.79	3.7%	65.91	1,721.88
			Loan	393.26	0.0%	-	393.26

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

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

Reconciliation of loss allowance:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Loss allowance in the beginning of the year	459.33	383.17
Excess provision written back	(49.47)	(11.20)
Provision for doubtful debts	40.33	87.54
Exchange differences on translation of foreign operations	6.85	(0.18)
Loss allowance at the end of the year	**457.04**	**459.33**

(iii) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

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

Exposure to liquidity risk

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

(*Rs. in million*)

As at 31 March 2017	Carrying amount	Total	Less than 1 year	1–2 years	3–5 years	More than 5 years
Non-derivative financial liabilities						
- Non-current borrowings (including current maturities)	39,075.12	47,081.62	13,770.57	16,823.82	15,239.83	1,247.40
- Current borrowings	5,416.74	5,416.74	5,416.74	-	-	-
- Trade payables	1,011.68	1,011.68	1,011.68	-	-	-
- Other financial liabilities (current and non-current excluding current maturities)	4,798.58	4,798.58	3,604.51	1,194.07	-	-
	50,302.12	**58,308.62**	**23,803.50**	**18,017.89**	**15,239.83**	**1,247.40**

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

(*Rs. in million*)

As at 31 March 2016	Carrying amount	Total	Less than 1 year	1–2 years	3–5 years	More than 5 years
Non-derivative financial liabilities						
- Non-current borrowings (including current maturities)	31,655.35	41,282.65	9,931.10	12,121.63	16,498.15	2,731.77
- Current borrowings	5,222.87	5,222.87	5,222.87	-	-	-
- Trade payables	991.65	991.65	991.65	-	-	-
- Other financial liabilities (current and non-current excluding current maturities)	3,935.77	3,935.77	2,695.99	1,239.78	-	-
	41,805.64	**51,432.94**	**18,841.61**	**13,361.41**	**16,498.15**	**2,731.77**

(*Rs. in million*)

As at 1 April 2015	Carrying amount	Total	Less than 1 year	1–2 years	3–5 years	More than 5 years
Non-derivative financial liabilities						
- Non-current borrowings (including current maturities)	41,575.75	43,821.46	11,543.89	14,984.72	12,861.20	4,431.65
- Current borrowings	4,616.18	4,616.18	4,616.18	-	-	-
- Trade payables	1,234.22	1,234.22	1,234.22	-	-	-
- Other financial liabilities (current and non-current excluding current maturities)	3,806.87	3,806.87	2,615.89	1,190.98	-	-
	51,233.02	**53,478.73**	**20,010.18**	**16,175.70**	**12,861.20**	**4,431.65**

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

(iv) Market risk

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

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

Currency risk

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

Exposure to currency risk

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	Foreign Currency Amount		
Financial assets			
Trade receivables			
AED	-	0.01	-
AUD	0.18	0.14	0.04
BRL	0.08	0.12	0.20
CAD	0.17	0.10	0.09
EURO	0.56	0.40	0.27
GBP	0.31	0.14	0.09
SGD	0.03	0.03	0.06
USD	9.47	8.50	11.64

Notes to the consolidated financial statements for the year ended 31 March 2017

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

Exposure to currency risk (Contd.)

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
	Foreign Currency Amount		
Advances recoverable in cash or in kind			
USD	0.50	1.05	1.28
GBP	0.05	0.05	0.05
Financial liabilities			
Bank Loan			
USD	(131.15)	(144.61)	(136.44)
EURO	(2.02)	-	-
Net statement of financial position exposure	(121.82)	(134.07)	(122.72)
Less: Forward exchange contracts (USD)	2.94	8.82	14.71
Net exposure	**(118.88)**	**(125.25)**	**(108.01)**

The following significant exchange rates have been applied:

(*Rs. in million*)

	Year-end spot rate	
Rs.	As at 31 March 2017	As at 31 March 2016
AED	17.62	18.00
AUD	49.61	50.62
BRL	20.70	18.20
CAD	48.58	50.77
EURO	69.51	74.82
GBP	80.63	95.19
SGD	46.39	48.89
USD	64.74	66.14

Sensitivity analysis

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

(*Rs. in million*)

Particulars	Percentage movement	Profit or loss		Equity, net of tax	
		Strengthening	Weakening	Strengthening	Weakening
31 March 2017					
AED	2%	-	-	-	-
AUD	2%	0.18	(0.18)	-	-
BRL	14%	0.23	(0.23)	-	-
CAD	4%	0.33	(0.33)	-	-
SGD	7%	(7.10)	7.10	-	-
USD	15%	4.35	(4.35)	-	-
ZAR	5%	0.07	(0.07)	-	-
NZD	2%	(156.90)	156.90	(160.71)	160.71
31 March 2016					
AED	3%	0.01	(0.01)	-	-
AUD	5%	0.35	(0.35)	-	-
BRL	5%	0.11	(0.11)	-	-
CAD	3%	0.15	(0.15)	-	-
CHF	7%	-	-	-	-
EURO	10%	2.99	(2.99)	-	-
GBP	3%	0.54	(0.54)	-	-
SGD	7%	0.10	(0.10)	-	-
USD	6%	(535.97)	535.97	(570.97)	570.97

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

Commodity price risk

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

Exposure to commodity risk

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial asset	22.22	37.61	-
Net exposure	**22.22**	**37.61**	**-**

Sensitivity analysis

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

(*Rs. in million*)

Commodity price sensitivity	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
Coffee (11% movement)	(1.47)	1.47	(1.47)	1.47
31 March 2016				
Coffee (6% movement)	(2.21)	2.21	(2.21)	2.21

Interest rate risk

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

Exposure to interest rate risk

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fixed rate instruments:			
Financial assets	8,049.85	9,058.30	6,771.53
Financial borrowings	(20,434.35)	(14,978.98)	(15,617.31)
Effect of interest rate swaps	1,808.94	(1,017.25)	(1,798.41)
Fixed rate instruments exposed to interest rate risks	**(10,575.56)**	**(6,937.93)**	**(10,644.19)**
Variable rate instruments:			
Financial borrowings	(24,057.51)	(21,899.24)	(24,746.27)
Effect of interest rate swaps	(1,808.94)	1,017.25	1,798.41
Variable rate instruments exposed to interest rate risks	**(25,866.45)**	**(20,881.99)**	**(22,947.86)**

Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

Notes to the consolidated financial statements for the year ended 31 March 2017

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

(*Rs. in million*)

Particulars	Profit or Loss	
	1% increase	1% decrease
31 March 2017		
Variable rate instruments	(258.66)	258.66
31 March 2016		
Variable rate instruments	(208.82)	208.82

Equity Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

The majority of the Company's equity investments are publicly traded.

Exposure to equity price risk

The exposure of the Group's equity to price changes at the end of the reporting period are as follows :

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Quoted investments:			
Fair value through profit and loss	19.04	126.88	5.66
Fair value through other comprehensive income	270.63	133.32	163.07
Measured at amortised cost	-	1.05	1.05

Sensitivity analysis

The table below summarises the impact of increase/decrease of the market price of the listed instruments on the Company's equity and profit for the period. The analysis is based on the assumption that the market price had increased by 2% or decreasedby 2%.

(*Rs. in million*)

Particulars	Impact on profit or loss			Impact on equity		
	31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Market price increases by 2%	0.38	2.56	0.13	5.41	2.67	3.26
Market price decreases by 2%	(0.38)	(2.56)	(0.13)	(5.41)	(2.67)	(3.26)

Hedge accounting

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

(*Rs. in million*)

Particulars	As at 31 March 2017		As at 31 March 2016		As at1 April 2015	
	Maturity in less than 1 year	Maturity in more than 1 year	Maturity in less than 1 year	Maturity in more than 1 year	Maturity in less than 1 year	Maturity in more than 1 year
Interest rate risk						
Interest rate swaps:						
Net exposure	191.06	-	586.60	430.65	-	1,798.43
Average fixed interest rate (LIBOR)	0.02	-	0.02	0.02	-	0.02

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

As at 31 March 2017: (*Rs. in million*)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument Asset	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from equity head 'effective portion of cash flow hedges' to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate risk								
- Interest rate swap	191.06	6.55	Other financial assets	7.31	(7.31)	Nil	Nil	Nil

55 FINANCIAL INSTRUMENTS - FAIR VALUE MEASUREMENT (Contd.)

As at 31 March 2016: (*Rs. in million*)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument Asset	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from equity head 'effective portion of cash flow hedges' to profit or loss	Line item in profit or loss affected by the reclassification
Cash flow hedge:								
- Interest rate swap	1,017.25	-	Other financial liabilities	15.27	(15.27)	Nil	Nil	Nil

As at 1 April 2015: (*Rs. in million*)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument Liability	Line item in the statement of financial position where the hedging instrument is included
Cash flow hedge:			
- Interest rate swap	1,798.41	23.00	Other financial liabilities

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

(*Rs. in million*)

Particulars	As at 31 March 2017 Equity head 'Effective portion of cash flow hedges'	As at 31 March 2016 Equity head 'Effective portion of cash flow hedges'
Opening balance for the period	(11.38)	(19.61)
Cash flow hedges : Interest rate risk		
Changes in fair value	7.31	15.27
Tax on movements in relevant items of OCI during the year	(2.53)	(5.29)
Non-controlling interest	(0.65)	(1.75)
Closing balance for the period	**(7.25)**	**(11.38)**

56 CAPITAL MANAGEMENT

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

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

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as total interest-bearing loans and borrowings less cash and cash equivalents including deposits. Equity comprises all components of equity including non-controlling interest. The Company's adjusted net debt to equity ratio at 31 March 2017 was as follows.

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	Share in profit or loss
Total borrowings	44,491.86	36,878.22	46,191.93
Less: cash and cash equivalents	14,765.83	13,215.62	8,118.56
Adjusted net debt	**29,726.03**	**23,662.60**	**38,073.37**
Equity	**28,491.04**	**27,405.74**	**7,759.36**
Adjusted net debt to equity ratio	**1.04**	**0.86**	**4.91**

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

57 FIRST TIME ADOPTION OF IND AS

As stated in Note 2A, these are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these consolidated financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2015.

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

Optional exemptions availed and mandatory exceptions

In preparing these consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed:

(i) Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

– fair value;

– or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market); or

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to measure certain items of property, plant and equipment at fair value at the date of transition to Ind AS and rest of the items of property, plant and equipment are measured in accordance with the requirements of Ind AS 16 and Ind AS 38.

(ii) Share-based payments

A first-time adopter is encouraged, but not required, to apply Ind AS 102, Share-based Payment to equity instruments that were granted on or before the date of transition to Ind AS and have vested before that date. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments determined at the measurement date as defined in Ind AS 102. For all grants of equity instruments that are still outstanding at the date of transition to Ind AS, and to which Ind AS 102 has not been applied, a first-time adopter must disclose information that enables users of the financial statements to understand the nature and extent of share-based payment arrangements that existed (paragraphs 44 and 45 of Ind AS 102).

For share-based payment transactions that give rise to liabilities, a first-time adopter is encouraged, but not required, to apply Ind AS 102 if transactions were settled before the date of transition to Ind AS.

Accordingly, the Group has elected the optional exemption given and not accounted for share options vested before 1 April 2015 as per Ind AS 102.

(iii) Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

57 FIRST TIME ADOPTION OF IND AS (Contd.)

The Group has elected to avail of the above exemption.

(iv) Investments in and joint ventures

Ind AS 101 provides an exemption to the first-time adopter to measures an investment in subsidiaries, associates and joint ventures at:

a) cost determined in accordance with Ind AS 27; or

b) deemed cost, which shall be its:

   i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

   ii) previous GAAP carrying amount at that date.

The Group has chosen to value its investment in joint ventures at the cost determined in accordance with Ind AS 27.

(v) Long term foreign currency monetary items

Ind AS 101 provides an option to continue the policy of recognising the exchange differences on long term foreign currency monetary items for those long term foreign currency monetary items which were recognised in the financial statements before the beginning of first Ind AS reporting period i.e. 1 April 2016 which the Group has chosen to avail.

(vi) Business combination:

As per Ind AS 101, at the date of transition, an entity may elect not to restate business combinations that occurred before the date of transition. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations, and also applies Ind AS 110, Consolidated Financial Statements, from that same date.

The Group has opted not to restate business combinations prior to the date of transition i.e. 1 April 2015. Since all business combinations were prior to 1 April 2015, we have not restated goodwill, as per Ind AS 103. Hence, the goodwill represents the amount recognised under the previous GAAP subject to specific adjustments as prescribed under Ind AS 101.

(vii) Foreign currency translation reserve

As per Ind AS 101, an entity may either continue to carry forward the foreign currency translation reserve or deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings.

The Group has elected to continue the balance of foreign currency translation reserve as per previous GAAP.

B. Mandatory exemptions:

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP (IGAAP):

(i) Hedge accounting

The Group uses derivative financial instruments, such as interest rate swaps contract, to hedge its interest rate risks. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Group has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS 109 also. Moreover, the Group, before the date of transition to Ind AS, has designated transactions as hedge and also meets all the conditions for hedge accounting in Ind AS 109. Consequently, the Group continues to apply hedge accounting after the date of transition to Ind AS.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(iii) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

Notes to the consolidated financial statements for the year ended 31 March 2017

57 FIRST TIME ADOPTION OF IND AS (Contd.)

However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS Balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.

- Impairment of financial assets based on the expected credit loss model.

- Determination of the discounted value for financial instruments carried at amortised cost.

(iv) De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS.

However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the derecognition principles of Ind AS 109 prospectively as reliable information is not available at the time of initially accounting for these transactions.

C. Explanation of transition to Ind AS

(i) Reconciliation of equity:

(*Rs. in million*)

Particulars	Notes to first-time adoption	As at 31 March 2016	As at 1 April 2015
Equity under previous GAAP attributable to:			
- Coffee Day Enterprises Limited		21,507.73	5,475.22
- Non-controlling interests		5,547.56	5,101.75
Equity under previous GAAP		**27,055.29**	**10,576.97**
Adjustments:			
Leases	1	310.16	244.08
Borrowings at amortized cost	2	(38.32)	(161.02)
Deemed cost model	3	656.25	372.95
Business combinations	4	(278.01)	(122.02)
Expected credit loss model	5	(540.09)	(475.08)
Share based payments	6	4.27	-
Fair valuation of financial assets and liabilities	7	18.60	25.70
Classification of financial liabilities	8	-	(3,123.79)
Interest rate swaps	9	(4.30)	30.58
Equity method of accounting	10	10.25	(17.38)
Initial direct costs of leases	11	24.44	12.62
Tax impact	12	78.24	200.02
Adjustments in share of profits from associates on account of restatement of balances due to transition to Ind AS.		108.96	195.73
Equity as per Ind AS		**27,405.74**	**7,759.36**
Attributable to:			
- Coffee Day Enterprises Limited		21,656.36	2,708.56
- Non-controlling interests		5,749.38	5,050.80

57 FIRST TIME ADOPTION OF IND AS (Contd.)

(ii) Reconciliation of total comprehensive income:

(Rs. in million)

Particulars	Notes to first-time adoption	As at 31 March 2016
Profit / (loss) as per previous GAAP attributable to:		
- Coffee Day Enterprises Limited		(75.29)
- Non-controlling interests		258.34
Profit / (loss) as per previous GAAP		**183.05**
Adjustments:		
Leases	1	61.45
Borrowings at amortized cost	2	(425.51)
Deemed cost model	3	293.77
Expected credit loss model	5	(66.86)
Share based payments	6	(12.93)
Fair valuation of financial assets and liabilities	7	(5.50)
Interest rate swaps	9	(0.13)
Equity method of accounting	10	26.54
Initial direct costs of leases	11	11.82
Tax impact	12	(119.11)
Defined benefit plans	13	4.43
Adjustments in share of profits from associates on account of restatement of balances due to transition to Ind AS.		(47.02)
Profit/(loss) for the year as per Ind AS		**(96.00)**
Other comprehensive income (OCI)	14	(66.13)
Total comprehensive income for the period		**(162.13)**

(iii) Adjustments to the statement of cash flows:

(Rs. in million)

Particulars	For the year ended 31 March 2016		
	Previous GAAP*	Adjustment	Ind AS
Net cash flow from operating activities	3,507.46	(322.78)	3,184.68
Net cash flow from investing activities	(4,544.17)	(1,490.25)	(6,034.42)
Net cash flow from financing activities	6,229.08	482.95	6,712.03
Net increase/ (decrease) in cash and cash equivalents	**5,192.37**	**(1,330.08)**	**3,862.29**
Cash and cash equivalents as at 1 April 2015	4,630.29	1,004.24	5,634.53
Cash and cash equivalents as at 31 March 2016	**9,822.66**	**(325.84)**	**9,496.82**

* The previous GAAP figures have been reclassified to conform with Ind AS

D. Notes to first time adoption

1 Leases

Under Previous GAAP, lease payments are required to be recognised on a straight-line basis over the term of the lease. Under Ind AS, lease payments which are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, are required to be recognised as an expense in line with its contractual term. Accordingly, the provision for scheduled increases on operating lease recognised under Previous GAAP has been written back under Ind AS.

2 Borrowings at amortized cost

Under previous GAAP, transaction costs incurred towards origination of borrowings are recognised as prepaid expenses to be amortized in the profit or loss over the tenure of the borrowing. Under Ind AS, transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

3 Deemed cost model

The Group has elected to measure certain items of property, plant and equipment and intangibles at fair value in accordance to para D5 of Ind AS 101 at the date of transition to Ind AS. A leasehold land which was recognised as an item of property, plant and equipment under the previous GAAP has been classified as operating lease as per Ind AS 17.

57 FIRST TIME ADOPTION OF IND AS (Contd.)

Reconciliation of property, plant and equipment as at 1 April 2015:

(*Rs. in million*)

Particulars	Previous GAAP value of assets fair valued	Adjustment on transition to Ind AS	Ind AS value for assets fair valued
Freehold land	1,036.74	2,595.70	3,632.44
Buildings	1,062.48	1,089.78	2,152.26
Leasehold improvements	3,285.78	(1,164.11)	2,121.67
Plant and equipment	3,827.42	(1,272.53)	2,554.89
Office equipment	0.28	(0.28)	-
Furniture and fixtures	846.31	(520.81)	325.50
Computers	1.34	1.39	2.73
Vehicles	409.00	(88.01)	320.99
Coffee vending machine	2,465.37	(423.43)	2,041.94
Leasehold land	8.35	950.95	959.30
Capital work-in-progress	1,315.68	(795.70)	519.98
	14,258.75	**372.95**	**14,631.70**

4 **Business combinations**

Under Previous GAAP, changes in parent's ownership interest without loss of control was accounted by adjusting the carrying amount of non-controlling interest to reflect the change in ownership interest in the subsidiary. Further, any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received was recognised in goodwill; arising as a result of past acquisitions.

Under Ind AS, these transactions are treated as equity transactions whereby any difference between the amount by which the non controlling interest is adjusted and the fair value of the consideration paid or received is recognised in equity and attributed to the parent's equity holders. This impact has been recognised in 'Capital reserve' in the equity with the corresponding increase or decrease in non-controlling interest.

5 **Expected credit loss model**

Under previous GAAP, the Group had created provision for impairment of receivables based on actual incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL) under which the group impaired its trade receivable as on 1 April 2015 which has been eliminated against retained earnings. The impact for year ended on 31 March 2016 has been recognized in the statement of profit and loss.

6 **Share based payments**

Under Previous GAAP, the intrinsic value of the employee stock option plan is recognised as an expense over the vesting period. Under Ind AS, the compensation cost of employee stock option plan is recognised based on the fair value of the options determined using an appropriate pricing model at the date of grant. The reduction in employee compensation cost for the unvested options as on the date of transition based on fair value method has been adjusted against retained earnings. The impact for the year ended 31 March, 2016 has been recognised in 'Employee benefits expenses' in the Statement of Profit and Loss.

7 **Fair valuation of financial assets and liabilities**

a) Under Previous GAAP, the security deposits for leases are accounted at an undiscounted value. Under Ind AS, the security deposits for leases have been recognised at discounted value and the difference between undiscounted and discounted value has been recognised as 'Deferred lease rent' which has been amortised over respective lease term as rent expense under 'other expenses' or rental income under 'revenue from operations'. The discounted value of the security deposits is increased over the period of lease term by recognising the notional interest income / expenses under 'other income' or 'finance cost'.

b) Under Previous GAAP, long term liabilities and retention dues are recognised on undiscounted basis. Under Ind AS, these are recognised at present value (discounted value) where the effect of time value of money is material. This led to a change in carrying value on the date of transition which was adjusted against retained earnings. Also, where discounting is used, the carrying value in each period is adjusted to reflect the passage of time. The impact of unwinding of discount and change in discount rate are recognised in the Statement of Profit and Loss under 'Finance costs' and 'Interest income' for the year ended 31st March, 2016.

Discounting of long-term liabilities resulted in reversal of liabilities to be recognised as 'Finance cost' over the tenure of the liability.

Discounting of retention money resulted in reduction of trade receivables to be recognised as interest income over the retention period.

57 FIRST TIME ADOPTION OF IND AS (Contd.)

8 Classification of financial liabilities

The Group has issued compulsorily convertible preference shares and non-convertible redeemable preference shares. The compulsorily convertible preference shares carry fixed cumulative dividend at rate of 0.001% p.a. and non-convertible redeemable preference shares carries non-cumulative preferred dividend calculated at the rate of 0.001%, if declared by the Company. Under Indian GAAP, these preference shares were classified as equity and dividend payable thereon was treated as distribution of profit, if any.

Under Ind AS, preference shares are classified as liability based on the terms of their contract. Interest and premium on liability component is recognised using the effective interest method. Thus the preference share capital is reduced with a corresponding increase in borrowings as liability component.

9 Interest rate swaps

a) Under Ind AS, financial assets designated at fair value through other comprehensive income (FVTOCI) are fair valued at each reporting date with changes in fair value (net of deferred taxes) recognized directly in other comprehensive income. Under previous GAAP, they are measured at cost with provision for diminution other than temporary. Investments in equity instruments have been classified as FVTOCI. Consequently, fair value of such equity instruments designated at FVTOCI has resulted in a gain / (loss) in other comprehensive income.

b) Under Ind AS, financial assets and financial liabilities designated at fair value through profit and loss (FVTPL) are fair valued at each reporting date with changes in fair value recognized in the statement of profit and loss. Under previous GAAP, they are measured at lower of cost or net realisable value. Mutual fund investments have been classified as FVTPL. Consequently, change in fair value of such investments has resulted in a gain / (loss) in the statement of profit and loss.

10 Equity method of accounting

Under Previous GAAP, investment in joint ventures was proportionately consolidated along with the consolidated assets and liabilities. Under Ind AS, investment in joint ventures will be measured using the equity method. Consequently, on the date of transition, the initial investment shall be measured as the aggregate of the carrying amount of the assets and liabilities that the entity had previously proportionately consolidated.

11 Initial direct costs of leases

Under Previous GAAP, initial direct cost incurred by lessor in negotiating and arranging an operating lease are recognised immediately in the statement of profit or loss. Under Ind AS, these expenses shall be added to the carrying amount of the lease asset and recognised as an expense over the lease term on the same basis as the lease income.

12 Tax impact

Under Previous GAAP, deferred taxes were recognised for the tax effect of timing differences between accounting profit and taxable profit for the year using the income statement approach. Under Ind AS, deferred taxes are recognised using the balance sheet for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases. The above difference, together with the consequential tax impact of the other Ind AS transitional adjustments lead to temporary differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through profit or loss / other comprehensive income.

13 Defined benefit plans

Under previous GAAP, actuarial gains and losses were recognised in the statement profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability / asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of statement of profit and loss.

14 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

15 Foreign currency translation reserve

In accordance with Ind AS 101, amount of foreign currency differences arising from translation of the financial statement of the foreign subsidiaries to Indian Rupees for the year ended 31 March 2016 has been routed through other comprehensive income.

Notes to the consolidated financial statements for the year ended 31 March 2017

57 FIRST TIME ADOPTION OF IND AS (Contd.)

16 Bank overdrafts

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities.

17 Book overdrafts

Under Ind AS, book overdrafts are included in cash and cash equivalent for the purpose of presentation of statement of cash flows. Under previous GAAP, book overdrafts were considered as part of other current liabilities and movement in book overdraft were shown as part of operating activities.

58 During the year ended 31 March 2017, the Company vide its Board meeting dated 11 August 2016 has approved for the scheme of merger between itself and Coffee Day Overseas Private Limited (CDOPL), to be filed with the National Company Law Tribunal (NCLT) after obtaining requisite regulatory approvals. CDOPL is a private limited company and holds 3.21% of shares in Coffee Day Global Limited, a subsidiary of the Company, on a fully diluted basis. The appointed date of the scheme is 1 August 2016 and currently, the Company has obtained approvals from Competition Commission of India, Stock exchanges and SEBI post which the scheme was filed with the NCLT for final approval. Pending approvals, no accounting adjustments are presently recorded in the consolidated financial results of the Company.

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

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

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

Supreet Sachdev
Partner
Membership no.: 205385

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R. Ram Mohan
Chief Financial Officer

Sadananda Poojary
Company Secretary

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

Place: Bangalore
Date: 18 May 2017

AOC - I

the Company is presenting summarised financial information about individual subsidiaries as at March 31, 2017/ December 31, 2016.

(*Rs. in million*)

S. No.	Name of the Subsidiary	Reporting Period	Reporting Currency	Exchange rate as on March 31 2017 / Dec 31 2016	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities excluding (6) & (7)	Invest-ments	% of Holding	Turn-over	Profit Before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend
	1	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Coffee Day Global Limited	Apr-March	Rs.	1	169.91	9184.73	18409.93	9055.29	970.36	86.63	14603.34	538.46	216.36	322.1	-
2	Way2Wealth Securities Private Limited	Apr-March	Rs.	1	475.02	822.40	2,016.90	719.48	993.40	85.53	851.30	167.70	58.70	109.00	
3	Tanglin Developments Limited	Apr-March	Rs.	1	51.31	513.32	24001.6	23437	1098.4	100	1229.5	314.1	-35.6	349.7	
4	Coffee Day Hotels and Resorts Private Limited	Apr-March	Rs.	1	112.24	-244.54	2187.88	2320.18	352.27	100	112.74	-95.56	0	-95.56	
5	Coffee Day Trading Limited	Apr-March	Rs.		348.32	1744.13	2095.76	3.31	265.67	88.77	232.25	97.7	0.04	97.65	
6	Ganga Coffee Curing Works Limited	Apr-March	Rs.	1	11.82	6.74	36.82	18.26	0	100	28.47	-2.56	0	-2.56	0
7	Classic Coffee Curing Works	Apr-March	Rs.	1	31.01	-11.65	20.07	0.71	0	100	0	-0.32	0	-0.32	0
8	Coffee Day Properties (India) Private Limited	Apr-March	Rs.	1	11.33	-8.89	4.98	2.53	0	100	0	-0.31	0	-0.31	0
9	Amalgamated Holdings Limited	Apr-March	Rs.	1	11.04	223.96	290.77	55.77	0	100	949.81	20.59	14.14	6.45	
10	Coffeelab Limited	Apr-March	Rs.	1	0.59	-6.17	4.24	1.33	0	100	14.04	-4.26	-0.09	-4.35	
11	A N Coffeeday International Limited	Apr-March	USD	64.8	53.42	541.66	737.98	142.9	596.03	100	0	-1.33	0	-1.33	0
12	Coffee Day Gastronomie Und Kaffeehandles GmbH	Apr-March	EURO	69.15	1.05	11.21	23.16	10.89	0	100	58.35	-19.03	0	-19.03	0
13	Coffee Day CZ a.s.	Apr-March	CZK	2.56	91.67	-209.82	42	160.14	0	100	148.67	-36.89	0	-36.89	0
14	Way2Wealth Distributors Private Limited	Apr-March	Rs.	1	2.50	(2.32)	42.05	41.87	7.11	99.99	89.91	(3.20)	(0.90)	(2.30)	
15	Way2Wealth Capital Private Limited	Apr-March	Rs.	1	80.00	67.99	207.40	59.41	0.63	99.9	28.91	6.84	2.12	4.72	
16	Way2Wealth Realty Advisors Private Limited	Apr-March	Rs.	1	0.10	1.69	5.70	3.91		95	125.24	10.00	1.09	8.91	
17	Way2Wealth Insurance Brokers Private Limited	Apr-March	Rs.	1	10.00	2.02	19.87	7.85		100	31.18	2.00	0.69	1.31	
18	Mandi2Market Traders Private Limited	Apr-March	Rs.	1	6.00	(1.45)	24.82	20.27		99.99	145.13	1.79	0.84	0.95	
19	Way2Wealth Brokers Private Limited	Apr-March	Rs.	1	183.50	703.10	2,621.50	1,734.90	267.60	99.99	1,393.90	103.00	6.40	96.60	
20	Way2Wealth Commodities Private Limited	Apr-March	Rs.	1	15.00	8.01	245.60	222.59	-	99.99	337.74	(0.00)	0.19	(0.19)	
21	Alphagrep Securities Private Limited	Apr-March	Rs.	1	14.50	472.63	622.40	135.27	161.36	51	1,451.50	125.00	42.00	83.00	
22	Way2Wealth Illuminati Pte Limited		USD	64.84	129.47	36.50	786.57	620.59	0.08	100	355.21	29.68	-	29.68	
23	AlphaGrep Holding HK Limited		USD	64.84	0.08	(2.26)	97.30	99.48	0.01	100	73.83	13.72	-	13.72	-
24	AlphaGrep UK Limited		USD	64.84	0.00	0.44	3.93	3.49	-	100	8.93	0.48	0.03	0.44	-
25	Shanghai Dao Ge International Trading Limited		-	-	-	-	-	-	-	100	-	-	-	-	-
26	Girividhyuth India Limited	Apr-March	Rs.	-	8.75	-6.55	3.57	1.37	-	100	-	0	-	-	-
27	Tanglin Retail Realty Developments Private Limited	Apr-March	Rs.	-	1	-436.68	7473.89	7909.57	2407.84	100	-	-137.28	-	-137.28	-
28	Sical Logistics Limited	Apr-March	Rs.	1	556.2	4935.4	17949.8	12458.2	2893.5	52.83	7396	739.7	284.3	455.4	-
29	Sical Mining Limited	Apr-March	Rs.	1	0.1	-	0.1	-	-	100	-	-	-	-	-
30	Sical Iron Ore Terminal Limited	Apr-March	Rs.	1	1300	18	7561.8	6243.8	-	63	-	-	-	-	-
31	Sical Iron Ore Terminal (Mangalore) Limited	Apr-March	Rs.	1	365	0	391.96	26.96	0	100	0	0	0	0	
32	Sical Adams Offshore Limited	Apr-March	Rs.	1	0.5	-	0.6	0.1	-	99.99	-	-	-	-	-
33	Sical Saumya Mining Limited	Apr-March	Rs.	1	0.1	14.65	1021.25	1006.5	0	65	1268.47	12.56	4.21	8.35	
34	Norsea Offshore India Limited	Apr-March	Rs.	1	0.5	-536.71	1274.67	1810.89	0	99.99	0	-165.98	60.23	-105.75	
35	Sical Infra Assets Limited	Apr-March	Rs.	1	532.97	1992.36	2616.44	91.1	910.95	53.6	99.58	12.73	-2.86	15.59	
36	Sical Bangalore Logistics Park Limited	Apr-March	Rs.	1	0.1	0	12.63	12.43	0	100	0	0	0	0	
37	Sical Multimodal and Rail Transport Limited	Apr-March	Rs.	1	726.9	875.8	5772.3	4169.6	34.5	99.99	1778.3	29.4	20.9	8.5	0
38	Bergen Offshore Logistics Pte Limited*	Apr-March	USD	64.84	466.8	-461.4	1350.1	1344.7	-	100	-	-	-	-	-
39	Wilderness Resorts Private Limited	Apr-March	Rs.	1	12.83	34.75	602.9	555.32	1.3	100	0	-62.65	0	-62.65	0
40	Karnataka Wildlife Resorts Private Limited	Apr-March	Rs.	1	13	-220.91	573.68	781.59	0	100	74.43	10.48	0	10.48	0
41	Magnasoft Consulting India Private Limited	Apr-March	Rs.	1	33.62	273.42	512.03	204.99	0.09	77.88	413.55	57.88	1.91	55.97	0
42	Magnasoft Europe Limited	Apr-March	GBP		0	-0.08	0	0.09	0	100	0	0	0	0	0
43	Magnasoft Spatial Services Inc.	Apr-March	USD	64.84	0	-0.29	0.52	0.81	0	100	1.45	0	0	0	0

* The financials of Bergen Offshore Logistics Pte Limited reflects the consolidated financials including the wholly owned subsidiary Norsea Global Offshore Pte Limited

1 There is a Significant influence due to Percentage of Share Capital

2 Names of Associates or Joint Ventures or Subsidiaries which are yet to commence Business

a. Girividyuth India Ltd

b. Tanglin Retail Reality Developments Private Limited

c. Sical Bangalore Logistics Park Limited

d. Sical Mining Limited

e. Sical Adams Offshore Limited

f. Sical Iron Ore Terminal Limited

g. Sical Iron Ore Terminal (Mangalore) Limited

3 Name of associates or subsidiaries which have been liquidated or sold during the year

a. step-down subsidiary of the Company "AlphaGrep Holding HK Limited" has divested 4050 [40.50 %] shares in its subsidiary namely Lighthouse Financial Technologies Limited (formerly known as AlphaGrep Technologies Limited (AG TECH) and its subsidiaries Lighthouse Financial HK Limited [Formerly known as Alpha Grep HK Limited (AG HK) and Lighthouse Financial Trading Limited [Formerly known as AlphaGrep Trading Limited (AG TL)]

b. step-down subsidiary of the Company "Way2Wealth Brokers Private Limited" has transferred entire [100%] shares in its subsidiary namely Way2Wealth Illuminati Pte. Limited to Alphagrep Securities Private Limited

PART B - LIST OF ASSOCIATES

(*Rs. in million*)

S. No.	Name of Associates/ Joint Ventures	Latest audited Balance Sheet date	No. of Shares held by the Company in Associate on the year end	Amount of Investment in Associates	Extend of Holding (In percentage)	Reason why the associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit Considered in Consolidation
1	Ittiam Systems Private Limited	31-Mar-17	3200000	128.70	21.91	NA	232.68	1.3
2	Barefoot Resorts and Leisure India Private Limited	31-Mar-17	17672	160	27.69	NA	82.82	-1.72
3	Global Edge Software Limited	31-Mar-17	6520343	54.39	26.5	NA	128.1	25.94
4	Mindtree Limited	31-Mar-17	28056012	2071.9	16.7	NA	4605.52	18.9
5	Coffee Day Schaerer Technologies Private Limited	31-Mar-17	680000	6.86	49	NA	1.719	-3.53
6	PSA Sical Terminals Limited	31-Mar-17	5625030	65.4	37.5	NA	1678	14.3
7	Sical Sattva Rail Terminal Private Limited	31-Mar-17	1725000	34.5	50	NA	312	-4.5

Consolidated Financial Statements of Coffee Day Global Limited

Independent Auditor's Report

To
The Members of
Coffee Day Global Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Coffee Day Global Limited ("the Holding Company"), its subsidiary companies and a joint venture company (collectively referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss (including other comprehensive income), the consolidated cash flow statement and the consolidated statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statement.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS, of the consolidated state of affairs of the Group as at 31 March 2017, and its consolidated financial performance including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Other matter

We did not audit the financial statements of five subsidiaries included in the consolidated Ind AS financial statements. Of the above:

(a) We did not audit the financial statements of three subsidiary companies incorporated outside India, whose financial statements reflect total assets of Rs.60.21 million as at 31 March 2017, total revenues of Rs.209.67 million and net cash outflows amounting to Rs.0.39

million for the year then ended, as considered in the consolidated Ind AS financial statements. The financial statements of these subsidiaries, incorporated outside India, are drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') which have been audited by other auditors duly qualified to act as auditors in those countries. For the purpose of preparation of consolidated financial statements, the aforesaid local GAAP financial statements have been restated by the Management of the said entities so that they conform to the generally accepted accounting principle of India.

(b) We did not audit the Ind AS financial statements of two subsidiary companies whose Ind AS financial statements reflect total assets of Rs.56.89 million as at 31 March 2017, total revenues of Rs.29.87 million and net cash outflows amounting to Rs.0.09 million for the year then ended, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary companies is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

   (c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

   (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with read with relevant rules issued thereunder;

   (e) On the basis of the written representations received from the directors of the Holding company as on 31 March 2017 taken on record by the Board of Directors of the Holding company and the reports of the statutory auditors of its subsidiary companies and joint venture incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in the Annexure; and

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

      (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer note 33 to consolidated Ind AS the financial statements;

      (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts;

      (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and joint venture company incorporated in India;

      (iv) The requisite disclosures in the consolidated Ind AS financial statements, for holdings as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8 November 2016 of the Ministry of Finance, during the period from 8 November 2016 to 30 December 2016, have been provided with respect to Holding Company and its subsidiary companies incorporated in India. Based on audit procedures and reliance on the management representation we report that the disclosures are in accordance with books of account maintained by the Holding Company and its subsidiary companies incorporated in India and as produced to us by the Management of the Holding Company. Refer Note 39 to the consolidated Ind AS financial statements.

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

Supreet Sachdev
Partner
Membership number: 205385

Bangalore
18 May 2017

Annexure to the Independent Auditor's Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Coffee Day Global Limited ('the Holding Company') and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor's in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company, its subsidiary companies and joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note ICAI.

Other matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary companies, which is a company incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

Supreet Sachdev
Partner
Membership number: 205385

Bangalore
18 May 2017

Balance sheet

as at 31st March, 2017

(*Rs. in million*)

	Note	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
ASSETS				
Non-current assets				
Property, plant and equipment	4	9,388.17	9,253.99	8,884.15
Capital work-in-progress	4	535.15	368.74	297.85
Goodwill	6	159.40	175.59	167.60
Intangible assets	5	85.25	6.26	1.32
Financial assets				
- Investments	7	1.72	0.35	-
- Loans	8-A	780.54	698.12	626.12
- Other non-current financial assets	9-A	77.63	154.47	113.00
Deferred tax assets (net)	32-D	91.27	49.69	68.10
Other non-current assets	10-A	825.40	855.77	535.72
Total non-current assets		**11,944.53**	**11,562.98**	**10,693.86**
Current assets				
Inventories	11	1,186.80	1,116.23	1,041.94
Financial assets				
- Trade receivables	12	1,545.83	1,279.85	1,204.17
- Cash and cash equivalents	13	2,159.51	2,610.81	1,509.34
- Bank balances other than cash and cash equivalent	14	60.01	1,665.52	94.60
- Loans	8-B	50.18	38.76	11.69
- Other current financial assets	9-B	133.59	161.30	163.16
Other current assets	10-B	801.66	483.53	431.47
Total current assets		**5,937.58**	**7,356.00**	**4,456.37**
Total assets		**17,882.11**	**18,918.98**	**15,150.23**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	169.91	168.68	162.60
Compulsorily convertible debentures	16	4,100.00	4,100.00	-
Other equity	17	8,536.63	8,082.48	7,512.53
Total equity attributable to owners of the Company		**12,806.54**	**12,351.16**	**7,675.13**
Non-current liabilities				
Financial liabilities				
- Borrowings	18-A	1,190.66	1,876.34	2,897.72
- Other non-current financial liabilities	19-A	372.75	276.16	250.68
Provisions	20-A	16.62	16.10	3.62
Other non-current liabilities	21-A	72.97	51.60	39.43
Total non-current liabilities		**1,653.00**	**2,220.20**	**3,191.45**
Current liabilities				
Financial liabilities				
- Borrowings	18-B	1,002.22	1,095.97	1,470.01
- Trade payables	22			
Total outstanding dues of micro enterprises and small enterprises		-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		286.22	408.82	536.76
- Other current financial liabilities	19-B	1,438.76	2,535.62	2,113.33
Provisions	20-B	22.47	22.27	13.63
Current tax liabilities (net)	23	254.69	148.78	14.15
Other current liabilities	21-B	418.21	136.16	135.77
Total current liabilities		**3,422.57**	**4,347.62**	**4,283.65**
Total equity and liabilities		**17,882.11**	**18,918.98**	**15,150.23**
Significant accounting policies	3			

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

As per our report of even date attached

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

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

Supreet Sachdev
Partner
Membership no.: 205385

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

Place: Bangalore
Date: 18 May 2017

Jayaraj C Hubli
CFO/ Director (DIN: 00073670)

Sadananda Poojary
Company Secretary

Consolidated statements of profit & loss

for the year ended 31st March, 2017

(Rs. in million)

	Note	For the year ended 31 March 2017	For the year ended 31 March 2016
INCOME			
Revenue from operations	24	15,354.66	13,699.72
Other income	25	283.65	251.87
Total income		**15,638.31**	**13,951.59**
EXPENSES			
Cost of materials consumed	26	7,146.31	6,373.16
Cost of traded goods		59.54	68.64
Changes in inventories of finished goods and work-in-progress	27	64.05	(96.49)
Employee benefits expense	28	2,082.34	1,736.23
Finance costs	29	478.95	493.06
Depreciation and amortization expense	30	1,632.65	1,526.29
Other expenses	31	3,676.81	3,456.77
Total expenses		**15,140.65**	**13,557.66**
Profit before tax		**497.66**	**393.93**
Tax expense:			
- Current tax	32	274.57	178.22
- Deferred tax	32	(44.08)	(28.22)
Profit for the year before loss from joint venture		**267.17**	**243.93**
Share of loss of joint venture		(3.54)	(1.61)
Profit for the year		**263.63**	**242.32**
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(0.91)	(6.75)
Income tax relating to items that will not be reclassified to profit or loss		(0.05)	2.15
		(0.96)	**(4.60)**
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation reserve		9.68	(1.22)
Effective portion of gains and losses on hedging		7.31	15.27
Income tax relating to items that will be reclassified to profit or loss		(2.53)	(5.28)
		14.46	**8.77**
Other comprehensive income for the period		**13.50**	**4.17**
Total comprehensive income for the period		**277.13**	**246.49**
Profit attributable to:			
- Owners of the Company		263.63	242.32
- Non-controlling interests		-	-
Other comprehensive income attributable to:			
- Owners of the Company		13.50	4.17
- Non-controlling interests		-	-
Total comprehensive income attributable to:			
- Owners of the Company		277.13	246.49
- Non-controlling interests		-	-
Earnings per equity share	35		
- Basic		1.64	1.50
- Diluted		1.47	1.34
Significant accounting policies	3		

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

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

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

Supreet Sachdev
Partner
Membership no.: 205385

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

Place: Bangalore
Date: 18 May 2017

Jayaraj C Hubli
CFO/ Director (DIN: 00073670)

Sadananda Poojary
Company Secretary

Consolidated statements of cash flow

for the year ended 31st March, 2017

(*Rs. in million*)

		For the year ended 31 March 2017	For the year ended 31 March 2016
A.	**Cash flows from operating activities**		
	Profit before tax	497.66	393.93
	Adjustments:		
	- Interest income (including fair value change in financial instruments)	(243.01)	(198.73)
	- Provision for doubtful debts, net	20.00	20.00
	- Provision for impairment of goodwill	7.07	-
	- Share based payments	12.71	26.99
	- Loss on sale of property, plant and equipment, net	3.01	39.66
	- Interest expense (including fair value change in financial instruments)	478.95	493.06
	- Depreciation and amortization	1,632.65	1,526.29
	- Gain from forex hedging	(1.05)	(6.16)
	- Commission income on guarantees given to group companies	(6.58)	(2.54)
	- Effect of foreign currency translation of subsidiaries	18.80	(9.21)
	- Rental expense (due to fair value change in financial instruments)	64.25	61.98
	Operating cash flow before working capital changes	**2,484.46**	**2,345.27**
	Changes in		
	- Trade receivables	(285.98)	(95.68)
	- Current and non-current loans	(73.87)	(105.32)
	- Current and non-current financial assets	18.55	26.53
	- Other current and non-current assets	(321.20)	(52.75)
	- Inventories	(70.57)	(74.29)
	- Trade payables	(122.60)	(127.94)
	- Current and non-current liabilities	37.12	128.83
	- Current and non-current financial liabilities	306.25	8.85
	- Current and non-current provisions	(0.19)	14.37
	Cash generated from operations	**1,971.97**	**2,067.87**
	Income taxes paid (net)	(188.16)	(41.61)
	Cash used in operations (A)	**1,783.81**	**2,026.26**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(2,035.54)	(2,136.91)
	Proceeds from sale of property, plant and equipment	(1.07)	5.28
	Investment in/ (withdrawal) of fixed deposits, net	1,554.67	(1,538.26)
	Investment in joint venture	(4.91)	(1.96)
	Interest received	197.05	111.30
	Net cash generated from investing activities (B)	**(289.80)**	**(3,560.55)**

Consolidated statements of cash flow

for the year ended 31st March, 2017

(*Rs. in million*)

	For the year ended 31 March 2017	For the year ended 31 March 2016
C. Cash flows from financing activities		
Proceeds from/ (repayment of) long-term and short-term borrowings	(1,606.10)	(851.96)
Proceeds from compulsorily convertible debentures	-	4,100.00
Interest paid	(522.08)	(505.22)
Redemption of/ (investment in) deposit placed as security for loans availed, net	127.68	(74.13)
Net cash used in financing activities '(C)	**(2,000.50)**	**2,668.69**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(506.49)**	**1,134.40**
Cash and cash equivalents at the beginning of the year	2,353.53	1,219.13
Cash and cash equivalents at the end of the year	1,847.04	2,353.53
Components of cash and cash equivalents (refer note 13, 18-B and 19-B)		
Balances with banks:		
- in current accounts	485.19	268.66
- in escrow accounts	19.05	34.94
- in fixed deposit accounts (original maturity less than 3 months)	1,600.77	2,262.95
Cash on hand	54.50	44.26
Book overdraft	(17.85)	(8.38)
Bank overdraft	(294.62)	(248.90)
Cash and cash equivalents at the end of the year	**1,847.04**	**2,353.53**

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

As per our report of even date attached

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

Jayaraj C Hubli
CFO/ Director (DIN: 00073670)

Sadananda Poojary
Company Secretary

Consolidated statement of changes in equity

as at 31st March, 2017

a Equity share capital

(*Rs. in million*)

Particulars	Amount
Equity shares of Re 1 each issued, subscribed and fully paid	
Balance as at 1 April 2015	162.60
Changes in equity share capital during 2015-16	6.08
Balance as at the 31 March 2016	**168.68**
Changes in equity share capital during 2016-17	1.23
Balance as at 31 March 2017	**169.91**

b Instruments entirely equity in nature
Compulsorily convertible debentures

(*Rs. in million*)

Particulars	Amount
Compulsorily convertible debentures of Rs.100 each	
Balance as at 1 April 2015	-
Changes in compulsorily convertible debentures during 2015-16	4,100.00
Balance as at the 31 March 2016	**4,100.00**
Changes in compulsorily convertible debentures during 2016-17	-
Balance as at 31 March 2017	**4,100.00**

c Other Equity

(*Rs. in million*)

Particulars	Reserves and Surplus						Other comprehensive income			Equity attributable to owners of the Company
	Capital reserve	Shares options outstanding account	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedge	Remeasurements of actuarial gain and losses	
Balance as at 1 April 2015	0.04	24.34	7,165.87	83.40	106.50	128.89	18.95	(15.01)	(0.45)	7,512.53
Total comprehensive income for the year ended 31 March 2016:										
Profit during the year	-	-	-	-	-	242.32	-	-	-	242.32
Effective portion of gains and losses on hedging	-	-	-	-	-	-	-	9.99	-	9.99
Actuarial gain/ (losses)	-	-	-	-	-	-	-	-	(4.60)	(4.60)
Exchange difference arising on translating the foreign operations, net of tax	-	-	-	-	-	-	(1.22)	-	-	(1.22)
Total comprehensive income	0.04	24.34	7,165.87	83.40	106.50	371.21	17.73	(5.02)	(5.05)	7,759.02
Contributions and distributions:										
Dividends	-	-	-	-	-	(6.25)	-	-	-	(6.25)
Transferred from statement of profit and loss for the year	-	-	-	41.70	-	(41.70)	-	-	-	-
Conversion of preference shares and compulsorily convertible debentures to equity shares	-	-	302.72	-	-	-	-	-	-	302.72
Share-based payment	-	26.99	-	-	-	-	-	-	-	26.99
Balance as at 31 March 2016	0.04	51.33	7,468.59	125.10	106.50	323.26	17.73	(5.02)	(5.05)	8,082.48

Consolidated statement of changes in equity

as at 31st March, 2017

c Other Equity

(*Rs. in million*)

Particulars	Reserves and Surplus						Other comprehensive income			Equity attributable to owners of the Company
	Capital reserve	Shares options outstanding account	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedge	Remeasurements of actuarial gain and losses	
Balance as at 1 April 2016	0.04	51.33	7,468.59	125.10	106.50	323.26	17.73	(5.02)	(5.05)	8,082.48
Total comprehensive income for the year ended 31 March 2017:										
Profit during the year	-	-	-	-	-	263.63	-	-	-	263.63
Effective portion of gains and losses on hedging	-	-	-	-	-	-	-	4.78	-	4.78
Actuarial gain/ (losses)	-	-	-	-	-	-	-	-	(0.96)	(0.96)
Exchange difference arising on translating the foreign operations, net of tax	-	-	-	-	-	-	9.68	-	-	9.68
Total comprehensive income	0.04	51.33	7,468.59	125.10	106.50	586.89	27.41	(0.24)	(6.01)	8,359.61
Contributions and distributions:										
Dividends	-	-	-	-	-	(3.75)	-	-	-	(3.75)
Transfer to retained earnings	-	-	-	(125.10)	-	125.10	-	-	-	-
Conversion of compulsorily convertible debentures to equity shares	-	-	168.45	-	-	-	-	-	-	168.45
Share-based payment	-	12.71	-	-	-	-	-	-	-	12.71
Others	(0.39)	-	-	-	-	-	-	-	-	(0.39)
Balance as at 31 March 2017	(0.35)	64.04	7,637.04	-	106.50	708.24	27.41	(0.24)	(6.01)	8,536.63

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

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

Jayaraj C Hubli
CFO/ Director (DIN: 00073670)

Sadananda Poojary
Company Secretary

1.0 COMPANY BACKGROUND

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

The registered office of the Company is located in Chikmagalur, Karnataka. The Company is a subsidiary of Coffee Day Enterprises Limited (the 'ultimate holding company').

Coffee Day Global Limited together with its subsidiary companies and a joint venture company is hereinafter referred to as "the Group".

The Group is engaged in the business of retailing of coffee and other products mainly through its chain of outlets under the Cafe and Xpress kiosks formats, under the brand name 'Coffee Day'. The Group also derives its revenue from retail operations from the sale of coffee beans and other related products and services in respect of coffee vending machines. It is also is engaged in coffee business which ranges from procuring, processing and roasting of coffee beans to retailing coffee to domestic and overseas customers.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on 18 May 2017.

2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

A Statement of compliance

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

The Group has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101, First-Time Adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Group is provided in Note 46.

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

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

B Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated Ind AS financial statements are presented in Indian rupee (Rs.), which is Coffee Day Global Limited's functional and presentation currency. All financial information presented in Indian rupee has been rounded to the nearest million unless otherwise indicated.

C Basis of measurement

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

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

D Current versus non-current classification

The Group 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 Group 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 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

E Use of estimates and judgements

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

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

Judgements

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

• note 16 (b), 18 (vii), (viii) and (ix): Classification of an item as equity or liability;

• note 3(1): lease classification and straight lining of lease rentals.

Assumptions and estimation uncertainties

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

• note 4: depreciation method and useful life of items of property, plant and equipment;

• note 6: impairment of goodwill;

• note 7: impairment of investments;

• note 33: provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources;

• note 43: measurement of defined benefit obligation - key actuarial assumptions.

F Measurement of fair values

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

- In the principal market for the asset or liability, or

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

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

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

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

- Financial instruments (note 44)

- Disclosures for valuation methods, significant estimates and assumptions (note 44)

- Quantitative disclosures of fair value measurement hierarchy (note 44)

- Financial instruments (including those carried at amortised cost) (note 44)

G Basis of Consolidation

Business combinations

Business combinations (other than common control business combinations) on or after 1 April 2015:

As part of its transition to Ind AS, the Group has elected to apply Ind AS 103, *Business Combinations*, to only those business combinations that occurred on or after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Holding Company. The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment (see note 6). The gain on business combination is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the consolidated statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the consolidated statement of profit and loss.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in statement of profit and loss or other comprehensive income (OCI), as appropriate.

Business combinations prior to 1 April 2015:

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles.

Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, incomes and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Joint venture company

Interests in joint venture company are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associate and joint venture companies are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 3 (h) below.

Change in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES

a Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the 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, inclusive of excise duty and net of taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

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

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

Sale of products

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

Sale of goods – customer loyalty programme (deferred revenue)

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

Sale of services

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

Sale of import entitlement

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

Franchisee revenue

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

Advertisement income

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

Commodity trading

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

Other income

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

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 Group, and the amount of the dividend can be measured reliably.

b Property, plant and equipment

1. Recognition and measurement

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

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

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

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

2. **Transition to Ind AS**

Certain items of property, plant and equipment have been measured at fair value at the date of transition to Ind AS. The Group regards the fair value as deemed cost at the transition date, viz., 1 April 2015. Refer note 46 (A) (i).

3. **Subsequent expenditure**

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

4. **Depreciation**

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

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

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

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

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

5. **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

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

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

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

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

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

c Inventories

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

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

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

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

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

d Employee benefits

Defined contribution plan

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

Defined benefit plans

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

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

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

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

Short-term employee benefit

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

Share-based payment transactions

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

e Foreign currency transactions

Transactions and balances

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

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

- equity investments at fair value through OCI (FVOCI);

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective

- qualifying cash flow hedges to the extent that the hedges are effective;

As per Ind AS 101, the Group has chosen to avail the exemption of capitalising the exchange difference arising from foreign currency loan taken on or before 31 March 2016 and not recognised in the consolidated statement of profit and loss.

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Rs.at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising in the acquisition/ business combination of a foreign operation on or after 1 April 2015 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Any goodwill or fair value adjustments arising in business combinations/ acquisitions, which occurred before the date of transition to Ind AS (1 April 2014), are treated as assets and liabilities of the entity rather than as assets and liabilities of the foreign operation. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

f Income taxes

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

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

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

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

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

g Provisions and contingent liabilities

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

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

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

h Impairment

(i) Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost; and

- financial assets measured at FVOCI- debt investments.

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

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

- significant financial difficulty of the borrower or issuer;

- a breach of contract such as a default or being past due for one year or more;

- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or

- the disappearance of an active market for a security because of financial difficulties.

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

- debt securities that are determined to have low credit risk at the reporting date; and

- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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

The Group considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is one year or more past due.

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

Presentation of allowance for expected credit losses in the balance sheet:
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at fair value through OCI (FVOCI), the loss allowance is charged to profit or loss and is recognised in OCI.

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

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

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

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

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

i Earnings per share

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

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

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

j Cash and cash equivalents

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

k Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

l Leases

As a lessee

Assets held under leases

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

Lease payments

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

As a lessor

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

m Government grants

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

Since the grant compensates the Group for expenses incurred, it is recognised in the consolidated statement of profit and loss as a reduction from the respective expenses on a systematic basis in the periods in which such expenses are recognised.

n Contributed equity

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

o Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

p Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets: Classification and subsequent measurement

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

- amortised cost;

- Fair value through other comprehensive income (FVOCI) – debt investment;

- FVOCI – equity investment; or

- FVTPL

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

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

– the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

– the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

– the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets: Business model assessment

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

– the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

– how the performance of the portfolio is evaluated and reported to the Group's management;

– the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

– how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

– the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

– contingent events that would change the amount or timing of cash flows;

– terms that may adjust the contractual coupon rate, including variable interest rate features;

– prepayment and extension features; and

– terms that limit the Group's claim to cash flows from specified assets (e.g. non- recourse features).

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

Financial assets: Subsequent measurement and gains and losses

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

The Group does not have financial assets measured at FVTPL or FVOCI.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 44 for financial liabilities designated as hedging instruments.

iii. Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments and hedge accounting

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

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

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

Cash flow hedges

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

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

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

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

vi. Compound financial instruments

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

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

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

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

Recent accounting pronouncements

(a) Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows' and Ind AS 102, 'Share-based payment.' These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows' and IFRS 2, 'Share-based payment,' respectively. The amendments are applicable to the Group from April 1, 2017.

Amendment to Ind AS 7:

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

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

Amendment to Ind AS 102:

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

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

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

4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

(Rs. in million)

Particulars	Owned								Leased	Total (A)	Capital work-in-progress (refer note iii) (B)	Total
	Freehold land	Buildings (refer note i)	Leasehold improvements	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Coffee vending machine	Leasehold land (refer note iv)			
Cost or deemed cost:												
Balance as at 1 April 2015	216.44	1,585.42	2,338.85	1,811.73	18.92	439.56	30.64	5.96	2,041.90	968.09	9,457.51	297.85	9,755.36
Additions (refer note ii)	-	1.11	546.91	294.05	0.41	353.83	0.34	-	738.30	-	1,934.95	1,441.02	3,375.97
Reclassification (refer note v)	-	-	19.59	(58.57)	10.33	25.73	2.92	-	-	-	-	-	-
Exchange differences on translation of foreign operations (refer note vi)	-	-	5.91	9.04	1.26	4.86	0.36	-	-	-	21.43	-	21.43
Disposals/ capitalisation	-	-	34.26	48.19	0.08	3.28	0.10	1.47	-	-	87.38	1,370.13	1,457.51
Balance as at 31 March 2016	216.44	1,586.53	2,877.00	2,008.06	30.84	820.70	34.16	4.49	2,780.20	968.09	11,326.51	368.74	11,695.25
Balance as at 1 April 2016	216.44	1,586.53	2,877.00	2,008.06	30.84	820.70	34.16	4.49	2,780.20	968.09	11,326.51	368.74	11,695.25
Additions (refer note ii)	0.99	0.49	339.16	187.66	0.89	263.24	3.37	-	973.26	-	1,769.06	1,558.27	3,327.33
Exchange differences on translation of foreign operations (refer note vi)	-	-	(3.16)	(6.01)	(0.96)	(3.10)	(0.25)	-	-	-	(13.48)	-	(13.48)
Disposals/ capitalisation	-	-	29.60	-	-	12.82	-	-	-	-	42.42	1,391.86	1,434.28
Balance as at 31 March 2017	217.43	1,587.02	3,183.40	2,189.71	30.77	1,068.02	37.28	4.49	3,753.46	968.09	13,039.67	535.15	13,574.82
Accumulated depreciation:												
Balance as at 1 April 2015	-	30.03	83.92	326.02	14.85	88.38	26.87	3.29	-	-	573.36	-	573.36
Depreciation for the year	-	82.06	565.13	359.12	2.94	122.62	2.26	0.28	390.89	-	1,525.30	-	1,525.30
Reclassification (refer note v)	-	-	22.15	(54.99)	8.35	22.22	2.27	-	-	-	-	-	-
Exchange differences on translation of foreign operations (refer note vi)	-	-	5.25	5.79	1.04	3.94	0.28	-	-	-	16.30	-	16.30
Disposals	-	-	18.60	21.93	0.08	0.35	0.04	1.44	-	-	42.44	-	42.44
Balance as at 31 March 2016	-	112.09	657.85	614.01	27.10	236.81	31.64	2.13	390.89	-	2,072.52	-	2,072.52
Balance as at 1 April 2016	-	112.09	657.85	614.01	27.10	236.81	31.64	2.13	390.89	-	2,072.52	-	2,072.52
Depreciation for the year	-	81.87	585.71	333.93	2.50	164.11	1.91	0.48	460.13	-	1,630.64	-	1,630.64
Exchange differences on translation of foreign operations (refer note vi)	-	-	(4.18)	(3.66)	(0.85)	(2.26)	(0.23)	-	-	-	(11.18)	-	(11.18)
Disposals	-	-	26.59	-	-	13.89	-	-	-	-	40.48	-	40.48
Balance as at 31 March 2017	-	193.96	1,212.79	944.28	28.75	384.77	33.32	2.61	851.02	-	3,651.50	-	3,651.50
Carrying amount:												
As at 1 April 2015	216.44	1,555.39	2,254.93	1,485.71	4.07	351.18	3.77	2.67	2,041.90	968.09	8,884.15	297.85	9,182.00
As at 31 March 2016	216.44	1,474.44	2,219.15	1,394.05	3.74	583.89	2.52	2.36	2,389.31	968.09	9,253.99	368.74	9,622.73
As at 31 March 2017	217.43	1,393.06	1,970.61	1,245.43	2.02	683.25	3.96	1.88	2,902.44	968.09	9,388.17	535.15	9,923.32

Notes:

i) Includes building constructed on leasehold land.

ii) As per Ind AS 101, a 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.

Accordingly, the Group has opted to avail the option as given in paragraph D13AA of Ind AS 101 - First-time Adoption of Indian Accounting Standards and accordingly capitalised foreign exchange gain/ (loss) of Rs.24.82 million (31 March 2016: (Rs.159.82 million); 1 April 2015: (Rs.328.60 million)).

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

iv) Finance leases
The carrying value of land held under finance leases as at 31 March 2017 was Rs.Rs.968.09 million (31 March 2016: Rs.968.09 million, 1 April 2015: Rs.968.09 million). The Company has taken land admeasuring 10.05 acres in Chickamangalur on lease for a period of 99 years on 1 April 1995. The Company has classified the lease as as a finance lease since it has an option to purchase the land at the end of the lease period.

v) Represents reclassification of certain assets in the previous year from plant and machinery to other asset categories.

vi) Represents the effect of translation of assets held by foreign subsidiary companies.

vii) Security
Property, plant and equipment amounting to Rs.7,135.73 million as at 31 March 2017 (31 March 2016: Rs.6,741.92 million; 1 April 2015: Rs.6,327.31 million) has been pledged as security by the Group against loans taken from banks and financial institutions.

viii) Contractual obligations
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities on account of cafés in the course of opening amounting to Rs.23.23 million (March 2016: 132.74 million, April 2015: 203.18 million).

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

5 INTANGIBLE ASSETS

(*Rs. in million*)

	Software	Total
Cost or deemed cost:		
Balance as at 1 April 2015	3.27	3.27
Additions	5.97	5.97
Exchange differences on translation of foreign operations	0.32	0.32
Disposals	-	-
Balance as at 31 March 2016	**9.56**	**9.56**
Balance as at 1 April 2016	9.56	9.56
Additions	81.00	81.00
Exchange differences on translation of foreign operations	-	-
Disposals	-	-
Balance as at 31 March 2017	**90.56**	**90.56**
Accumulated amortisation:		
Balance as at 1 April 2015	1.95	1.95
Amortisation for the year	0.99	0.99
Exchange differences on translation of foreign operations	0.36	0.36
Disposals	-	-
Balance as at 31 March 2016	**3.30**	**3.30**

5 INTANGIBLE ASSETS (contd.)

(*Rs. in million*)

	Software	Total
Balance as at 1 April 2016	3.30	3.30
Amortisation for the year	2.01	2.01
Exchange differences on translation of foreign operations	-	-
Disposals	-	-
Balance as at 31 March 2017	**5.31**	**5.31**
Carrying amount:		
As at 1 April 2015	**1.32**	**1.32**
As at 31 March 2016	**6.26**	**6.26**
As at 31 March 2017	**85.25**	**85.25**

6 GOODWILL

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Carrying amount at the beginning of the year	175.59	167.60
Exchange differences on translation of foreign operations	(9.12)	7.99
Provision for impairment of goodwill	(7.07)	-
Carrying amount at the end of the year	**159.40**	**175.59**

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which goodwill is monitored for internal management purposes, which is not higher than the Group's operating segments. The aggregate carrying amounts of goodwill allocated to each unit are as follows :-

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Production, procurement and export division	-	-
Retail operation:		
- Café retail	149.01	158.13
- Coffee curing	10.39	10.39
- Coffee testing	7.07	7.07
Less: impairment of goodwill in coffee testing	(7.07)	-
	159.40	**175.59**

Café retail:

The recoverable amount of this CGU is based on value in use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Particulars	As at 31 March 2017
Terminal value growth rate of revenue	2.00%
Terminal EBITDA as a % of revenue	26.40%
Discount rate	17.00%

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	Approach used to determining values
Terminal value growth rate of revenue	This is the weighted average growth rate used to extrapolate revenue beyond the budget period. The rates are consistent with forecasts included in industry reports.
Pre-tax discount rate	Reflect specific risks relating to the relevant segments and the countries in which they operate.
Terminal EBITDA as a % of revenue	Operating EBITDA has been estimated based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth.

6 GOODWILL (contd.)

The estimated recoverable amount of the CGU exceeds its carrying amount by approximately Rs.25.29 million. Management has identified that a reasonably possible change in these key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Particulars	As at 31 March 2017
Terminal value growth rate of revenue	1.50%
Terminal EBITDA as a % of revenue	25.30%
Discount rate	17.30%

Coffee testing:

During the year ended 31 March 2017, the Group made a downward revision in the future profitability projection for the Coffee testing division primarily due to a lowering of previous expectations. The Group assessed the aforementioned events and circumstances and determined that it was more likely than not that the fair value of the Coffee testing unit was less than its carrying value. Accordingly, the Group conducted the goodwill impairment tests using this new profitability projection and recalculated the implied fair value of the goodwill of the reporting unit. As a result of this recalculation, the carrying value of the goodwill was determined to be zero. Consequently, the entire amount of the goodwill related to Coffee testing, Rs.7.70 million, was impaired during the current year. The impairment loss is included in other operating expense in the consolidated statements of profit and loss.

7 NON-CURRENT INVESTMENTS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unquoted equity shares			
Investment in Equity instruments:			
(i) Investment in Joint venture company measured under equity method (fully paid):			
0.69 million (31 March 2016: 0.19, 1 April 2015: Nil) equity shares of Coffee Day Schaerer Technologies Private Limited of Rs.10 each	1.72	0.35	-
	1.72	**0.35**	**-**
Aggregate value of unquoted investments	1.72	0.35	-

Information about the Group's exposure to credit and market risks, and fair value measurement, is included in note 44.

8 LOANS

A Non-current loans

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good			
Security deposit	780.54	698.12	626.12
	780.54	**698.12**	**626.12**

B Current loans

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Unsecured, considered good			
Security deposit	11.18	22.31	-
Staff advances	39.00	16.45	11.69
	50.18	**38.76**	**11.69**

Notes to the consolidated financial statements for the year ended 31 March 2017

9 OTHER FINANCIAL ASSETS

A Other non-current financial assets

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Others			
Fixed deposit accounts with banks*	75.50	144.94	86.90
Margin money deposits with banks	2.13	9.53	26.10
	77.63	**154.47**	**113.00**

Includes Rs.75.50 million (31st March, 2016: Rs.109.05 million, 1 April 2015: Rs.75.50 million) given as security for loan availed by the Group. These fixed deposits cannot be withdrawn by the Group within 12 months of Balance Sheet date.

B Other current financial assets

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Derivatives instruments at fair value through OCI			
Cash flow hedges			
- Interest rate swaps	6.55	-	-
Export benefit receivable	31.07	75.73	90.40
Other advances	82.99	56.88	68.74
Interest accrued but not due	12.98	28.69	4.02
	133.59	161.30	163.16

10 OTHER ASSETS

A Other non-current assets

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Capital advances	438.84	468.19	197.38
Advances other than capital advances:			
- deposit with government authorities	10.37	1.57	1.30
- advance tax including tax deducted at source, net of provision for tax	71.28	74.28	41.34
- taxes paid under protest	69.18	46.68	38.10
- supplier advance	28.23	40.24	37.30
- deferred rent expense	206.89	224.81	220.30
- others	0.61	-	-
	825.40	**855.77**	**535.72**

B Other current financial assets

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Supplier advance	697.30	377.61	348.79
Balances with government authorities	30.24	32.20	16.65
Deferred rental expense	56.80	62.47	59.95
Prepaid expenses	16.81	8.91	5.08
Others	0.51	2.34	1.00
	801.66	**483.53**	**431.47**

11 INVENTORIES

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Stock of raw coffee and packing material	490.78	190.72	134.92
Stock of perishables, consumables and merchandise	504.79	670.23	748.23
Finished goods of clean and roasted coffee	112.27	175.37	94.57
Work-in-progress	78.96	79.91	64.22
	1,186.80	**1,116.23**	**1,041.94**
Carrying amount of inventories (included in above) pledged as securities for borrowings (refer note 18)	633.02	397.92	245.23

12 TRADE RECEIVABLES

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade receivables			
Unsecured, considered good	1,545.83	1,279.85	1,204.17
Doubtful	40.00	20.00	-
	1,585.83	**1,299.85**	**1,204.17**
Loss allowance			
Unsecured, considered good			
Doubtful	(40.00)	(20.00)	-
	1,545.83	**1,279.85**	**1,204.17**

All trade receivables are 'current'.

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

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Total trade receivables from related parties	5.62	8.46	2.83
Loss allowance	-	-	-
Net trade receivables	**5.62**	**8.46**	**2.83**

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables is disclosed in note 44.

13 CASH AND CASH EQUIVALENTS

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
- in current accounts	485.19	268.66	310.22
- in escrow accounts	19.05	34.94	23.21
- in fixed deposit accounts (original maturity less than 3 months)	1,600.77	2,262.95	1,139.90
Cash on hand	54.50	44.26	36.01
	2,159.51	**2,610.81**	**1,509.34**

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Balances with banks			
- in fixed deposit accounts with banks*	52.09	1,537.32	57.10
-in margin money deposits with banks	7.92	128.20	37.50
	60.01	**1,665.52**	**94.60**

*includes Rs.49.31 million (31 March 2016: Nil, 1 April 2015: Nil) given as security for loan and overdraft facility availed by the Group.

15 SHARE CAPITAL

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Authorised			
2,260,890,413 (31 March 2016: 2,260,890,413, 1 April 2015: 2,260,890,413) equity shares of Re 1 each	2,260.89	2,260.89	2,260.89
3,970,222 (31 March 2016: 3,970,222, 1 April 2015: 3,970,222) IFC Subscribed "A" preference shares of Re 1 each	3.97	3.97	3.97
900,000 (31 March 2016: 900,000, 1 April 2015: 900,000) IFC Subscribed "B" preference shares of Rs.100 each	90.00	90.00	90.00
	2,354.86	**2,354.86**	**2,354.86**
Issued, subscribed and fully paid up			
169,906,657 (31 March 2016: 168,675,747, 1 April 2015: 162,598,207) equity shares of Re 1 each	169.91	168.68	162.60
	169.91	**168.68**	**162.60**

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

(*Rs. in million*)

Particulars	As at 31 March 2017		As at 31 March 2016	
	No of shares	**Amount**	No of shares	Amount
Number of shares at the beginning of the year	168,675,747	168.68	162,598,207	162.60
Add: Shares issued against preference shares	-	-	5,462,085	5.46
Add: Shares issued against convertible debentures	1,230,910	1.23	615,455	0.62
Number of shares outstanding at the end of the year	**169,906,657**	**169.91**	**168,675,747**	**168.68**

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

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

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

Particulars	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	% of holding	**No of shares**	% of holding	No of shares	% of holding	No of shares
Coffee Day Enterprises Limited, holding company	86.63%	147,192,442	87.26%	147,192,442	90.53%	147,192,442
Devardarshini Info Technologies Private Limited	4.83%	8,205,742	4.86%	8,205,742	5.05%	8,205,742

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

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Coffee Day Enterprises Limited, holding company	147.20	147.20	147.20

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

(*Rs. in million*)

Particulars	As at 31 March 2017		As at 31 March 2016	
	No of shares	**Amount**	No of shares	Amount
For compulsorily convertible debentures of Rs.100 each*	19,755,822	19.76	19,755,822	19.76

* Refer Note 16(b)

16 COMPULSORILY CONVERTIBLE DEBENTURES

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
41,000,000 (31 March 2016: 41,000,000, 1 April 2015: Nil) compulsorily convertible debentures of Rs.100 each fully paid up	4,100.00	4,100.00	-
	4,100.00	**4,100.00**	**-**

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

(*Rs. in million*)
(*except share data*)

Particulars	As at 31 March 2017		As at 31 March 2016	
	No of debentures	Amount	No of debentures	Amount
Number of compulsorily convertible debentures at the beginning of the year	41,000,000	4,100.00	-	-
Add: Debentures issued during the year	-	-	41,000,000	4,100.00
Number of compulsorily convertible debentures outstanding at the end of the year	**41,000,000**	**4,100.00**	**41,000,000**	**4,100.00**

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

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

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Coffee Day Enterprises Limited, holding company	4,100.00	4,100.00	-

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

Particulars	As at 31 March 2017		As at 31 March 2016	
	% of holding	No of debentures	% of holding	No of debentures
Coffee Day Enterprises Limited, holding company	100.00%	41,000,000	100.00%	41,000,000

17 OTHER EQUITY

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Capital reserve		
At the commencement of the year	0.04	0.04
Add: Movement during the year	(0.39)	-
At the end of the year	**(0.35)**	**0.04**
Shares options outstanding account		
At the commencement of the year	51.33	24.34
Add: Additions during the year on account of stock option	12.71	26.99
At the end of the year	**64.04**	**51.33**
Securities premium		
At the commencement of the year	7,468.59	7,165.87
Add: Additions during the year on conversion of preference shares and compulsorily convertible debentures to equity shares	168.45	302.72
At the end of the year	**7,637.04**	**7,468.59**

Notes to the consolidated financial statements for the year ended 31 March 2017

17 OTHER EQUITY (contd.)

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016
Debenture redemption reserve		
At the commencement of the year	125.10	83.40
Add: Transferred (to)/ from statement of profit and loss for the year	(125.10)	41.70
At the end of the year	**-**	**125.10**
General reserve		
At the commencement of the year	106.50	106.50
Add: Movement during the year	-	-
At the end of the year	**106.50**	**106.50**
Retained earnings		
At the commencement of the year	323.26	128.89
Add: Net profit for the year	263.63	242.32
Add: Transfer from/ (to) debenture redemption reserve	125.10	(41.70)
Dividends	(3.75)	(6.25)
At the end of the year	**708.24**	**323.26**
Foreign currency translation reserve		
At the commencement of the year	17.73	18.95
Add/ (less): Exchange difference arising on translating the foreign operations, net of tax	9.68	(1.22)
At the end of the year	**27.41**	**17.73**
Cash flow hedges reserve		
At the commencement of the year	(5.02)	(15.01)
Add: Movement during the year	4.78	9.99
At the end of the year	**(0.24)**	**(5.02)**
Actuarial gain or losses		
At the commencement of the year	(5.05)	(0.45)
Add: Remeasurements of defined benefit plan actuarial gains/ (losses)	(0.96)	(4.60)
At the end of the year	**(6.01)**	**(5.05)**
	8,536.63	**8,082.48**

Nature and purpose of other reserves:

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

Securities premium 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 Section 52(2) of Companies Act, 2013.

Debenture redemption reserve:
Debenture redemption reserve is created out of the profits which is available for payment of premium for the purpose of redemption of debentures.

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

Foreign currency translation reserve:
The translation reserve comprise all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

Cash flow hedges reserve
The effective portion of cash flow hedge represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the

17 OTHER EQUITY (contd.)

heading of cash flow hedges reserve will be reclassified to profit and loss only when the hedged transaction affects the profit or loss, or included as a basis adjustment to the non-financial hedged item.

Actuarial gain or losses

The cumulative gain or loss arising on the actuarial valuation on remeasurements of defined benefit plan is recognised and accumulated under the heading of actuarial gains and losses reserve. Items included in actuarial gain or loss reserve will not be reclassified subsequently to profit and loss.

Retained earnings

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

18 BORROWINGS

A Non-current borrowings

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured:			
Debentures			
Nil (March 2016: Nil, April 2015: 496.58 million) 12.5% p.a. non convertible redeemable debentures of Rs.1 million each issued to ING Vysya Bank [refer note (i)]	-	-	496.58
Term loans			
- from banks			
- Rabobank International [refer note (ii)]	900.20	1,183.72	157.92
- Standard Chartered Bank [refer note (iii)]	-	194.20	551.25
- Vehicle loans from banks [refer note (iv)]	-	0.36	1.00
- Vijaya Bank [refer note (v)]	-	-	700.00
- from other parties			
- Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG') [refer note (vi)]	-	-	236.44
Unsecured:			
Compulsorily convertible debentures issued to FMO [refer note (vii)]	290.46	498.06	754.53
	1,190.66	**1,876.34**	**2,897.72**

B Current borrowings

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Secured:			
Loan repayable on demand			
- from banks			
- bank overdraft			
- Karnataka Bank Limited [refer note (xii)]	0.83	0.43	50.20
- Oriental Bank of Commerce [refer note (xiii)]	3.34	-	10.70
- HSBC [refer note (xiv)]	100.00	107.03	100.00
- Vijaya Bank [refer note (xv)]	49.88	-	-
- Kotak Mahindra Bank Ltd [refer note (xvi)]	140.57	-	-
- packing credit loan from banks			
- Karnataka Bank Limited [refer note (xii)]	165.93	244.44	45.00
- Oriental Bank of Commerce [refer note (xiii)]	207.10	239.10	363.30
- bill discounting facility from banks			
- Karnataka Bank Limited [refer note (xii)]	210.88	173.72	340.50
- Oriental Bank of Commerce [refer note (xiii)]	123.69	99.92	73.80
Unsecured:			
- bank overdraft			
- Kotak Mahindra Bank Limited [refer note ((xvii))]	-	141.44	127.71
- commercial papers issued to banks/ financial institution	-	89.89	358.80
	1,002.22	**1,095.97**	**1,470.01**

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 44.

Notes to the consolidated financial statements for the year ended 31 March 2017

18 BORROWINGS (contd.)

Notes:

(i) Non convertible redeemable debentures issued to ING Vysya Bank - (amounting to: Nil (31 March 2016: Rs.498.45 million; 1 April 2015: Rs.496.58 million) - including current maturities of non-current borrowings

These debentures carry interest rate of 12.5% p.a. and is payable quarterly. These debentures are secured by -

§ Hypothecation of certain movable fixed assets of the Company and its related charge of cash flow.

§ Charge on cash flows from 100 cafe outlets.

§ Personal guarantee of Promoter.

These debentures are redeemable by way of bullet repayment at the end of 3 years from the date of issue (i.e., 20 November 2016).

(ii) From Rabobank International, Singapore and Rabobank International, Hong Kong - (amounting to: Rs.1,163.16 million (31 March 2016: Rs.1,493.93 million; 1 April 2015: Rs.399.59 million) - including current maturities of non-current borrowings

Secured by

§ Personal guarantee of the Promoter;

§ Charge on specific movable assets of the Company; and

§ First ranking equitable mortgages on the following immovable properties–

o Converted land of 2 estates with building located in Mangalore owned by Tanglin Developments Limited;

o Land and building located in Hassan, owned by Ganga Coffee Curing Works; and

o Land located in Palace Road, Bangalore owned by the Company with a carrying amount of Rs.79 million as at 31 March 2017 (31 March 2016: Rs.79 million, 1 April 2015: Rs.79 million).

§ Second ranking equitable mortgage on the land and buildings of the Corporate Headquarters of the Company located at Vittal Mallya Road, Bangalore with a carrying amount of Rs.1,314 million as at 31 March 2017 (31 March 2016: Rs.1,390 million, 1 April 2015: Rs.1,465 million)

Loan from Rabobank International, Singapore carries a floating interest rate of LIBOR plus 4.15% margin p.a and is repayable in 12 biannual installments. The Group has entered into an interest rate swap agreement to pay fixed LIBOR of 1.67% (31 March 2016: 1.67%, 1 April 2015: 1.67%) and receive floating LIBOR rate for the above loans.

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

(iii) From Standard Chartered Bank - (amounting to: Rs.191.06 million (31 March 2016: Rs.586.60 million; 1 April 2015: Rs.922.84 million) - including current maturities of non-current borrowings

Secured by

§ Charge on all movable fixed assets of the Company;

§ Charge over all cash deposits with landlords for cafes and future cafes starting with Standard Chartered Bank facility.

§ First exclusive charge and irrecoverable rights of lien and set-off on the fixed deposit with Standard Chartered Bank with a carrying value of Rs.Nil (31 March 2016: Rs.88.48 million, 1 April 2015: Rs.86.89 million)

The loan carries a floating interest rate of 3 months LIBOR plus 2.75% margin p.a. which is repayable in 17 equal quarterly installments with effect from August 2013. The loan is denominated in foreign currency. The Company has entered into an interest rate swap to pay fixed rate of interest of 4.46% (31 March 2016: 4.46%, 1 April 2015: 4.46%) and receive floating LIBOR rate.

(iv) Vehicles loan - (amounting to: Rs.0.36 million (31 March 2016: Rs.1.04 million; 1 April 2015: Rs.1.70 million) - including current maturities of non-current borrowings

Secured by hypothecation of vehicles.

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

(v) From Vijaya Bank - (amounting to: Nil (31 March 2016: Rs.0.11 million; 1 April 2015: Rs.900.00 million) - including current maturities of non-current borrowings

Secured by

§ First charge over specific fixed assets;

18 BORROWINGS (contd.)

§ Personal guarantee of the Promoter.

§ Post dated cheques for entire loan amount with interest.

The loan carries interest rate of bank rate plus 2.25% term premium and is repayable in 20 equal quarterly installments with effect from December 2014. The Company has prepaid the loan during the year.

(vi) From Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG') - (amounting to: Nil (31 March 2016: Rs.258.08 million; 1 April 2015: Rs.475.98 million) - including current maturities of non-current borrowings

Secured by

§ Personal guarantee of the Promoter;

§ Charge on specific movable assets of the Company; and

§ First ranking equitable mortgages on the following immovable properties–

o Converted land of 2 estates with building located in Mangalore owned by Tanglin Developments Limited;

o Land and building located in Hassan, owned by Ganga Coffee Curing Works; and

o Land located in Palace Road, Bangalore owned by the Company.

§ Second ranking equitable mortgage on the land and buildings of the Corporate Headquarters of the Company located at Vittal Mallya Road, Bangalore.

Loan from DEG carries a floating interest rate of 3 months LIBOR plus 4.15% margin p.a and is repayable in 12 biannual installments with effect from September 2011. The Company has entered into an interest rate swap agreement to pay fixed LIBOR of Nil (31 March 2016: 1.67%, 1 April 2015: 1.67%) and receive floating LIBOR rate for the above loans.

(vii) Compulsorily convertible debentures issued to FMO - (amounting to: Rs.460.22 million (31 March 2016: Rs.667.82 million; 1 April 2015: Rs.754.53 million) - including current maturities of non-current borrowings

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

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

- Mandatory conversion date i.e. date falling 10 years after the issue of debentures (i.e., 30 March 2010);

- Optional conversion date i.e. dates falling 66 months, 72 months, 78 months, 84 months, 90 months, 96 months, 102 months and 108 months from the closing date (i.e. 30 March 2010);

- In the event of IPO, the latest permissible date up to which the debentures can remain outstanding under local laws; and

- At the investors option upon the occurrence of an event of default.

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

During the year, the holders sold 1,697,572 (31 March 2016: 848,786) Compulsorily Convertible Debentures (CCDs) to the promoter V.G. Siddhartha, subsequent to which the CCDs were converted to 1,230,910 (31 March 2016: 615,455) equity shares of Re 1 each as per the original terms of agreement.

(viii) IFC Subscribed "A" preference shares of Re 1 each -

The Company had issued Nil (31 March 2016: Nil; 1 April 2015: 3,970,222) IFC Subscribed ""A"" preference shares of Re 1 each to shareholder. IFC Subscribed "A" preference shares carry a dividend rate of 0.001% p.a. The preference 'A' shares will participate with the equity shares in any dividend declaration assuming a conversion ratio of 1:1. No dividend shall be paid on any other shares if the preference dividend has not been allocated and paid to shareholders.

IFC had the option to seek redemption/ conversion of IFC Subscribed "A" preference shares.

Redemption - IFC at its option, can seek redemption of preference shares at any time on or after 31 December 2011. Redemption price shall be determined to provide shareholders with an 18% compounded annual internal rate of return on the preference shares, calculated in rupee terms.

Conversion – On conversion of IFC Subscribed ""A"" preference shares and IFC Subscribed ""B"" preference shares, shareholders shall receive such number of equity shares in order to achieve 3.16% of the outstanding shares of the Company on a fully diluted basis subject to achievement of certain performance parameters.

Notes to the consolidated financial statements for the year ended 31 March 2017

18 BORROWINGS (contd.)

During the previous year, the preference shareholders have exercised the conversion option by which the Company has converted 3,970,222 number of optionally convertible International Financial Corporation subscribed ""A"" preference share held by International Financial Corporation (2,894,411 preference shares) and V. G. Siddhartha (1,075,811 preference shares) into 3,970,222 number of equity shares and 900,000 number of optionally convertible International Financial Corporation subscribed "B" preference share into 1,491,863 number of equity shares as per the terms and conditions specified in the agreement. Subsequent to the conversion of the preference shares, V. G. Siddhartha has bought 4,386,274 shares held by International Financial Corporation.

(ix) IFC Subscribed "B" preference shares of Rs.100 each:-

The Company has issued Nil (31 March 2016: Nil; 1 April 2015: 900,000) IFC Subscribed "B" preference shares of Rs.100 each to International Financial Corporation ('IFC'). IFC Subscribed "B" preference shares carry a dividend rate of 0.001% p.a. No dividend shall be paid on any other shares if the preference dividend has not been allocated and paid to IFC for the IFC preference shares.

Redemption - IFC at its option, can seek redemption of preference shares at any time on or after 31 December 2011. Redemption price shall be determined to provide IFC with an 18% compounded annual internal rate of return on the preference shares, calculated in rupee terms.

Conversion – refer note 18(viii) for conversion in the previous year.

(x) Convertible / redeemable debentures in descending order of conversion/ redemption:-

(*Rs. in million*)

Particulars	Convertible into	Conversion/ maturity	Earliest date of conversion/ redemption
IFC Subscribed "A" preference shares	Equity shares	Conversion	Refer (viii) above.
IFC Subscribed "B" preference shares	Equity shares	Conversion	Refer (ix) above.
Non convertible redeemable debentures issued to ING Vysya Bank	None	Redemption	Redeemed on 20 November 2016
Compulsorily convertible debentures issued to FMO	Equity shares	Conversion	Refer (vii) above.

(xi) The aggregate amount of long-term borrowings secured by personal guarantee of Managing Director and relatives of Managing Director amounts to Rs.1,170.00 million (31 March 2016: 2,264.48, 1 April 2015: 2,283.93).

(xii) From Karnataka Bank Limited (includes bank overdraft, bills discounting and packing credit loan account) –

Secured by

§ Hypothecation of stocks of coffee beans located at Chikmagalur;

§ Hypothecation of goods covered under export bills;

§ Further, the loan is collaterally secured by -

- Deposit of title deeds of a property belonging to a relative of Promoter;

- Personal guarantee of Promoter and relatives of Promoter; and

- Promissory note provided by the Company and the Promoter.

(xiii) From Oriental Bank of Commerce (includes bank overdraft, bills discounting and packing credit loan account) –

Secured by

§ Foreign documentary demand/ usance bill having maximum usance of 270 days accompanied by Airways bills/ Bill of Lading and drawn under irrevocable letter of credit/ confirmed orders only towards bills purchased;

§ Hypothecation of stock of coffee at Hassan earmarked for export and advance paid to planters;

§ Equitable/ Registered mortgage of non agricultural industrial land in the name of Classic Coffee Curing Works at Chikmagalur; and

§ Personal guarantee of the Managing Director and relatives of the Managing Director.

(xiv) From HSBC (bank overdraft)–

Secured by

§ Exclusive charge over movable fixed assets, both present and future of the Company's outlets (café's) with asset cover of 1.75x.

§ Personal Guarantee of Managing Director.

18 BORROWINGS (contd.)

(xv) From Vijaya bank (bank overdraft)–

Secured by

§ Hypothecation of stocks and receivables pertaining to vending division.

(xvi) From Kotak Mahindra Bank Limited (bank overdraft)–

Secured by

§ Exclusive charge over movable fixed assets of 100 café outlets and 2,146 vending machines.

(xvii) From Kotak Mahindra Bank Limited (bank overdraft)–

Secured by

§ Bank guarantee given by Coffee Day Global Limited amounting to Nil (31 March 2016: Rs.151.26 million (Euro 2 million); 1 April 2015: Rs.134.01 million (Euro 2 million)).

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

(xix) The aggregate amount of current borrowings secured by personal guarantee of Managing Director and relatives of Managing Director amounts to Rs.1002.23 million (31 March 2016: Rs.864.64 million, 1 April 2015: Rs.983.37 million).

19 NON-CURRENT FINANCIAL LIABILITIES

A. Other non-current financial liabilities

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Others			
- deposits from customers	371.80	276.16	227.68
- other payables	0.95	-	-
- derivative liability	-	-	23.00
	372.75	**276.16**	**250.68**

B. Other current financial liabilities

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current maturities of long-term debt*			
- debentures			
- ING Vysya Bank	-	498.45	-
- Compulsorily convertible debentures issued to FMO	169.76	169.76	-
- from banks			
- Rabobank International	262.96	310.21	241.67
- Standard Chartered Bank	191.06	392.40	371.59
- Vehicle loans from banks	0.36	0.68	0.70
- Vijaya Bank	-	0.11	200.00
- from other parties			
- Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG')	-	258.08	239.54
- Nil (31 March 2016: Nil, 1 April 2015: 3,970,222) IFC Subscribed "A" preference shares of Re 1 each [refer note 8 (viii)]	-	-	9.46
- Nil (31 March 2016: Nil, 1 April 2015: 900,000) IFC Subscribed "B" preference shares of Rs.100 each [refer note 8 (ix)]	-	-	214.44
Interest accrued but not due on borrowings	34.86	47.97	57.60
Derivatives not designated as hedge			
- foreign exchange forward contracts	-	1.82	0.30
Others			
- accrued salaries and benefits	132.30	116.88	85.70
- creditors for expenses	156.34	222.68	213.53
- creditors for capital goods	85.50	111.88	120.90
- book overdraft	17.85	8.38	1.60
- deposits from customers	387.77	396.32	356.30
	1,438.76	**2,535.62**	**2,113.33**

* The details of interest rate, repayment terms, nature and value of securities furnished and guarantees given are disclosed under note 18.

Notes to the consolidated financial statements for the year ended 31 March 2017

20 PROVISION

A Non-current provision

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
- Gratuity [Refer Note 43]	16.62	16.10	3.62
	16.62	**16.10**	**3.62**

B Current provision

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Provision for employee benefits			
- Gratuity (Refer Note 43)	6.90	7.12	6.32
- Compensated Absence	15.57	13.79	7.31
Others	-	1.36	-
	22.47	**22.27**	**13.63**

(i) Movements in provision:

(*Rs. in million*)

Particulars	Gratuity	Compensated absences
Balance at 1 April 2016	23.22	13.79
Additional provision recognised	4.89	1.78
Reduction arising from payments	(4.59)	-
Balance at 31 March 2017	**23.52**	**15.57**

21 OTHER LIABILITIES

A Other non-current liabilities

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Rent equalisation reserve	69.17	44.97	36.51
Financial guarantee obligation	3.80	6.63	2.92
	72.97	**51.60**	**39.43**

B Other current liabilities

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Statutory dues	115.66	85.74	91.39
Rent equalisation reserve	10.83	8.15	6.53
Others			
- advance payments towards unexpired gift vouchers	6.13	3.86	12.80
- advance from customers	282.73	0.07	0.05
- subsidy advance (refer note 38)	2.86	38.34	25.00
	418.21	**136.16**	**135.77**

22 TRADE PAYABLES

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Trade payables to related parties	145.66	133.09	40.88
Other trade payables	140.56	275.73	495.88
	286.22	**408.82**	**536.76**

All trade payables are 'current'.

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in Note 44.

22 TRADE PAYABLES (contd.)

Dues to Micro, small and medium enterprises

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 has been made in the financial statements based on information received and available with the Group. The Group has not received any claim for interest from any supplier under the said Act. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;			
(a) (i) Principal	-	-	-
(ii) Interest	-	-	-
(b) The amount of interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during the year*;			
(i) Interest	-	-	-
(ii) Payment	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the year	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

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

23 CURRENT TAX LIABILITIES, NET

Particulars	As at 31 March 2017	As at 31 March 2016
Opening balance	148.78	14.15
Add: Current tax payable for the year	274.57	178.22
Less: Tax paid during the year	(168.66)	(43.59)
Closing balance	**254.69**	**148.78**

24 REVENUE FROM OPERATIONS

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of products		
- Sale of coffee beans	4,065.26	3,693.64
- Sale of food, beverages and other items	11,775.74	10,211.70
- Sale of merchandise items	624.16	633.69
Service income	807.80	701.82
Other operating revenue		
- Sale of import entitlements	104.76	89.59
- Advertisement income	300.09	225.40
- Gain/ (loss) from commodity futures	50.08	(36.09)
Less: quality claims	(3.81)	(1.66)
Less: sales tax	(1,200.04)	(1,069.50)
Less: service tax	(464.52)	(388.06)
Less: trade discounts	(704.86)	(360.81)
	15,354.66	**13,699.72**

Notes to the consolidated financial statements for the year ended 31 March 2017

25 OTHER INCOME

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest income	243.01	198.73
Rental income	22.47	21.46
Commission income	6.58	2.54
Gain from forex hedging	1.05	6.16
Non-redemption of gift vouchers	-	1.95
Others	10.54	21.03
	283.65	**251.87**

26 COST OF MATERIALS CONSUMED

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Opening stock of raw coffee, packing materials, perishables, consumables and merchandise	860.95	883.15
Purchase of raw materials and packing materials		
- Purchase of coffee beans	3,512.21	3,270.17
- Purchase of perishables, consumables and packing materials	3,668.86	2,951.98
- Purchase of merchandise items	99.86	128.81
Closing stock of raw coffee, packing materials, perishables, consumables and merchandise	(995.57)	(860.95)
	7,146.31	**6,373.16**

27 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
(a) Opening stock		
Finished goods	175.37	94.57
Work-in-progress	79.91	64.22
	255.28	158.79
(b) Closing stock		
Finished goods	112.27	175.37
Work-in-progress	78.96	79.91
	191.23	255.28
	64.05	**(96.49)**

28 EMPLOYEE BENEFITS EXPENSE

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Salaries and wages	**1,837.68**	**1,525.07**
Contribution to provident and other funds	188.35	156.32
Share based payments to employees	12.71	26.99
Staff welfare expenses	43.60	27.85
	2,082.34	**1,736.23**

29 FINANCE COSTS

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest expense	447.56	445.11
Other borrowing costs	31.39	47.95
	478.95	**493.06**

30 DEPRECIATION AND AMORTIZATION EXPENSE

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Depreciation of property, plant and equipment (Refer note 4)	1,630.64	1,525.30
Amortization of intangible assets (Refer note 5)	2.01	0.99
	1,632.65	**1,526.29**

31 OTHER EXPENSES

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Rent	1,950.13	1,649.45
Transportation, traveling and conveyance	595.91	363.89
Power and fuel	265.78	293.14
Café housekeeping and maintenance	150.95	173.22
Subcontracting charges	132.56	127.34
Brokerage and commission	116.71	149.21
Grinding and curing charges	80.17	72.35
Repairs and maintenance		
- plant and machinery	48.26	126.29
- buildings	0.99	0.25
- others	17.78	20.21
Advertising and sales promotion	48.30	99.30
Legal and professional fees	42.29	52.00
Rates and taxes	36.33	44.52
Communication expenses	33.19	46.71
Freight and handling charges	40.20	86.25
Office maintenance and utilities	21.26	24.50
Provision for doubtful debts	20.00	20.00
Printing and stationery	11.21	13.72
Insurance	13.64	8.30
Loss on sale of assets, net	3.01	39.66
Foreign exchange loss, net	0.02	0.03
Provision for impairment of goodwill (refer note 6)	7.07	-
Miscellaneous	41.05	46.43
	3,676.81	**3,456.77**

32 INCOME TAX

A Major components of income tax expense for the years ended 31 March 2017 and 31 March 2016:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current income tax:		
Current income tax charge	250.14	178.22
Adjustments in respect of current income tax of previous years	24.43	-
	274.57	**178.22**
Deferred tax:		
Relating to origination and reversal of temporary differences	(44.08)	(28.22)
	(44.08)	**(28.22)**
Income tax expense reported in the statement of profit or loss	**230.49**	**150.00**

B Income tax recognised in other comprehensive income

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Effective portion of gains and losses on hedging	(2.53)	(5.28)
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	(0.05)	2.15
Income tax charged to OCI	**(2.58)**	**(3.13)**

32 INCOME TAX

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Profit before tax	497.66	393.93
Current-year losses of subsidiary companies	65.68	68.80
Adjusted profit before tax	**563.34**	**462.73**
Tax at the Indian tax rate of 34.608% (31 March 2016: 34.608%)	194.96	160.14
Difference in tax rate on account of tax paid by subsidiary company under MAT @ 19.06%	-	(11.69)
Impact non-deductible expenses for tax purposes	11.10	1.55
Adjustments in respect of current income tax of previous years	24.43	-
Income tax expense	**230.49**	**150.00**

D Deferred tax

Deferred tax relates to the following:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Deferred tax assets/ (liabilities)			
Short/ (excess) of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	14.14	(26.01)	(38.14)
Borrowings	9.99	20.38	21.26
Security deposit	15.92	14.91	13.27
Employee benefits	14.00	12.42	9.60
Rent straight lining	23.23	18.39	10.65
Provision for doubtful debts	13.84	6.92	-
Effective portion of gains on hedging instruments in cash flow hedges	0.15	2.68	7.96
Minimum Alternate Tax Credit entitlement	-	-	43.50
	91.27	**49.69**	**68.10**

E Unrecognised deferred tax assets

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Deductible temporary differences	24.59	15.59
Impact of tax losses	**7.78**	**5.26**

* The deductible temporary differences do not expire under current tax legislation.

33 CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Contingent liabilities:			
Claims against the Group not acknowledged as debt in respect to income tax matter, service tax and value added tax matters (refer note i and ii)	656.43	320.02	104.56
Commitments:			
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for (refer note iii)	70.50	132.74	203.18

Notes:

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

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

33 CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS (contd.)

iii) As at 31 March 2017, the Group is committed to spend Rs.23.23 million (31 March 2016:Rs.132.74 million; 1 April 2015: Rs.203.18 million) under a contract to purchase property, plant and equipment.

34 SHARE-BASED PAYMENTS

A. Description of share-based payment arrangements:

Certain employees of the Group have received employee stock options ('ESOP') on the shares granted by a trust sponsored by the promoters of the Group. The Employee Option Plan is designed to reward the employees.

The promoters of the Group have reserved 6.2 million equity shares of the Group with ABC Employees' Welfare Trust ('the Trust') for issuance to eligible employees, under ESOP plans ('Plan A and Plan B').

The Plans are administered by an ESOP Advisory Committee ('the Committee') constituted by the Board of the Company.

Under the plans, the options will be issued to employees at an exercise price, which may be decided by the committee from time to time. The equity shares covered under these options vest over a period of thirty six months for Plan A and eighteen months for Plan B from the date of grant. The exercise period of the options is 3 months from the date of vesting.

The movements in the options under the plans during the year ended 31 March 2017 and 31 March 2016 is set out below:

The terms and conditions related to the grant of the share options are as follows:

Plan A:

Particulars	
Employees entitled	All Employees in permanent employment except the Promoters and Directors
Number of options	6.2 million shares have been reserved for issue under employee stock option scheme (Plan A and Plan B).
Vesting conditions	25% of the options will expire at the end of the 1st and 2nd year and the remaining 50% will expire at the end of the third year.
Contractual life of years	The contractual life of the options are 39 months.

Plan B:

Particulars	
Employees entitled	All Employees in permanent employment except the Promoters and Directors
Number of options	6.2 million shares have been reserved for issue under employee stock option scheme (Plan A and Plan B).
Vesting conditions	100% of the Grants vests at the end of 18 months from Grant date.
Contractual life of years	The contractual life of the options are 21 months.

B. Measurement of fair values

The fair value at the grant date of options granted during the year ended 31 March 2017 was Rs.Nil per option (31 March 2016: Rs.20.81). The fair value at the grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The inputs used in the measurement of the grant date fair values of the plan are as follows:

Plan A:

Ind AS 102 requires the share-based plan to be measured at fair value. However, Ind AS 101 gives an optional exemption to measure the equity settled share-based plan at intrinsic value for options which were vested as on the transition date. For options vested before 1 April 2015, the Group has availed the exemption and accounted the same at intrinsic value. For options unvested as at 1 April 2015, the Group has measured the options at fair value. However, there are no outstanding options as at 31 March 2017 as all the options that were granted have been exercised or forfeited during the year. The fair value at the grant date of options granted during the previous year ended 31 March 2016 was Rs.25.58 per option. The fair value at the grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

34 SHARE-BASED PAYMENTS (contd.)

The inputs used in the measurement of thegrant date fair values of the plan are as follows:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Vesting period	-	36 months
Exercise price	-	30
Expected term (years)	-	3.25
Fair value of share price at grant date	-	44.71
Expected price volatility of shares	-	54.49%
Expected dividend yield	-	0%
Risk free interest rate	-	6.58%

Plan B:

There are no outstanding options as at 31 March 2017 as all the options that were granted have been forfeited during the year. The fair value at the grant date of options granted during the previous year ended 31 March 2016 was Rs.86.94 per option. The fair value at the grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The inputs used in the measurement of the grant date fair values of the plan are as follows:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Vesting period	-	18 months
Exercise price	-	150
Expected term (years)	-	1.75
Fair value of share price at grant date	-	199.42
Expected price volatility of shares	-	54.49%
Expected dividend yield	-	0%
Risk free interest rate	-	7.00%

- The expected volatility is a measure of the amount by which a price is expected to fluctuate during a period. The measure of volatility used in option pricing models is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

- As per Ind AS 102, the risk-free interest rate is the implied yield currently available on zero-coupon government issues of the country in whose currency the exercise price is expressed, with a remaining term equal to the expected term of the option being valued (based on the option's remaining contractual life and taking into account the effects of expected early exercise).

- The expected term of an option is the length of the period over which the option is expected to be unexercised.

C. Reconciliation of outstanding share option

The movements in the options under the plans during the year ended 31 March 2017 and 31 March 2016 is set out below:

Plan A: *Rs.* except per share data

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Weighted average price	Shares arising out of options	Weighted average price	Shares arising out of options
Outstanding at the beginning of the year	22.00	136,187	22.00	136,187
Granted during the year	-	-	-	-
Forfeitures during the year	30.00	(115,087)	-	-
Exercised during the year	30.00	(21,100)	-	-
Outstanding at the end of the year	-	-	22.00	136,187
Exercisable at the end of the year	-	-	-	99,125

The trust had 136,187 shares outstanding at the end of the year ended 31 March 2016 having an exercise price of Rs.30. The weighted average fair value of the above mentioned options estimated on the grant dates using the Black-Scholes-Merton model is Rs.25.58. The options outstanding as at 31 March 2017 had a weighted average remaining contractual life of Nil years (Previous year: 1 year).

34 SHARE-BASED PAYMENTS (contd.)

C Reconciliation of outstanding share option (contd.)

Plan B:

Rs. except per share data

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Weighted average price	Shares arising out of options	Weighted average price	Shares arising out of options
Outstanding at the beginning of the year	150.00	822,000.00	-	-
Granted during the year	-	-	150.00	822,000
Forfeitures during the year	150.00	822,000.00	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	**-**	**-**	**150.00**	**822,000**
Exercisable at the end of the year	**-**	**-**	**-**	**-**

The trust has granted 822,000 shares during the previous year at an exercise price of Rs.150. The weighted average fair value of the above mentioned options estimated on the grant dates using the Black-Scholes-Merton model is Rs.86.94. The options outstanding as at 31 March 2017 had a weighted average remaining contractual life of Nil years (Previous year: 1 year).

Share options outstanding at the end of the year have the following expiry date and exercise price:

(*Rs. in million*)
(except share data)

Type of arrangement	Grant Date	Exercise price	Number of options granted (outstanding as at the year end)	Fair value as at 31 March 2017	Expense recognized during the year	Outstanding liability as at the year end
Plan A	1-Aug-12	30.00	-	-	2.31	7.07
Plan B	1-Oct-15	150.00	-	-	10.40	56.97
Total					**12.71**	**64.04**

35 EARNINGS PER SHARE (EPS)

(i) Reconciliation of earnings used in calculating earnings pershare:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Total comprehensive income as per statement of profit and loss	277.13	246.49
Net profit for basic earnings per share	277.13	246.49
Net profit for diluted earnings per share	**277.13**	**246.49**

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Number of equity shares at the beginning of the year	168,675,747	162,598,207
Add: Weighted average number of equity shares issued during the year:		
- Due to conversion of convertible preference shares	-	2,095,046
- Due to conversion of debentures	628,944	70,819
Number of weighted average equity shares considered for calculation of basic earnings per share	**169,304,691**	**164,764,072**
Add: Dilutive effect of convertible debentures	19,755,822	19,755,822
Number of weighted average equity shares considered for calculation of diluted earnings per share	**189,060,513**	**184,519,894**

For the year ended 31 March 2017, 4,243,930 (31 March 2016: 5,941,502) compulsorily convertible debentures issued to FMO which are convertible into 3,077,275 (31 March 2016: 4,308,185) equity shares were excluded from the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

(iii) Earnings per share:

From continuing operations		
- Basic	1.64	1.50
- Diluted	1.47	1.34

36 LEASES

(i) Operating lease

Assets given on operating lease:

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Cancellable	22.47	21.46
	22.47	**21.46**

Assets taken on operating lease:

The Group leases office premises, residential facilities and cafe spaces under operating lease agreements. The Group intends to renew such leases in the normal course of its business. Total rental expense under operating leases was Rs.1,950.13 million and Rs.1,649.45 million for the year ended 31 March 2017 and 31 March 2016 respectively.

Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating leases as on 31 March 2017, 31 March 2016 and 1 April 2015 are as follows:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Payable in less than one year	1,567.06	1,273.67	1,098.03
Payable between one and five years	4,817.61	4,858.30	3,691.37
Payable after five years	1,875.57	1,690.71	1,921.01

37 SEGMENT INFORMATION

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Director of the Group have been identified as the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker evaluates the Group performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz. Production, procurement and export division and retail operations as its operating segments.

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

Certain items are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group, therefore, believes that it is not practicable to provide segment disclosures relating to such items, and accordingly such items are separately disclosed as unallocated.

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

(i) Segment revenue:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from external customers:		
Production, procurement and export division	3,494.36	2,983.78
Retail operation	14,233.53	12,535.97
Inter-segment revenue:		
Production, procurement and export division	382.82	383.48
Retail operation	61.99	12.60
Total segment revenue	**18,172.70**	**15,915.83**
Reconciling items:		
- taxes and discounts on sales	(2,373.23)	(1,820.03)
- inter-segment revenue	(444.81)	(396.08)
Total revenue as per statement of profit and loss	**15,354.66**	**13,699.72**

37 SEGMENT INFORMATION (contd.)

(ii) Segment Results:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Production, procurement and export division	53.23	52.56
Retail operation	2,556.03	2,360.72
Total segment results	**2,609.26**	**2,413.28**
Reconciling items:		
- depreciation	(1,632.65)	(1,526.29)
- finance cost	(478.95)	(493.06)
- share of loss of joint ventures accounted for by the equity method	(3.54)	(1.61)
Profit before tax as per statement of profit and loss	**494.12**	**392.32**
Income tax expense	(230.49)	(150.00)
Profit after tax as per statement of profit and loss	**263.63**	**242.32**

Note:

Since, the information about segment assets and segment liabilities are not provided to the CODM for his review, the Group has not presented such information as a part of its segment disclosure which is in accordance with the requirements of Ind AS 108.

Geographical information

(i) Segment Revenue:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from external customers:		
- India	12,488.18	11,245.96
- Europe	2,680.82	2,173.20
- Other foreign countries	185.66	280.56
Total segment revenue	**15,354.66**	**13,699.72**

(ii) Segment non-current assets

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
- India	10,966.90	10,628.62	9,865.05
- Europe	26.47	31.73	21.59
Total	**10,993.37**	**10,660.35**	**9,886.64**
Reconciling items:			
- deferred tax assets	91.27	49.69	68.10
- non-current financial assets	859.89	852.94	739.12
Total non-current assets	**11,944.53**	**11,562.98**	**10,693.86**

Revenue from major products and services

The Group's revenue from continuing operations from its major products or services are as follows:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Sale of coffee beans	4,065.26	3,693.64
Sale of food, beverages and other items	11,775.74	10,211.70
Sale of merchandise items	624.16	633.69
Service income from vending machines	807.80	701.82

Information about major customers

The Group does not derive more than 10% of it's revenues from any single customer.

38 GOVERNMENT GRANT

The Group is entitled to receive grant from various State Governments under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (erstwhile Aajeevika Skills Development Programme) launched by the Ministry of Rural Development (MoRD), Government of India, towards providing training facilities. As at 31 March 2017, the Group has received cumulatively, total grant of Rs.77.05 million (31 March 2016 Rs.68.62 million, 1 April 2015: Rs.31.95 million).

38 GOVERNMENT GRANT (contd.)

The Group has incurred a cost of Rs.49.52 million for the year ended 31 March 2017 (Previous year: Rs.23.34 million) under various heads. The said expenses has been reduced from the proceeds of this grant.

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Staff welfare expenses	23.04	9.87
Rent	18.32	7.44
Legal and professional	2.05	3.45
Transportation, traveling and conveyance	3.54	1.11
Repairs and maintenance - buildings	1.28	1.04
Power and fuel	0.72	0.39
Printing and stationery	0.57	0.04
	49.52	**23.34**

39 SPECIFIED BANK NOTE

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

(*Rs. in million*)

Particulars	Specified bank notes	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	51.65	7.13	58.78
Add: Permitted receipts	-	401.89	401.89
Less: Amount deposited in banks	(51.65)	(348.92)	(400.57)
Closing cash in hand as on 30 December 2016	**-**	**60.10**	**60.10**

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

40 INTEREST IN OTHER ENTITIES

A. Subsidiary companies:

The consolidated financial statements of the Group includes subsidiary companies listed in the table below:

(*Rs. in million*)

Name of the entity	Country of incorporation	Principal activities	Ownership interest held by the group (%)			Ownership interest held by non-controlling interest (%)		
			31 March 2017	31 March 2016	1 April 2015	31 March 2017	31 March 2016	1 April 2015
Amalgamated Holdings Limited	India	Retail	100.00	100.00	100.00	-	-	-
Ganga Coffee Curing Works Limited	India	Coffee Curing	100.00	100.00	100.00	-	-	-
A.N Coffeeday International Limited	Cyprus	Investment	100.00	100.00	100.00	-	-	-
Coffee Day Properties (India) Private Limited	India	Retail	100.00	100.00	100.00	-	-	-
Classic Coffee Curing Works	India	Coffee Curing	99.00	99.00	99.00	1.00	1.00	1.00
Coffeelab Limited	India	Retail	100.00	100.00	100.00	-	-	-
Coffee Day Gastronomie Und Kaffeehandles GmbH	Austria	Retail	100.00	100.00	100.00	-	-	-
Coffee Day CZ a.s	Czech Republic	Retail	100.00	100.00	100.00	-	-	-

40 INTEREST IN OTHER ENTITIES (contd.)

B. Joint venture company

(i) Coffee Day Schaerer Technologies Private Limited ("CDSTPL") is a joint venture company of the Group with 49% ownership interest as at 31 March 2017 which in the opinion of the directors is material. CDSTPL manufactures and sells automatic and semi-automatic coffee vending machines, its components and spare parts.

(*Rs. in million*)

Name of the entity	Country of incorporation	% of ownership interest	Relationship	Accounting method	Carrying amount		
					31 March 2017	31 March 2016	1 April 2015
Coffee Day Schaerer Technologies Private Limited	India	49.00	Joint venture	Equity method	1.72	0.35	-

(ii) Summarised financial information about the joint venture company and the carrying amount of the Group's interest in the joint venture company:

(*Rs. in million*)

Summarised balance sheet	Coffee Day Schaerer Technologies Private Limited		
	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Current assets:			
- Cash and cash equivalents	2.35	0.21	-
- Other current assets	35.96	3.51	-
Total	**38.31**	**3.72**	**-**
Non-current assets	**4.87**	**3.48**	**-**
Current liabilities:			
- Financial liabilities (excluding trade payables)	14.71	3.18	-
- Trade payables	23.84	3.19	
- Other current liabilities	1.06	0.11	-
Total	**39.61**	**6.48**	**-**
Non-current liabilities:			
- Provisions	0.06	-	-
Total	**0.06**	**-**	**-**
Net assets	**3.51**	**0.72**	**-**
Group's share of net assets (49%)	1.72	0.35	
Carrying amount of interest in joint venture	**1.72**	**0.35**	

(*Rs. in million*)

Summarised statement of profit and loss	Coffee Day Schaerer Technologies Private Limited	
	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue	18.73	-
Total income	**18.73**	**-**
Cost of materials consumed	15.19	-
Changes in inventories of finished goods and work-in-progress	(2.69)	-
Employee benefits expense	2.55	-
Depreciation and amortisation	0.66	0.03
Other expenses	10.24	3.25
Total expenses	**25.95**	**3.28**
Loss from operations for the year	(7.22)	(3.28)
Other comprehensive income	-	-
Total comprehensive income	**(7.22)**	**(3.28)**
Group's share of total comprehensive income (49%)	**(3.54)**	**(1.61)**

Notes to the consolidated financial statements for the year ended 31 March 2017

41 CONSOLIDATED FINANCIAL INFORMATION

Additional information required to be disclosed pursuant to paragraph 2 of Division II of Schedule III to the Companies Act, 2013 - 'General instructions for the preparation of consolidated financial statements' as at and for the year ended 31 March 2017 is as follows:

(Rs. in million)

Name of the entity in the group	Net Assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit/ (loss)	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent company								
Coffee Day Global Limited	96.36%	12,340.99	121.14%	319.26	35.80%	4.87	116.96%	324.13
Indian subsidiaries								
Amalgamated Holdings Limited	1.82%	233.40	5.15%	13.58	-7.01%	(0.95)	4.56%	12.63
Ganga Coffee Curing Works Limited	0.23%	29.52	-0.97%	(2.56)	0.00%	-	-0.92%	(2.56)
Coffee Day Properties (India) Private Limited	0.11%	14.26	-0.12%	(0.31)	0.00%	-	-0.11%	(0.31)
Classic Coffee Curing Works	0.15%	18.74	-0.52%	(1.37)	0.00%	-	-0.49%	(1.37)
Coffeelab Limited	-0.04%	(5.58)	-1.62%	(4.26)	0.00%	-	-1.54%	(4.26)
Foreign subsidiaries								
A.N Coffeeday International Limited	0.01%	0.65	-0.50%	(1.33)	-52.07%	(7.08)	-3.03%	(8.41)
Coffee Day Gastronomie Und Kaffeehandles GmbH	0.09%	10.89	-7.22%	(19.03)	36.08%	4.90	-5.10%	(14.13)
Coffee Day CZ a.s	1.25%	160.16	-14.00%	(36.81)	87.20%	11.76	-9.04%	(25.05)
Joint ventures (investment as per the equity method) Indian								
Coffee Day Schaerer Technologies Private Limited	0.03%	3.51	-1.34%	(3.54)	0.00%	-	-	(3.54)
Total	**100.01%**	**12,806.54**	**100.00%**	**263.63**	**100.00%**	**13.50**	**101.29%**	**277.13**

42 RELATED PARTY DISCLOSURE

A. Related parties with whom transactions have taken place during the year

I. Parent entity
- Coffee Day Enterprises Limited

II. Subsidiary companies
- Amalgamated Holdings Limited
- Ganga Coffee Curing Works Limited
- A.N Coffeeday International Limited
- Coffee Day Properties (India) Private Limited
- Coffee Day Gastronomie Und Kaffeehandles GmbH
- Coffee Day CZ a.s.
- Coffeelab Limited
- Classic Coffee Curing Works

III. Joint venture company
- Coffee Day Schaerer Technologies Private Limited

IV. Entities under common control, associates of holding company with whom transactions have taken place:
- Tanglin Developments Limited
- Mysore Amalgamated Coffee Estates Limited
- Kesar Marbles and Granites Limited
- Dark Forest Furniture Company Private Limited
- Mindtree Limited
- SICAL Logistics Limited
- Tanglin Retail Reality Developments Private Limited

42 RELATED PARTY DISCLOSURE (contd.)

- Coffee Day Hotels and Resorts Private Limited
- Wilderness Resorts Private Limited
- Karnataka Wildlife Resorts Private Limited

V. **Key management personnel of the entity**

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

- V.G. Siddhartha, Managing Director
- Malavika Hegde
- Jayaraj Hubli, Chief Financial Officer
- Venu Madhav
- Sadananda Poojary, Company Secretary

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

- Sanjay Nayar
- S.V.Ranganath (Appointed with effect from 5 May 2015)
- K.P.Balaraj (Appointed with effect from 17 August 2015)
- Nainesh Jaisingh (Resigned with effect from 6 May 2015)
- Parag Saxena (Resigned with effect from 5 May 2015)

B. **Transactions with related party:**

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Transactions with :		
I. **Parent entity: Coffee Day Enterprises Limited**		
Issue of compulsorily convertible debentures :	0.10	0.10
Reimbursable expenses incurred by the Company	3.75	6.25
Non-cash distributions	0.80	-
Sale of consumables	-	0.51
II. **Joint venture company**		
Investment in		
- Coffee Day Schaerer Technologies Private Limited	79.32	-
Sale of coffee vending machines spares		
- Coffee Day Schaerer Technologies Private Limited	-	2.79
Purchases of coffee vending machines		
- Coffee Day Schaerer Technologies Private Limited	18.73	-
Reimbursable expenses incurred by the Company on behalf of		
- Coffee Day Schaerer Technologies Private Limited	8.77	3.07
III. **Entities under common control, associates of holding company:**		
Commission income		
- Tanglin Retail Reality Developments Private Limited	2.37	0.03
- Wilderness Resorts Private Limited	1.29	0.01
- Karnataka Wildlife Resorts Private Limited	0.13	0.75
- Coffee Day Hotels and Resorts Private Limited	0.29	1.75
- Tanglin Developments Limited	2.50	-
Transportation and subcontracting charges		
- SICAL Logistics Limited	515.92	251.00
Sale of coffee and service income		
- Mindtree Limited	24.40	24.37
- Coffee Day Hotels and Resorts Private Limited	3.14	-
- Karnataka Wild Life Resorts Private Limited	0.99	-
Purchase of clean and raw coffee		
- Mysore Amalgamated Coffee Estates Limited	440.46	469.00
Purchase of fixed assets		
- Dark Forest Furniture Company Private Limited	344.70	356.48
Purchase of Software		
- Mindtree Limited	50.89	11.23
Advance paid to		
- Dark Forest Furniture Company Private Limited	220.08	-

42 **RELATED PARTY DISCLOSURE** (contd.)

(Rs. in million)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Advance received from		
- Mysore Amalgamated Coffee Estates Limited	3,385.60	3,152.83
Interest paid on advances received from		
- Mysore Amalgamated Coffee Estates Limited	5.52	14.57
Reimbursable expenses incurred by the Company on behalf of		
- Tanglin Developments Limited	3.53	3.45
Repayment of advances from		
- Kesar Marble & Granites Limited	0.58	-
Repayment of advances to		
- Mysore Amalgamated Coffee Estates Limited	2,945.14	2,683.83
Guarantee given/ (closed)		
- Tanglin Retail Reality Developments Private Limited	-	950.00
- Wilderness Resorts Private Limited	250.00	300.00
- Karnataka Wildlife Resorts Private Limited	(300.00)	-
- Coffee Day Hotels and Resorts Private Limited	(700.00)	-
- Tanglin Developments Limited	(500.00)	500.00
IV. Key management personnel of the entity		
Key management personnel compensation		
- Jayaraj Hubli	7.52	6.97
- Sadananda Poojary	3.80	3.17
- Venu Madhav A	8.65	7.50
Guarantee given/ (closed)		
- V. G. Siddhartha	(956.90)	(138.18)

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

(Rs. in million)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
I. Parent entity: Coffee Day Enterprises Limited			
- Compulsorily convertible debentures	4,100.00	4,100.00	-
- Other payables	0.37	-	-
- Other receivable	-	0.26	-
II. Joint venture company			
Trade receivables			
- Coffee Day Schaerer Technologies Private Limited	-	3.19	-
Other receivables			
- Coffee Day Schaerer Technologies Private Limited	-	1.53	-
Current loans			
- Coffee Day Schaerer Technologies Private Limited	15.46	-	-
Creditors for capital goods			
- Coffee Day Schaerer Technologies Private Limited	11.69	-	-
III. Entities with common control, associates of holding company:			
Trade receivables			
- Mindtree Limited	5.62	5.27	2.83
Creditors for capital goods			
- Mindtree Limited	37.41	10.37	-
- Dark Forest Furniture Company Private Limited	105.33	22.32	-
Trade payables			
- SICAL Logistics Limited	145.66	130.27	40.88
- Dark Forest Furniture Company Private Limited	-	2.82	-
Other receivables			
- Tanglin Developments Limited	1.50	1.50	-
- Kesar Marble & Granites Limited	-	0.58	-

42 RELATED PARTY DISCLOSURE (contd.)

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Corporate guarantees given			
- Tanglin Retail Reality Developments Private Limited	950.00	950.00	-
- Wilderness Resorts Private Limited	550.00	300.00	-
- Karnataka Wildlife Resorts Private Limited	-	300.00	300.00
- Coffee Day Hotels and Resorts Private Limited	-	700.00	700.00
- Tanglin Developments Limited	-	500.00	-
IV. Key management personnel of the entity:			
Corporate guarantee received for loans taken			
- V. G. Siddhartha	2,172.22	3,129.12	3,267.30

D. Compensation of key management personnel of the Group:

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Short-term employee benefits	19.97	17.64
	19.97	**17.64**

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

E. 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 are secured.

43 EMPLOYEE BENEFITS OBLIGATIONS

A. Defined benefit plan

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

B. Reconciliation of the projected benefit obligations

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Change in projected benefit obligation:		
Obligations at the beginning of the year	106.61	86.41
Service cost	22.06	18.04
Interest cost	5.47	5.35
Actuarial (gains) losses recognised in other comprehensive income:		
- due to changes in financial assumptions	2.93	1.37
- due to experience adjustments	(3.70)	5.03
Benefits settled	(4.59)	(9.59)
Obligations at year end	**128.78**	**106.61**

43 EMPLOYEE BENEFITS OBLIGATIONS (contd.)

Change in plan assets:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Plans assets at the beginning of the year, at fair value	83.39	76.47
Expected return on plan assets	6.03	6.90
Actuarial (loss)/gain	(1.68)	(0.35)
Contributions	22.11	9.96
Benefits settled	(4.59)	(9.59)
Plans assets at year end, at fair value	**105.26**	**83.39**

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Net defined benefit assets	105.26	83.39	76.47
Total employee benefit assets (non-current)	**105.26**	**83.39**	**76.47**
Net defined benefit liability	128.78	106.61	86.41
Total employee benefit liabilities	**128.78**	**106.61**	**86.41**
Net liability:			
Non-current	16.62	16.10	3.62
Current	6.90	7.12	6.32
	23.52	**23.22**	**9.94**

C. (i) Expense recognised in profit or loss:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Current service cost	22.06	18.04
Interest cost	5.47	5.35
Interest income	(6.03)	(6.90)
Net gratuity cost	**21.50**	**16.49**

C. (ii) Remeasurements recognised in other comprehensive income:

(*Rs. in million*)

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Actuarial (gains) / losses	(0.77)	6.40
(Return)/ loss on plan assets excluding interest income	1.68	0.35
	0.91	**6.75**

D. Plan assets comprise of the funds amounting to Rs.105.26 million (31 March 2016: Rs.83.39 million).

E Defined benefit obligation

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended 31 March 2017	For the year ended 31 March 2016
Interest rate	6.65%	7.35%
Expected rate of return on plan assets	9.00%	9.00%
Salary increase	3% - 4%	3% - 4%
Attrition rate	25.00%	25.00%
Mortality table	IALM (2006-08)	IALM (2006-08)

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

43 EMPLOYEE BENEFITS OBLIGATIONS (contd.)

(ii) Sensitivity analysis

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

(*Rs. in million*)

Particulars	For the year ended 31 March 2017		For the year ended 31 March 2016	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	110.93	117.62	89.70	95.01
Future salary growth (100 basis points movement)	117.68	110.82	95.07	89.59

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.

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A Accounting classification and fair value

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

(*Rs. in million*)

Particulars	Carrying value As at 31 March 2017	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through OCI:					
- Interest rate swaps	6.55	-	6.55	-	6.55
Financial assets measured at amortised cost:					
- Other financial assets (current)	133.59	-	-	-	-
- Fixed deposits and margin money with banks	77.63	-	-	-	-
- Trade receivables	1,545.83	-	-	-	-
- Cash and cash equivalents	2,159.51	-	-	-	-
- Bank balances other than cash and cash equivalents	60.01	-	-	-	-
- Security deposits	791.72	-	-	-	-
- Loans (current and non-current)	39.00	-	-	-	-
Total	**4,813.84**	**-**	**6.55**	**-**	**6.55**
Financial liabilities					
- Borrowings (current and non-current)	2,192.88	-	-	-	-
- Other financial liabilities (current and non-current)	1,811.51	-	-	-	-
- Trade payables	286.22	-	-	-	-
Total	**4,290.61**	**-**	**-**	**-**	**-**

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

(*Rs. in million*)

Particulars	Carrying value As at 31 March 2016	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost:					
- Other financial assets (current)	161.30	-	-	-	-
- Fixed deposits and margin money with banks	154.47	-	-	-	-
- Trade receivables	1,279.85	-	-	-	-
- Cash and cash equivalents	2,610.81	-	-	-	-
- Bank balances other than cash and cash equivalents	1,665.52	-	-	-	-
- Security deposits	720.43	-	-	-	-
- Loans (current and non-current)	16.45	-	-	-	-
Total	**6,608.83**	**-**	**-**	**-**	**-**

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (contd.)

A Accounting classification and fair value (contd.)

(*Rs. in million*)

Particulars	Carrying value	Fair Value			
	As at 31 March 2016	Level 1	Level 2	Level 3	Total
Financial liabilities					
- Borrowings (current and non-current)	2,972.31	-	-	-	-
- Other financial liabilities (current and non-current)	2,811.78	-	-	-	-
- Trade payables	408.82	-	-	-	-
Total	**6,192.91**	-	-	-	-

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

(*Rs. in million*)

Particulars	Carrying value	Fair Value			
	As at 1 April 2015	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost:					
- Other financial assets (current)	163.16	-	-	-	-
- Fixed deposits and margin money with banks	113.00	-	-	-	-
- Trade receivables	1,204.17	-	-	-	-
- Cash and cash equivalents	1,509.34	-	-	-	-
- Bank balances other than cash and cash equivalents	94.60	-	-	-	-
- Security deposits	626.12	-	-	-	-
- Loans (current and non-current)	11.69	-	-	-	-
Total	**732.41**	-	-	-	-
Financial liabilities measured at amortised cost:					
- Borrowings (current and non-current):	4,367.73	-	-	-	-
- Other financial liabilities (current and non-current)	2,364.01	-	-	-	-
- Trade payables	536.76	-	-	-	-
Total	**7,268.50**				

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

B. Measurement of fair values

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

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

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

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

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

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

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (contd.)

B. Measurement of fair values (contd.)

Valuation technique and significant unobservable inputs

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

(*Rs. in million*)

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

C. Financial risk management

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

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

(i) Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities.

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

(ii) Credit risk

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

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

Trade and other receivables:

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

Notes to the consolidated financial statements for the year ended 31 March 2017

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (contd.)

C. Financial risk management (contd.)

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

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

Expected credit loss (ECL) assessment for customers as at 31 March 2017, 31 March 2016 and 1 April 2015:

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

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

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

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

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

(*Rs. in million*)

Particulars	As at 31 March 2017		As at 31 March 2016		As at1 April 2015	
	Carrying amount	Provision amount	Carrying amount	Provision amount	Carrying amount	Provision amount
Up to 180 days	1,528.42	-	1,242.25	-	1,204.17	-
More than 180 days	57.41	40.00	57.60	20.00	-	-
	1,585.83	**40.00**	**1,299.85**	**20.00**	**1,204.17**	**-**

The gross carrying amount of trade receivables is Rs.1,585.83 million as at 31 March 2017 (31 March 2016: Rs.1,299.85 million; 1 April 2015: Rs.1,204.17 million).

Reconciliation of loss allowance:

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
Loss allowance in the beginning of the year	20.00	-
Changes in allowance	20.00	20.00
Loss allowance at the end of the year	**40.00**	**20.00**

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

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

Loans and security deposit:

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

Particulars		Period ended	Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit losses	Carrying amount, net of impairment provision
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-17	Security deposits	791.72	-	-	791.72
			Loan	39.00	-	-	39.00
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	31-Mar-16	Security deposits	720.43	-	-	720.43
			Loan	16.45	-	-	16.45
Loss allowance measured at 12 month expected credit loss	Financial assets for which credit risk has not increased significantly since initial recognition	1-Apr-15	Security deposits	626.12	-	-	626.12
			Loan	11.69	-	-	11.69

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (contd.)

C. **Financial risk management** (contd.)

(iii) **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

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

Exposure to liquidity risk

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

(*Rs. in million*)

As at 31 March 2017	Carrying amount	Total	Less than 1 year	1–2 years	3–5 years	More than 5 years
Non-derivative financial liabilities						
Current borrowings	1,002.22	1,002.22	1,002.22	-	-	-
Non-current borrowings (including current maturities)	1,814.80	2,788.16	1,623.52	462.26	702.38	-
Trade payables	286.22	286.22	286.22	-	-	-
Other financial liabilities (current and non-current)	1,187.37	1,187.37	814.62	372.75	-	-
	4,290.61	**5,263.97**	**3,726.58**	**835.01**	**702.38**	**-**

(*Rs. in million*)

As at 31 March 2016	Carrying amount	Total	Less than 1 year	1–2 years	3–5 years	More than 5 years
Non-derivative financial liabilities						
Current borrowings	1,095.97	1,095.97	1,095.97	-	-	-
Non-current borrowings (including current maturities)	3,506.03	6,494.90	3,281.26	1,094.76	2,118.88	-
Trade payables	408.82	408.82	408.82	-	-	-
Other financial liabilities (current and non-current)	1,182.09	1,182.09	905.93	276.16	-	-
	6,192.91	**9,181.78**	**5,691.98**	**1,370.92**	**2,118.88**	**-**

(*Rs. in million*)

As at 1 April 2015	Carrying amount	Total	Less than 1 year	1–2 years	3–5 years	More than 5 years
Non-derivative financial liabilities						
Current borrowings	1,470.01	1,470.01	1,470.01	-	-	-
Non-current borrowings (including current maturities)	4,175.12	7,761.11	3,421.68	3,383.81	955.62	-
Trade payables	536.76	536.76	536.76	-	-	-
Other financial liabilities (current and non-current)	1,086.61	1,086.61	835.93	250.68	-	-
	7,268.50	**10,854.49**	**6,264.38**	**3,634.49**	**955.62**	**-**

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

Notes to the consolidated financial statements for the year ended 31 March 2017

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (contd.)

C. Financial risk management (contd.)

(iv) Market risk

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

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

Currency risk

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

Exposure to currency risk

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

(*Rs. in million*)

Particulars	As at 31 March 2017		As at 31 March 2016		As at1 April 2015	
	EUR	USD	EUR	USD	EUR	USD
Financial assets						
Trade receivables	0.02	7.89	0.08	7.40	0.04	10.59
Advances recoverable in cash or in kind	-	0.34	-	0.57	-	0.67
Financial liabilities						
Trade payables	-	-	-	-	-	-
Bank Loan	(2.02)	(20.94)	-	(33.32)	-	(26.21)
Net statement of financial position exposure	**(2.00)**	**(12.71)**	**0.08**	**(25.35)**	**0.04**	**(14.95)**
Less: Forward exchange contracts	-	2.94	-	8.82	-	14.71
Net exposure	**(2.00)**	**(9.77)**	**0.08**	**(16.53)**	**0.04**	**(0.24)**

The following significant exchange rates have been applied:

(*Rs. in million*)

Rs.	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
USD 1	64.84	66.30	61.46
EUR 1	69.25	75.01	66.30

Sensitivity analysis

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

(*Rs. in million*)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
Euro (8% movement)	11.08	(11.08)	7.25	(7.25)
USD (2% movement)	12.67	(12.67)	8.29	(8.29)
31 March 2016				
Euro (13% movement)	0.78	(11.08)	0.51	(0.51)
USD (8% movement)	87.68	(11.49)	57.34	(57.34)

Commodity price risk

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

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (contd.)

C. **Financial risk management** (contd.)

Exposure to commodity risk

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Financial asset	22.22	37.61	-
Net exposure	**22.22**	**37.61**	**-**

Sensitivity analysis

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

(*Rs. in million*)

Commodity price sensitivity	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2017				
Coffee (11% movement)	(1.47)	1.47	(1.47)	1.47
31 March 2016				
Coffee (6% movement)	(2.21)	2.21	(2.21)	2.21

Interest rate risk

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

Exposure to interest rate risk

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Fixed rate instruments:			
Financial assets	1,738.41	4,082.94	1,347.50
Financial borrowings	(460.58)	(1,257.20)	(1,611.61)
Effect of interest rate swaps	191.06	1,017.25	1,798.41
Fixed rate instruments exposed to interest rate risks	**1,468.89**	**3,842.99**	**1,534.30**
Variable rate instruments:			
Financial assets	-	-	-
Financial borrowings	(2,356.44)	(3,344.80)	(3,809.62)
Effect of interest rate swaps	191.06	1,017.25	1,798.41
Variable rate instruments exposed to interest rate risks	**(2,165.38)**	**(2,327.55)**	**(2,011.21)**

Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

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

Cash flow sensitivity analysis for variable-rate instruments

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

(*Rs. in million*)

Particulars	Profit or Loss	
	1% increase	1% decrease
31 March 2017		
Variable rate instruments	(35.42)	35.42
31 March 2016		
Variable rate instruments	(15.07)	15.07

44 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT (contd.)

C. Financial risk management (contd.)

Hedge accounting

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

(*Rs. in million*)

Particulars	As at 31 March 2017		As at 31 March 2016		As at1 April 2015	
	Maturity in less than 1 year	Maturity in more than 1 year	Maturity in less than 1 year	Maturity in more than 1 year	Maturity in less than 1 year	Maturity in more than 1 year
Interest rate risk						
Interest rate swaps:						
Net exposure	191.06	-	586.60	430.65	-	1,798.43
Average fixed interest rate (LIBOR)	0.02	-	0.02	0.02	-	0.02

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

As at 31 March 2017: (*Rs. in million*)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument Asset	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from equity head 'effective portion of cash flow hedges' to profit or loss	Line item in profit or loss affected by the reclassification
Interest rate risk								
- Interest rate swap	191.06	6.55	Other financial assets	7.31	(7.31)	Nil	Nil	Nil

Variable rate instruments exposed to interest rate risks

As at 31 March 2016: (*Rs. in million*)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument Asset	Line item in the statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognised in OCI	Change in the value of hedged item used as the basis for recognising hedge effectiveness	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from equity head 'effective portion of cash flow hedges' to profit or loss	Line item in profit or loss affected by the reclassification
Cash flow hedge:								
- Interest rate swap	1,017.25	-	Other financial liabilities	15.27	(15.27)	Nil	Nil	Nil

As at 1 April 2015: (*Rs. in million*)

Type of hedge and risks	Nominal value	Carrying amount of hedging instrument Liability	Line item in the statement of financial position where the hedging instrument is included
Cash flow hedge:			
- Interest rate swap	1,798.41	23.00	Other financial liabilities

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016
	Equity head 'Effective portion of cash flow hedges'	Equity head 'Effective portion of cash flow hedges'
Opening balance for the period	(5.02)	(15.01)
Cash flow hedges : Interest rate risk		
Changes in fair value	7.31	15.27
Tax on movements in relevant items of OCI during the year	(2.53)	(5.28)
Closing balance for the period	(0.24)	(5.02)

45 CAPITAL MANAGEMENT

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

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

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

(*Rs. in million*)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
Total liabilities	5,075.57	6,567.82	7,475.10
Less: cash and cash equivalents	2,159.51	2,610.81	1,509.34
Adjusted net debt	**2,916.06**	**3,957.01**	**5,965.76**
Total equity	**12,806.54**	**12,351.16**	**7,675.13**
Less: effective portion of cash flow hedges	(0.24)	(5.02)	(15.01)
Adjusted equity	**12,806.78**	**12,356.18**	**7,690.14**
Adjusted net debt to equity ratio	**0.23**	**0.32**	**0.78**

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

46 FIRST TIME ADOPTION

As stated in Note 2A, these are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Group had prepared its consolidated financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these consolidated financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening consolidated Ind AS balance sheet on the date of transition i.e. 1 April 2015.

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

Optional exemptions availed and mandatory exceptions

In preparing these consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed:

(i) Property plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

– fair value;

– or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

46 FIRST TIME ADOPTION (contd.)

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market); or

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to measure certain items of property, plant and equipment at fair value at the date of transition to Ind AS and rest of the items of property, plant and equipment are measured in accordance with the requirements of Ind AS 16 and Ind AS 38.

(ii) Share-based payments

A first-time adopter is encouraged, but not required, to apply Ind AS 102, Share-based Payment to equity instruments that were granted on or before the date of transition to Ind AS and have vested before that date. However, if a first-time adopter elects to apply Ind AS 102 to such equity instruments, it may do so only if the entity has disclosed publicly the fair value of those equity instruments determined at the measurement date as defined in Ind AS 102. For all grants of equity instruments that are still outstanding at the date of transition to Ind AS, and to which Ind AS 102 has not been applied, a first-time adopter must disclose information that enables users of the financial statements to understand the nature and extent of share-based payment arrangements that existed (paragraphs 44 and 45 of Ind AS 102).

For share-based payment transactions that give rise to liabilities, a first-time adopter is encouraged, but not required, to apply Ind AS 102 if transactions were settled before the date of transition to Ind AS.

Accordingly, the Group has elected the optional exemption given and not accounted for share options vested before 1 April 2015 as per Ind AS 102.

(iii) Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

The Group has elected to avail of the above exemption.

(iv) Investments in and joint ventures

Ind AS 101 provides an exemption to the first-time adopter to measures an investment in subsidiaries, associates and joint ventures at:

a) cost determined in accordance with Ind AS 27; or

b) deemed cost, which shall be its:

   i) fair value at the entity's date of transition to Ind ASs in its separate financial statements; or

   ii) previous GAAP carrying amount at that date.

The Group has chosen to value its investment in joint ventures at the cost determined in accordance with Ind AS 27.

(v) Long term foreign currency monetary items

Ind AS 101 provides an option to continue the policy of recognising the exchange differences on long term foreign currency monetary items for those long term foreign currency monetary items which were recognised in the financial statements before the beginning of first Ind AS reporting period i.e. 1 April 2016 which the Group has chosen to avail.

(vi) Business combination:

As per Ind AS 101, at the date of transition, an entity may elect not to restate business combinations that occurred before the date of transition. If the entity restates any business combinations that occurred before the date of transition, then it restates all later business combinations, and also applies Ind AS 110, Consolidated Financial Statements, from that same date.

The Group has opted not to restate business combinations prior to the date of transition i.e. 1 April 2015. Since all business combinations were prior to 1 April 2015, we have not restated goodwill, as per Ind AS 103. Hence, the goodwill represents the amount recognised under the previous GAAP subject to specific adjustments as prescribed under Ind AS 101.

46 FIRST TIME ADOPTION (contd.)

(vii) Foreign currency translation reserve

As per Ind AS 101, an entity may either continue to carry forward the foreign currency translation reserve or deem that the cumulative translation differences for all foreign operations to be zero as at the date of transition by transferring any such cumulative differences to retained earnings.

The Group has elected to continue the balance of foreign currency translation reserve as per previous GAAP.

B. Mandatory exemptions:

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP (IGAAP):

(i) Hedge accounting

The Group uses derivative financial instruments, such as interest rate swaps contract, to hedge its interest rate risks. Under Indian GAAP, there is no mandatory standard that deals comprehensively with hedge accounting, which has resulted in the adoption of varying practices. The Group has designated various economic hedges and applied economic hedge accounting principles to avoid profit or loss mismatch. All the hedges designated under Indian GAAP are of types which qualify for hedge accounting in accordance with Ind AS 109 also. Moreover, the Group, before the date of transition to Ind AS, has designated transactions as hedge and also meets all the conditions for hedge accounting in Ind AS 109. Consequently, the Group continues to apply hedge accounting after the date of transition to Ind AS.

(ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

(iii) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS Balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI.

- Impairment of financial assets based on the expected credit loss model.

- Determination of the discounted value for financial instruments carried at amortised cost.

(iv) De-recognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS.

However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the derecognition principles of Ind AS 109 prospectively as reliable information is not available at the time of initially accounting for these transactions.

46 FIRST TIME ADOPTION (contd.)

C. Reconciliation between previous GAAP and Ind AS:

(i) (a) Reconciliation of Balance Sheet as at date of transition 1 April 2015:

(*Rs. in million*)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1	8,760.20	123.95	8,884.15
Capital work-in-progress	1	363.55	(65.70)	297.85
Other intangible assets		1.32	-	1.32
Goodwill		167.60	-	167.60
Financial Assets				
- Loans	3	946.31	(320.19)	626.12
- Other current financial assets		113.00	-	113.00
Deferred tax assets (net)	12	43.50	24.60	68.10
Other non-current assets	3	315.42	220.30	535.72
Total non-current assets		**10,710.90**	**(17.04)**	**10,693.86**
Current assets				
Inventories	2	1,105.60	(63.66)	1,041.94
Financial assets				
- Trade receivables		1,204.17	-	1,204.17
- Cash and cash equivalents		1,509.34	-	1,509.34
- Bank balances other than cash and cash equivalents		94.60	-	94.60
- Loans		11.69	-	11.69
- Other current financial assets		163.16	-	163.16
Other current assets	3	371.52	59.95	431.47
Total current assets		**4,460.08**	**(3.71)**	**4,456.37**
Total assets		**15,170.98**	**(20.75)**	**15,150.23**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	4	256.57	(93.97)	162.60
Other equity	13	7,403.55	108.98	7,512.53
Total equity		**7,660.12**	**15.01**	**7,675.13**
Non-current liabilities				
Financial liabilities				
- Borrowings	6	2,844.00	53.72	2,897.72
- Other financial liabilities		250.68	-	250.68
Provisions		3.62	-	3.62
Deferred tax liabilities (net)	12	79.84	(79.84)	-
Other non-current liabilities	7 and 9	260.22	(220.79)	39.43
Total non-current liabilities		**3,438.36**	**(246.91)**	**3,191.45**
Current liabilities				
Financial liabilities				
- Borrowings		1,470.01	-	1,470.01
- Trade payables		536.76	-	536.76
- Other financial liabilities	4, 6, 7	1,908.71	204.62	2,113.33
Provisions		13.63	-	13.63
Current tax liabilities (net)		14.15	-	14.15
Other current liabilities	7	129.24	6.53	135.77
Total current liabilities		**4,072.50**	**211.15**	**4,283.65**
Total equity and liabilities		**15,170.98**	**(20.75)**	**15,150.23**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

46 FIRST TIME ADOPTION (contd.)

(b) Reconciliation of Balance Sheet as at 31 March 2016:

(*Rs. in million*)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	1 and 16	8,987.61	266.38	9,253.99
Capital work-in-progress	1	434.44	(65.70)	368.74
Other intangible assets	1	5.32	0.94	6.26
Goodwill		175.59	-	175.59
Financial Assets				
- Investments	16	-	0.35	0.35
- Loans	3	1,024.56	(326.44)	698.12
- Other non-current financial assets		154.47	-	154.47
Deferred tax assets (net)	12	20.90	28.79	49.69
Other non-current assets	3 and 16	630.99	224.78	855.77
Total non-current assets		**11,433.88**	**129.10**	**11,562.98**
Current assets				
Inventories	2 and 16	1,181.26	(65.03)	1,116.23
Financial assets				
- Trade receivables		1,279.85	-	1,279.85
- Cash and cash equivalents	16	2,610.91	(0.10)	2,610.81
- Bank balances other than cash and cash equivalents		1,665.52	-	1,665.52
- Loans		38.76	-	38.76
- Other current financial assets		161.30	-	161.30
Other current assets	3 and 16	421.42	62.11	483.53
Total current assets		**7,359.02**	**(3.02)**	**7,356.00**
Total assets		**18,792.90**	**126.08**	**18,918.98**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		168.68	-	168.68
Convertible debentures	8	-	4,100.00	4,100.00
Other equity	13	7,711.06	371.42	8,082.48
Total equity		7,879.74	4,471.42	12,351.16
Non-current liabilities				
Financial liabilities				
- Borrowings	6, 8 and 15	5,919.01	(4,042.67)	1,876.34
- Other financial liabilities		276.16	-	276.16
Provisions		16.10	-	16.10
Other non-current liabilities	7 and 9	337.01	(285.41)	51.60
Total non-current liabilities		**6,548.28**	**(4,328.08)**	**2,220.20**
Current liabilities				
Financial liabilities				
- Borrowings		1,095.97	-	1,095.97
- Trade payables	16	410.38	(1.56)	408.82
- Other financial liabilities	4, 6, 7, 15 and 16	2,559.42	(23.80)	2,535.62
Provisions		22.27	-	22.27
Current tax liabilities (net)		148.78	-	148.78
Other current liabilities	7 and 16	128.06	8.10	136.16
Total current liabilities		**4,364.88**	**(17.26)**	**4,347.62**
Total equity and liabilities		**18,792.90**	**126.08**	**18,918.98**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

46 FIRST TIME ADOPTION (contd.)

(ii) Reconciliation of total comprehensive income for the year ended 31 March 2016

(Rs. in million)

Particulars	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
Income				
Revenue from operations		13,699.72	-	13,699.72
Other income	3 and 9	186.57	65.30	251.87
Total income		**13,886.29**	**65.30**	**13,951.59**
Expenses				
Cost of materials consumed		6,373.16	-	6,373.16
Cost of traded goods		68.64	-	68.64
Changes in inventories of finished goods and work-in-progress		(96.49)	-	(96.49)
Employee benefits expense	10 and 11	1,730.31	5.92	1,736.23
Finance costs	6	495.59	(2.53)	493.06
Depreciation and amortization expense	1 and 16	1,652.55	(126.26)	1,526.29
Other expenses	1, 3, 7 and 16	3,478.68	(21.91)	3,456.77
Total expenses		**13,702.44**	**(144.78)**	**13,557.66**
Profit/(loss) before tax		**183.85**	**210.08**	**393.93**
Tax expense:				
- Current tax		178.22	-	178.22
- Deferred tax	12	(100.74)	72.52	(28.22)
Profit for the year before loss from joint venture		**106.37**	**137.56**	**243.93**
Share of loss of joint venture		-	(1.61)	(1.61)
Profit for the year		**106.37**	**135.95**	**242.32**
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability/(asset)	10	-	(6.75)	(6.75)
Income tax relating to items that will not be reclassified to profit or loss		-	2.15	2.15
Net other comprehensive income not to be classified to profit or loss		**-**	**(4.60)**	**(4.60)**
Items that will be reclassified subsequently to profit or loss				
Foreign currency translation reserve	17		(1.22)	(1.22)
Effective portion of gains (losses) on hedging instruments in cash flow hedges	5	-	15.27	15.27
Income-tax relating to items that will be reclassified to profit or loss		-	(5.28)	(5.28)
Net other comprehensive income to be classified to profit or loss		**-**	**8.77**	**8.77**
Other comprehensive income for the period, net of income tax		**-**	**4.17**	**4.17**
Total Comprehensive Income for the period		**106.37**	**140.12**	**246.49**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

(iii) Adjustments to the statement of cash flows:

(Rs. in million)

Particulars	Notes to first-time adoption	For the year ended 31 March 2016		
		Previous GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	16	2,025.60	0.66	2,026.26
Net cash flow from investing activities	16 and 18	(3,592.46)	31.91	(3,560.55)
Net cash flow from financing activities	16	2,661.65	7.04	2,668.69
Net increase/ (decrease) in cash and cash equivalents		**1,094.79**	**39.61**	**1,134.40**
Cash and cash equivalents as at 1 April 2015	16 and 18	1,507.74	(288.61)	1,219.13
Cash and cash equivalents as at 31 March 2016		**2,602.53**	**(249.00)**	**2,353.53**

* The previous GAAP figures have been reclassified to conform with Ind AS.

46 FIRST TIME ADOPTION (contd.)

(iv) Reconciliation of total equity as at 31 March 2016 and 1 April 2015:

(Rs. in million)

Particulars	Notes to first-time adoption	31 March 2016	1 April 2015
Total equity (shareholder's funds) as per previous GAAP		**7,879.74**	**7,660.12**
Adjustments:			
Fair valuation impact of Property, plant and equipment	1	9.39	9.39
Derecognition of land due to classification of lease as operating lease	1	(14.80)	(14.80)
Decrease in depreciation consequent to adoption of deemed cost model for property, plant and equipment	1	145.00	-
Fair valuation of certain financial assets	3	(39.16)	(39.94)
Reclassification of optionally convertible preference shares to liability	4	-	(223.90)
Impact on finance cost consequent to adoption of effective interest method	6	(58.89)	(61.42)
Reversal of straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation	7	307.70	244.16
Reclassification of compulsorily convertible debentures to equity	8	4,100.00	-
Financial guarantee obligation	9	(6.63)	(2.92)
Tax effects of adjustments	12	28.81	104.44
Total adjustments		**4,471.42**	**15.01**
Total equity as per Ind AS		**12,351.16**	**7,675.13**

(v) Reconciliation of total comprehensive income for the year ended 31 March 2016:

(Rs. in million)

Particulars	Notes to first-time adoption	31 March 2016
Profit after tax as per previous GAAP		106.37
Decrease in depreciation consequent to adoption of deemed cost model for property, plant and equipment	1	145.00
Finance income recognized due to fair valuation of certain financial assets	3	0.78
Impact on finance cost consequent to adoption of effective interest method	6	2.53
Reversal of straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation	7	63.54
Commission income	9	2.54
Measurements of post-employment benefit obligations	10	6.75
Employee stock option expense recognised based on fair value method	11	(12.67)
Tax effects of adjustments	12	(72.52)
Total adjustments		**135.95**
Profit after tax as per Ind AS		**242.32**
Other comprehensive income		**4.17**
Total comprehensive income as per Ind AS		**246.49**

D. Notes to the reconciliations

1 **Property, plant and equipment and other intangible assets including capital work in progress**

The Group has elected to measure certain items of property, plant and equipment and intangibles at fair value in accordance to para D5 of Ind AS 101 at the date of transition to Ind AS.

A leasehold land which was recognised as an item of property, plant and equipment under the previous GAAP has been classified as operating lease as per Ind AS 17. Property, plant and equipment amounting to Rs.14.80 million as at 1 April 2015 has been reversed through retained earnings.

The impact arising from the changes is summarised below:

(Rs. in million)

	Year ended 31 March 2016
Statement of profit and loss	
Decrease in depreciation and amortization expense	(126.25)
Decrease in loss on sale of assets, net (other expenses)	(18.75)
Adjustment before income tax	**(145.00)**

46 FIRST TIME ADOPTION (contd.)

(*Rs. in million*)

Balance sheet	As at 31 March 2016	As at 1 April 2015
a) Due to fair valuation of property, plant and equipment including capital work-in-progress:		
Property, plant and equipment	219.17	75.09
Capital work-in-progress	(65.70)	(65.70)
Intangible assets	0.94	-
Adjustment to retained earnings	**154.41**	**9.39**
b) Due to classification of lease as operating lease:		
Property, plant and equipment	(14.80)	(14.80)
c) Due to reclassification from inventory*:		
Property, plant and equipment	63.66	63.66

* refer note 2

Reconciliation of property, plant and equipment as at 1 April 2015:

(*Rs. in million*)

Particulars	Previous GAAP value of assets fair valued	Adjustment on transition to Ind AS	Ind AS value for assets fair valued
Freehold land	17.54	179.50	197.04
Buildings	182.62	1,327.22	1,509.84
Leasehold improvements	3,285.78	(1,164.11)	2,121.67
Plant and equipment	1,564.02	(285.73)	1,278.29
Office equipment	0.28	(0.28)	-
Furniture and fixtures	832.11	(512.41)	319.70
Computers	1.34	1.39	2.73
Vehicles	0.30	1.99	2.29
Coffee vending machine	2,465.37	(423.43)	2,041.94
Leasehold land	8.35	950.95	959.30
Capital work-in-progress	364.28	(65.70)	298.58
	8,721.99	**9.39**	**8,731.38**

2 **Inventories**

Certain assets which were previously classified as inventory have now been reclassed to property, plant and equipment due to change its accounting policy and has been depreciated over its estimated useful life of 1 year. Inventory amounting to Rs.63.66 million as at 1 April 2015 has been reclassed to property, plant and equipment.

3 **Security deposits**

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent expense.

The impact arising from the changes is summarised below:

(*Rs. in million*)

	Year ended 31 March 2016
Statement of profit and loss	
Increase in interest income (other income)	62.76
Increase in rent (other expenses)	61.98
Adjustment before income tax	**0.78**

(*Rs. in million*)

	As at 31 March 2016	As at 1 April 2015
Balance sheet		
Other non-current loans (reclass of lease deposit to deferred rental expense)	(326.44)	(320.19)
Deferred rental expense (non-current)	224.81	220.30
Deferred rental expense (current)	62.47	59.95
Adjustment to retained earnings	(39.16)	(39.94)

46 FIRST TIME ADOPTION (contd.)

4 Compulsorily convertible preference shares

The Group has issued convertible redeemable preference shares. Under Indian GAAP, the preference shares were classified as equity. Under Ind AS, convertible preference shares are reclassified as liability based on the terms of the contract. Interest on liability component is recognised using the effective interest method.

The impact arising from the changes is summarised below:

(*Rs. in million*)

	As at 31 March 2016	As at 1 April 2015
Balance sheet		
IFC Subscribed "A" preference shares of Re 1 each (share capital)	-	(3.97)
IFC Subscribed "B" preference shares of Rs.100 each (share capital)	-	(90.00)
IFC Subscribed "A" preference shares of Re 1 each (other current financial liabilities)	-	9.46
IFC Subscribed "B" preference shares of Rs.100 each (other current financial liabilities)	-	214.44
Securities premium	-	(129.93)
Adjustment to retained earnings	-	-

5 Interest rate swap

The Group has certain interest rate swap contracts entered into prior to the date of transition and had early adopted the requirements of AS 30. Accordingly, these interest rate swap contracts were designated as cash flow hedge. Under the previous GAAP, the effective and ineffective gain or loss arising due to such contract was directly routed through hedge reserve. Under Ind AS, the effective gain or loss is required to be routed through the other comprehensive income.

6 Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

The impact arising from the changes is summarised below:

(*Rs. in million*)

	Year ended 31 March 2016
Statement of profit and loss	
Decrease in interest expense (finance costs)	(2.53)
Adjustment before income tax	(2.53)

(*Rs. in million*)

	As at 31 March 2016	As at 1 April 2015
Balance sheet		
Borrowings (non-current financial liabilities)	57.33	53.72
Current maturities of long-term debt (other current financial liabilities)	1.56	7.70
Adjustment to retained earnings	58.89	61.42

7 Lease

Under the previous GAAP, lease payments under an operating lease shall be recognised as an expense on a straight-line basis over the lease term. Under Ind AS, if the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase, then lease payments are not straight-lined. Accordingly, the Group has reversed rent equalisation reserve under Ind AS. Difference due to this has been recognised as rent expense.

The impact arising from the changes is summarised below:

(*Rs. in million*)

	Year ended 31 March 2016
Statement of profit and loss	
Decrease in rent (other expenses)	(63.54)
Adjustment before income tax	(63.54)

46 FIRST TIME ADOPTION (contd.)

(*Rs. in million*)

	As at 31 March 2016	As at 1 April 2015
Balance sheet		
Rent equalisation reserve (other non-current liabilities)	(292.04)	(223.71)
Rent equalisation reserve (other current liabilities)	8.15	6.53
Creditors for expenses (other current financial liabilities)	(23.81)	(26.98)
Adjustment to retained earnings	**(307.70)**	**(244.16)**

8 Compulsorily convertible debentures issued to Coffee Day Enterprises Limited (CDEL)

The Company has issued compulsorily convertible debentures to Coffee Day Enterprises Limited, holding company. Under Indian GAAP, the debentures were classified as liability. Under Ind AS, compulsorily convertible debentures are reclassified as equity based on the terms of the contract. Thus the liability was reduced by Rs.4100.00 million as on 31 March 2016 with a corresponding increase in equity.

9 Financial guarantee obligation

The Group has given guarantee against the loan taken by it's related parties from banks. Under the previous GAAP, the guarantees given were disclosed in the financial statement as a contingent liability. Under Ind AS, the Group has recognised such guarantee as a financial guarantee liability under Ind AS 109 and recorded the same at it's fair value.

The impact arising from the changes is summarised below:

(*Rs. in million*)

	Year ended 31 March 2016
Statement of profit and loss	
Increase in commission income (other income)	2.54
Adjustment before income tax	**2.54**

(*Rs. in million*)

	As at 31 March 2016	As at 1 April 2015
Balance sheet		
Financial guarantee obligation (other non-current liabilities)	6.63	2.92
Adjustment to retained earnings	**6.63**	**2.92**

10 Remeasurement of post-employment benefit expenses

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2016 decreased by Rs.6.75 million.

11 Share-based payment

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan unvested as at 1 April 2015 and issued subsequent to transition date is recognised based on the fair value of the options as at the grant date.

The impact arising from the changes is summarised below:

(*Rs. in million*)

	Year ended 31 March 2016
Statement of profit and loss	
Increase in share-based payments to employees (employee benefits expense)	12.67
Adjustment before income tax	**12.67**

(*Rs. in million*)

	As at 31 March 2016	As at 1 April 2015
Balance sheet		
Share options outstanding account	14.97	2.30
Adjustment to retained earnings	**14.97**	**2.30**

There is no impact on the total equity as at 31 March 2016.

12 Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

46 FIRST TIME ADOPTION (contd.)

13 Retained earnings

Retained earnings as at 1 April 2015 has been adjusted consequent to the above mentioned Ind AS adjustments.

14 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and effective portion of gains and losses on cash flow hedging instruments. The concept of other comprehensive income did not exist under previous GAAP.

15 Compulsorily convertible debentures issued to FMO

We have reclassified the Previous GAAP number for the current portion of the compulsorily convertible debenture as at 31 March 2016 amounting to Rs.169.76 million from Borrowings (non-current financial liabilities to other current financial liabilities.

16 Joint venture

Under the previous GAAP, Coffee Day Schaerer Technologies Private Limited ("CDSTPL") was classified as a 'jointly controlled entity' and accordingly accounted for using proportionate consolidation method. On transition to Ind AS, CDSTPL has been classified as a joint venture has been consolidated using equity method as per Ind AS 28, Investments in Associates and Joint Ventures. No impairment has been identified on the investment at the date of transition. Details of assets, liabilities along with the consequential changes in the statement of profit and loss as well as cash flow statement are summarised below.

(i) The following assets and liabilities of Coffee Day Schaerer Technologies Private Limited were previouslyproportionately consolidated under previous GAAP:

(*Rs. in million*)

Particulars	As at 31 March 2016
Non-current assets	
Property, plant and equipment	1.65
Other non-current assets	0.03
Total non-current assets	**1.68**
Current assets	
Inventories	1.37
Cash and cash equivalents	0.10
Other current assets	0.36
Total current assets	**1.83**
Total assets	**3.51**
Current liabilities	
Trade payables	1.56
Other current financial liabilities	1.55
Other current liabilities	0.05
Total liabilities	**3.16**
Net assets derecognised	**0.35**

(ii) The following items of income and expenditure were previously proportionately consolidated under previous GAAP:

(*Rs. in million*)

Particulars	For the year ended 31 March 2016
Revenue	-
Expenses:	
Depreciation and amortisation expense	0.01
Other expenses	1.60
Loss after tax	**(1.61)**

Impact on account of equity accounting of the joint venture under Ind AS:

(*Rs. in million*)

Particulars	For the year ended 31 March 2016
Share of profits of joint venture recognised as per equity method	(1.61)
Share of other comprehensive income (remeasurements) of joint venture recognised as per equity method	-

Notes to the consolidated financial statements for the year ended 31 March 2017

46 FIRST TIME ADOPTION (contd.)

(iii) Summarised statement of cash flows of Coffee Day Schaerer Technologies Private Limited for the year ended 31 March 2016 not considered under Ind AS in the consolidated statement of cash flows:

(*Rs. in million*)

Particulars	As at 31 March 2016	As at 1 April 2015
Cash and cash equivalent as per previous GAAP	2,602.53	1,507.74
Joint venture – equity accounting	(0.10)	-
Other Ind AS adjustment	(248.90)	(288.61)
Cash and cash equivalents for the purpose of statement of cash flows under Ind AS	2,353.53	1,219.13

17 Foreign currency translation reserve

In accordance with Ind AS 101, amount of foreign currency differences arising from translation of the financial statement of the foreign subsidiaries to Indian Rupees for the year ended 31 March 2016 has been routed through other comprehensive income amounting to Rs.1.22 million.

18 Bank overdrafts

Under Ind AS, bank overdrafts repayable on demand and which form an integral part of the cash management process are included in cash and cash equivalents for the purpose of presentation of statement of cash flows. Under previous GAAP, bank overdrafts were considered as part of borrowings and movements in bank overdrafts were shown as part of financing activities. Consequently, cash and cash equivalents have reduced by Rs.248.90 million as at 31 March 2016 (1 April 2015: Rs.288.61 million) and cash flows from financing activities for the year ended 31 March 2016 have also reduced by Rs.39.71 million to the effect of the movements in bank overdrafts.

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

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

Supreet Sachdev
Partner
Membership no.: 205385

Place: Bangalore
Date: 18 May 2017

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

Jayaraj C Hubli
CFO/ Director (DIN: 00073670)

Sadananda Poojary
Company Secretary

NOTICE IS HEREBY GIVEN THAT THE 9TH ANNUAL GENERAL MEETING OF THE MEMBERS OF COFFEE DAY ENTERPRISES LIMITED WILL BE HELD AT CAFÉ COFFEE DAY, GLOBAL VILLAGE, RVCE POST, MYSORE ROAD, MYLASANDRA, BANGALORE-560059 ON THURSDAY, THE SEPTEMBER 14TH, 2017 AT 11:00 AM TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

Item No.1: To consider and adopt the Audited Financial Statements (including Consolidated Financial Statements) of the Company for the Financial Year ended March 31, 2017, together with the reports of the Board of Directors and Auditors thereon.

Item No.2: To re-appoint a Director in place of Mrs. Malavika Hegde (DIN: 00136524) who retires by rotation and being eligible offers herself for re-appointment.

Item No.3: To Ratify the appointment of Statutory Auditors and fixing their remuneration:

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and such other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Rules made thereunder, as amended from time to time, pursuant to the recommendation of the Audit Committee and that of the Board of Directors and pursuant to the resolution passed by the members at the AGM held on 30th September 2014, the appointment of B.S.R & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 101248W/W-100022) as Auditors of the Company to hold office from the conclusion of the Ninth Annual General Meeting (AGM) till the conclusion of the Tenth AGM, be and is hereby ratified and that board be and is hereby authorized to fix such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS:

Item No.4: Issue of Non - Convertible Debentures on Private Placement Basis for an amount not exceeding Rs.300 crores (Three Hundred Crores Only):

To consider and if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 42 and 71 of the Companies Act, 2013 ('the Act'), Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modifications or re-enactments thereof for the time being in force) and the Rules, Regulations, Guidelines and Circulars, as amended from time to time, the Memorandum and Articles of Association of the Company and subject to such other approvals as may be required from regulatory authorities from time to time, consent of the Members be and is hereby accorded to the Board of Directors/ Committee of Directors to offer, issue and allot, in one or more tranches, Secured or Unsecured Non-convertible Debentures/ Bonds on private placement basis during the Financial Year 2017-2018, for an amount not exceeding Rs.3,000,000,000/- (Rupees Three Hundred Crores only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board/Committee of Directors to such person or persons, including one or more companies, bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/ provident funds and individuals, as the case may be or such other person/persons as the Board/Committee of Directors may decide so, however that the aggregate amount of funds to be raised by issue of Non-convertible Debentures/Bonds shall not exceed Rs.300 Crores.

RESOLVED FURTHER THAT in connection with the above, the Board/Committee of Directors be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto."

By Order of the Board
For **Coffee Day Enterprises Limited**

Date: May 18th, 2017

Registered Office:

23/2, Coffee Day Square, Vittal Mallya Road, Bangalore-560001
CIN: L55101KA2008PLC046866

Sd/-
Sadananda Poojary
Company Secretary & Compliance Officer
FCS: 5223

NOTES:

1. Information under Regulation 36 of the SEBI (LODR) 2015 relating to Directors proposed to be appointed/ re-appointed are provided in Annexure to this Notice.

2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN HIS/HER STEAD AND THE PROXY NEED NOT BE A MEMBER OF The Company. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT The Company'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. PROXIES SUBMITTED ON BEHALF OF LIMITED COMPANIES, SOCIETIES, PARTNERSHIP FIRMS ETC. MUST BE ACCOMPANIED BY APPROPRIATE RESOLUTION/ AUTHORITY AS APPLICABLE, ISSUED ON BEHALF OF THE NOMINATING ORGANIZATION.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF The Company CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF The Company CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. IN CASE OF JOINT HOLDERS ATTENDING THE MEETING, ONLY SUCH JOINT HOLDER WHO IS HIGHER IN THE ORDER OF NAMES WILL BE ENTITLED TO VOTE.

3. A statement pursuant to section 102 of the Companies Act, 2013 setting out the material facts in respect of Special Business under Item No. 4 is annexed hereto.

4. The business set out in the Notice will be transacted through E-voting system through NSDL. Complete details of the instructions for E-voting are annexed to this Notice. In accordance with Regulation 44 of SEBI (LODR) 2015, the Company has provided the facility for voting through physical ballot for shareholder who do not have access to internet. Facility for voting through tablet will also be provided to the shareholders at the Meeting who have not cast their Ballot either through Ballot Paper or e-Voting.

5. Change of Address: Members are requested to notify any change of address and bank details to their depository participants in respect of their holdings in electronic form.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s).

7. Copies of the Annual Report 2016-17, the Notice of the 9th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same.

8. Members may also note that the Notice of the 9th Annual General Meeting and the Annual Report 2016-17 will be available on the Company's website, www.coffeeday.com.

9. Shareholders, intending to require information about the Financial Accounts to be approved at the Meeting, are requested to inform the Company at least a week in advance of their intention to do so, so that the papers relating thereto may be made available, if the Chairman permits such information to be furnished.

10. The Company has designated an exclusive e-mail id viz., investors@coffeeday.com to enable investors to register their complaints/ queries, if any.

11. The Annual Report of the Company for the year ended March 31, 2017 along with Notice, process and manner of remote e-voting, Attendance Slip and Proxy form are being sent by e-mail to those members who have registered their e-mail address with the Company or with their Depository Participant or Registrar and Share Transfer Agents of the Company. Members who are desirous to have a physical copy of the Annual Report should send a request to the Company e-mail id viz., investors@coffeeday.com clearly mentioning their Folio number / DP and Client ID.

12. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, Sundays and Bank Holidays during business hours up to the date of the Meeting.

13. Voting through electronic means pursuant to the provisions of section 108 of the Companies Act, 2013, Rule 20 and Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 9th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited. (NSDL)

14. Information and other instructions relating to remote e-voting are as under:

I. In compliance with provisions of Section 108 of the Companies

Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 9th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through tablet shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through Tablet.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The e-voting period commences on 11th September, 2017 (9:00 am) and ends on 13th September, 2017 (5:00 pm). During this period, members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th September, 2017, may cast their vote by remote e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

(i) Open email and open PDF file viz; "Coffee Day remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of Coffee Day Enterprises limited.

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to harshavardhan@hrbandco.in with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

(i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :

EVEN (e-voting Event Number) USER ID PASSWORD/PIN

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

NOTE: Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 7th September, 2017.

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 7th September, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through tablet.

XIII. Mr. Harshavardhan R. Boratti, Company Secretary in practice (Membership No. 31152) M/s HRB & Co., has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of tablet for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.coffeeday.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai and the NSE India Limited.

DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING PURSUANT TO REGULATION 36 OF THE SEBI (LODR) 2015

Name of the Director	Malavika Hedge
Date of Birth/Age	12.06.1967/49 Years
Date of Appointment on the Board	20.06.2008
Qualification	B.Com, Bangalore University.
Brief profile and nature of their expertise in specific functional areas	Mrs. Malavika Hegde is a Non-Executive Director of our Company. She is the wife of V. G. Siddhartha and has significant years of experience in the business of coffee growing, procurement, processing, export and retail. She is in charge of the overall responsibilities of operating the hospitality business since 2008.
Directorship held in other Companies	3*
Memberships / Chairmanships of committees across all other listed companies	Nil
Shareholding in the Company	1.47%

**List of Companies being part of Corporate Governance Report*

EXPLANATORY STATEMENT TO BE ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.4: Issue of Non - Convertible Debenture on Private Placement Basis

NCD'S/Bonds/Other instruments including commercial paper issued on private placement basis is one of the important & cost effective source of borrowing of the Company, The Company with the intention to restructure its debt capital by repaying the existing debt, may raise NCD's during FY 2017-18, the Board of Directors of the Company at its meeting held on 18th May, 2017 subject to the approval of Members in the general meeting proposed to issue Non-convertible Debentures/ Bonds to various person(s) on private placement basis, at such terms and conditions and at such price(s) in compliance with the requirements of regulatory authorities, if any and as may be finalized by the Board and/or Committee of Directors. The amount to be raised by way of issue of Nonconvertible Debentures on a private placement basis however shall not exceed Rs.300 crores (Rs.Three Hundred Crores) only in aggregate.

It may be noted that Rule 14(2) of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 42 of the Companies Act, 2013, allows a company to pass a special resolution once in a year for all the offer or invitation for non-convertible debentures to be made during the year through a private placement basis in one or more tranches.

Consent of the Members is, therefore, sought in connection with the aforesaid issue of debentures/bonds from time to time and they are requested to authorize the Board (including any Committee of the Board) to issue Non-convertible Debentures/ Bonds during the FY 2017-18 on private placement basis upto Rs.300 crores as stipulated above, in one or more tranches.

The Board recommends the Special Resolution set forth in Item No. 4 of the Notice for approval of the Members. None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the Resolution except to the extent of their shareholding, if any, in the Company.

By Order of the Board
For **Coffee Day Enterprises Limited**

Date: May 18th, 2017

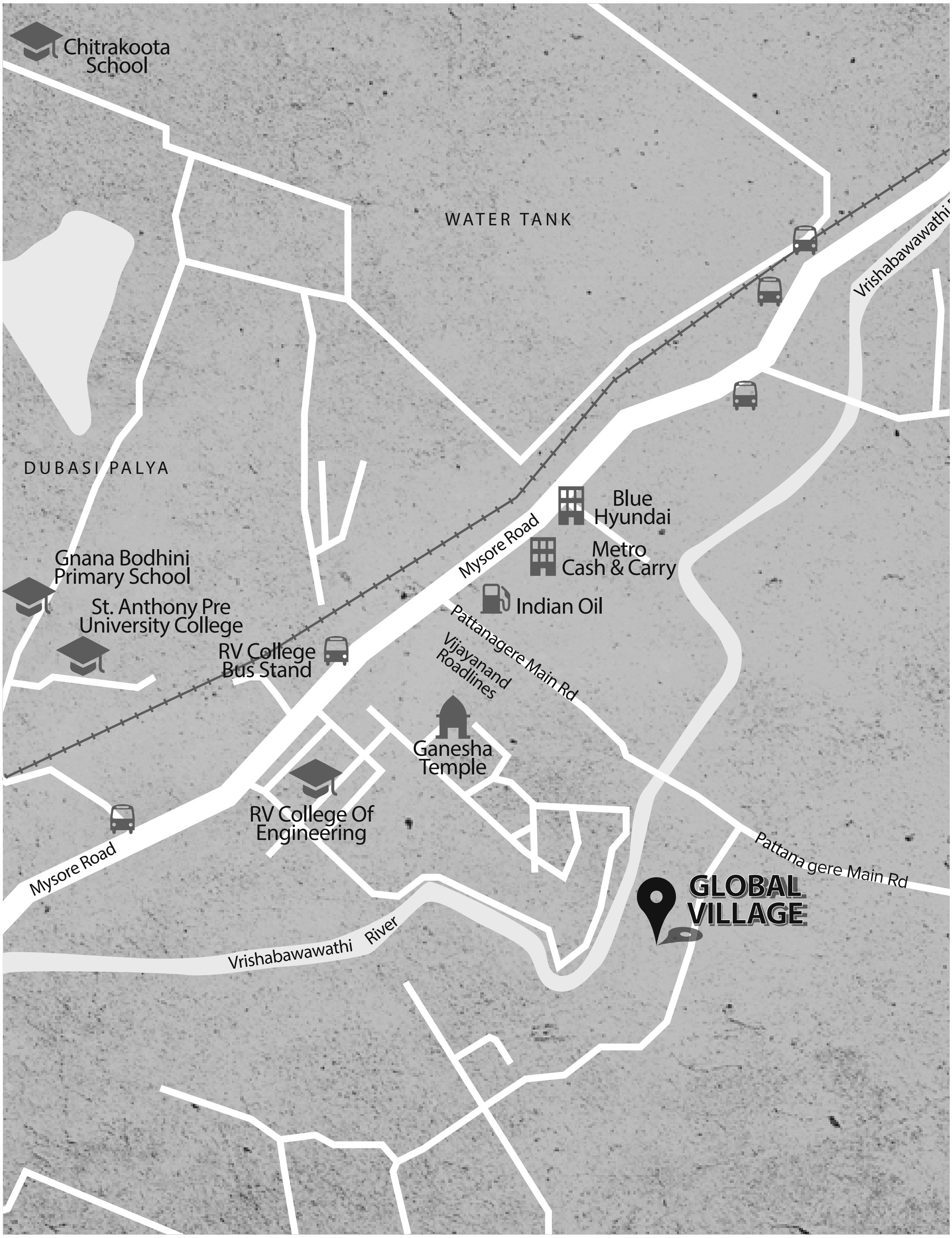
Registered Office:

23/2, Coffee Day Square, Vittal Mallya Road, Bangalore-560001
CIN: L55101KA2008PLC046866

Sd/-
Sadananda Poojary
Company Secretary & Compliance Officer
FCS: 5223

Route Map of AGM Venue

Global Village
Café Coffee Day,
RVCE Post, Mysore Road,
Mylasandra, Bangalore 560059
Karnataka



Pick Up Facility Will Be Arranged From **RVCE Bus Stop At 10:30 Am**

Coffee Day Enterprises Limited

CIN: L55101KA2008PLC046866
Registered Office: 23/2, Coffee Day Square, Vittal Mallya Road Bengaluru – 560 001
Phone: +91 (80) 40012345; Fax: +91 (80) 40012987
Website: www.coffeeday.com E-mail: investors@coffeeday.com

ATTENDANCE SLIP

NAME & ADDRESS OF THE SHAREHOLDER	FOLIO. NO.
	DP ID:
	CLIENT ID:
	NO. OF SHARES

I hereby record my presence at the 9th Annual general Meeting of the Company at Café Coffee Day, Global village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059 on Thursday the 14th September, 2017 at 11:00 AM

NAME OF THE SHAREHOLDER/PROXY	SIGNATURE OF THE SHAREHOLDER/PROXY

*Strike out whichever is not applicable

COFFEE DAY

Coffee Day Enterprises Limited

CIN: L55101KA2008PLC046866
Registered Office: 23/2, Coffee Day Square, Vittal Mallya Road Bengaluru – 560 001
Phone: +91 (80) 40012345; Fax: +91 (80) 40012987
Website: www.coffeeday.com E-mail: investors@coffeeday.com

PROXY FORM

Form No. MGT - 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member	
Registered Address	
E-Mail ID	
Folio No./DP ID-Client ID	

I/We being the member(s) holding ______________ shares of above named Company, hereby appoint:

Name:____________________________________ Address: ____________________________________

E-mail ID__________________________________ Signature: ______________________________ Or failing him/her

Name:____________________________________ Address: ____________________________________

E-mail ID__________________________________ Signature: ______________________________ Or failing him/her

Name:____________________________________ Address: ____________________________________

E-mail ID__________________________________ Signature: ______________________________

as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 9th Annual General Meeting of the Company to be held on Thursday, September 14th , 2017 at 11.00 A.M. (IST), at "Café Coffee Day, Global village, RVCE Post, Mysore Road, Mylasandra, Bangalore-560059" and at any adjournment thereof in respect of such resolutions asare indicated below:

Resolutions	For	Against
1. Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon.		
2. Re-appointment of Mrs.Malavika Hegde as Director		
3. Ratification of appointment of Auditor, M/s.B.S.R & CO LLP, Chartered Accountants, (ICAI Regn No. 101248W/W-100022), as Statutory Auditors.		
4. Issue of Non - Convertible Debentures on Private Placement Basis.		

Signed this ____________________________ day of ____________________________ 2016

____________________________ ____________________________

Signature of Member(s) | Affix Revenue Stamp Re 1/- | Signature of Proxy holder(s)

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Statement setting out material facts thereon and notes, please refer to the Notice of the 9th Annual General Meeting.
3. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or Member.

Notice

Notice

A TRISYS PRODUCT

info@trisyscom.com

23/2 Coffee Day Square,
Vittal Mallya Road,
Bengaluru 560001,
Karnataka, India.

WWW.COFFEEDAY.COM