

20 November 2019

To,

The National Stock Exchange of India Limited Manager-Listing Exchange Plaza, Bandra Kurla Complex Bandra (East) Mumbai - 400 051 Tel No.: 022-2659 8237/38 Symbol: COFFEEDAY	BSE Limited General Manager-DSC Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai - 400 001 Tel No.: 022-2272 2039 Scrip Code: 539436
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Dear Sir/ Madam,

RE: Notice of Annual General Meeting (AGM) and Annual Report for financial year 2018-19**Ref:** Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice of the 11th Annual General Meeting ("AGM") and the Annual Report for the Financial Year 2018-19. The same is available on the Company's website on the following links:

Annual Report: http://www.coffeeday.com/PDF/CoffeeDayAR2018-19Final_compressed.pdfNotice: <http://www.coffeeday.com/PDF/CoffeeDayNotice201119.pdf>

The Schedule of the AGM is follows:

Particulars	Date and Time
Cut-off date for e-voting	06 December 2019
Commencement of e-voting	11 December 2019 at 09:00 A.M. (IST)
End of e-voting	13 December 2019 at 05:00 P.M. (IST)
AGM date	14 December 2019 at 11:00 A.M. (IST)

Kindly take on records of the same.

For Coffee Day Enterprises Limited




Sadananda Poojary
Company Secretary and Compliance Officer

**COFFEE
DAY**


**ANNUAL
REPORT
2019**

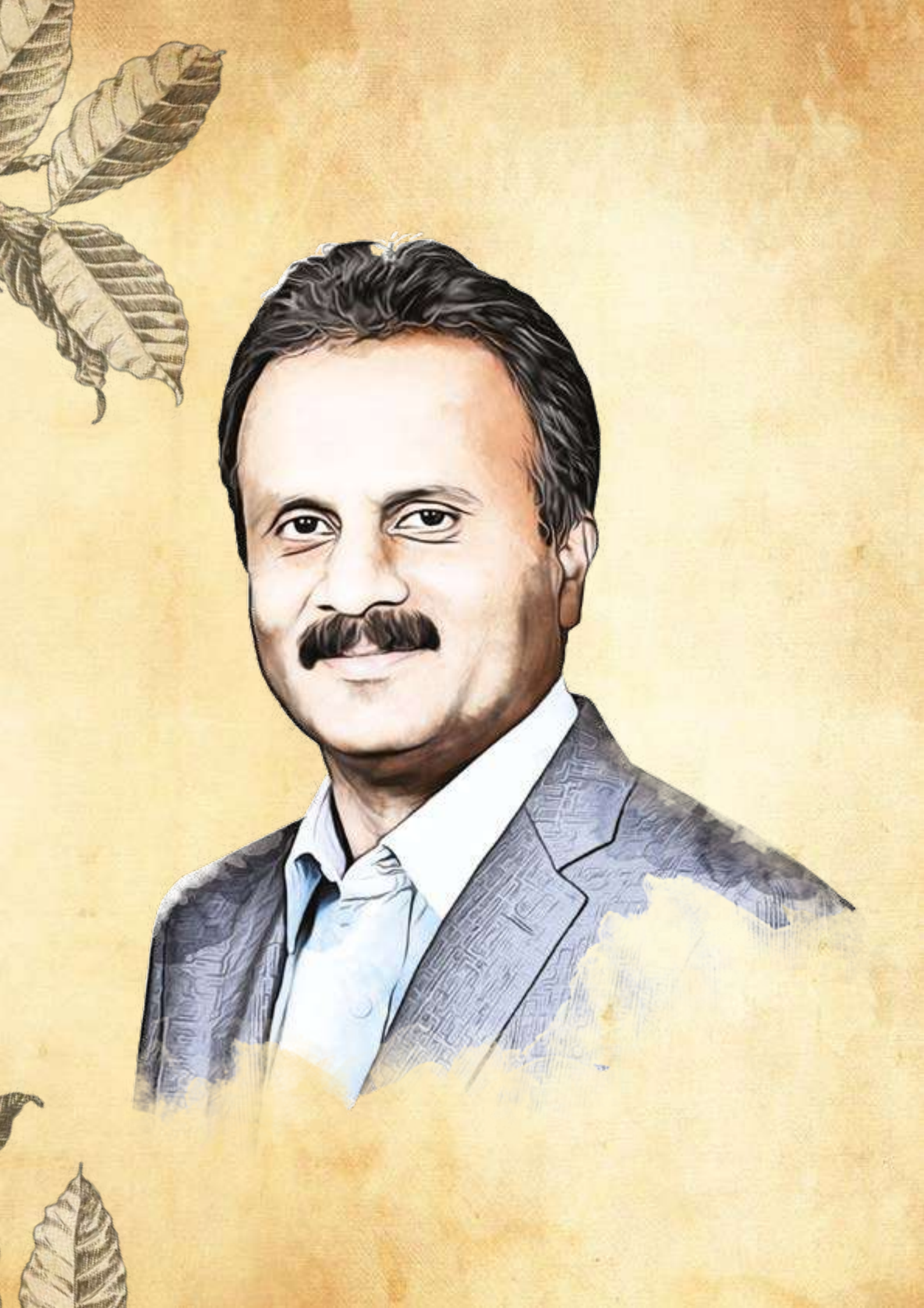





We remember
our beloved Chairman
V. G. Siddhartha
with pride.

We stand committed
to his vision and
will continue building
on his legacy.









We are where coffee is today, and where it will be going next.

A great mug of coffee is made with love, passion, dedication and hard work. From nurturing the right coffee plants under best growing conditions to picking, drying, processing, roasting and brewing. We want to bring to your life, coffee that is unique and delicious with a wonderful balance of aromas, flavours, body and complexity. Yet, we do more than just gratify the palate.

Coffee is more than a beverage, it is more than a caffeine fix; coffee is our purpose. We believe that the smell of freshly made coffee is one of humankind's greatest discoveries. It inspires us, because we see the infinite possibilities in every bean, ready to be released.

Historically, coffee is rooted in shared experiences and a region's coffee culture is a tell-tale sign of its close-knit social fabric and underscores the celebration of community. Coffee inspires a place where individual life can be enriched through companionship and conversations.

We have won the love of coffee aficionados across the global forum, with customised offerings that suit the needs of every geography and demography we serve. We aspire to make the time you spend with us the best part of your day, wherever you are. The alternative to coffee, for us, is coffee.



What's brewing inside

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Corporate Overview



About Coffee Day

A world of infinite possibilities

Vision

Showing the world where coffee can take us.

Mission

To capture the boundless potential in all that we do — just as we do for every cup of coffee.

We, at Coffee Day Enterprises Limited (Coffee Day) are home to the largest coffee chain in the country. In 1996, we opened the first Café Coffee Day outlet on Brigade Road, Bengaluru, with a vision to recast the perception around coffee as a beverage and transform it into the pulse of social occasions.

Today, our operations span a wide upstream-integrated network of major coffee-growing areas in India, with the support of our coffee estates, curing works, roasteries, packaging centres, distribution hubs and café outlets, adding up to a combined capacity of 70,000+ TPA. Coffee processed by us is also exported to various parts of Europe, the Middle East and Japan, reinforcing our enviable position as one India's top coffee exporters.

Our forays into diverse businesses is underlined by our presence in technology parks and SEZs, logistics, investments, financial services and hospitality.



Over a cup of coffee

1,752

Cafes

243

Cities

₹15,815

Average sales per day

375

Fresh & Ground outlets

537

Value Xpress kiosks

56,799

Vending machines



About Coffee Day (Contd.)

Our subsidiaries



Coffee Day Global

Coffee and related portfolio

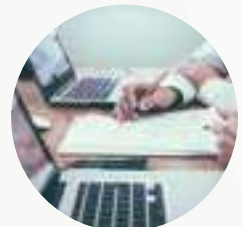
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SICAL Logistics

Integrated multimodal logistics

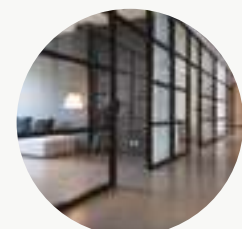
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Way2Wealth

Financial services

PG 14



Tanglin Developments

Leasing of commercial space

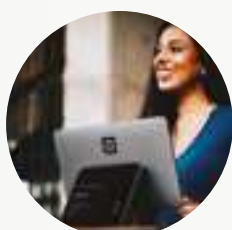
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The Serai

Hospitality services

PG 15

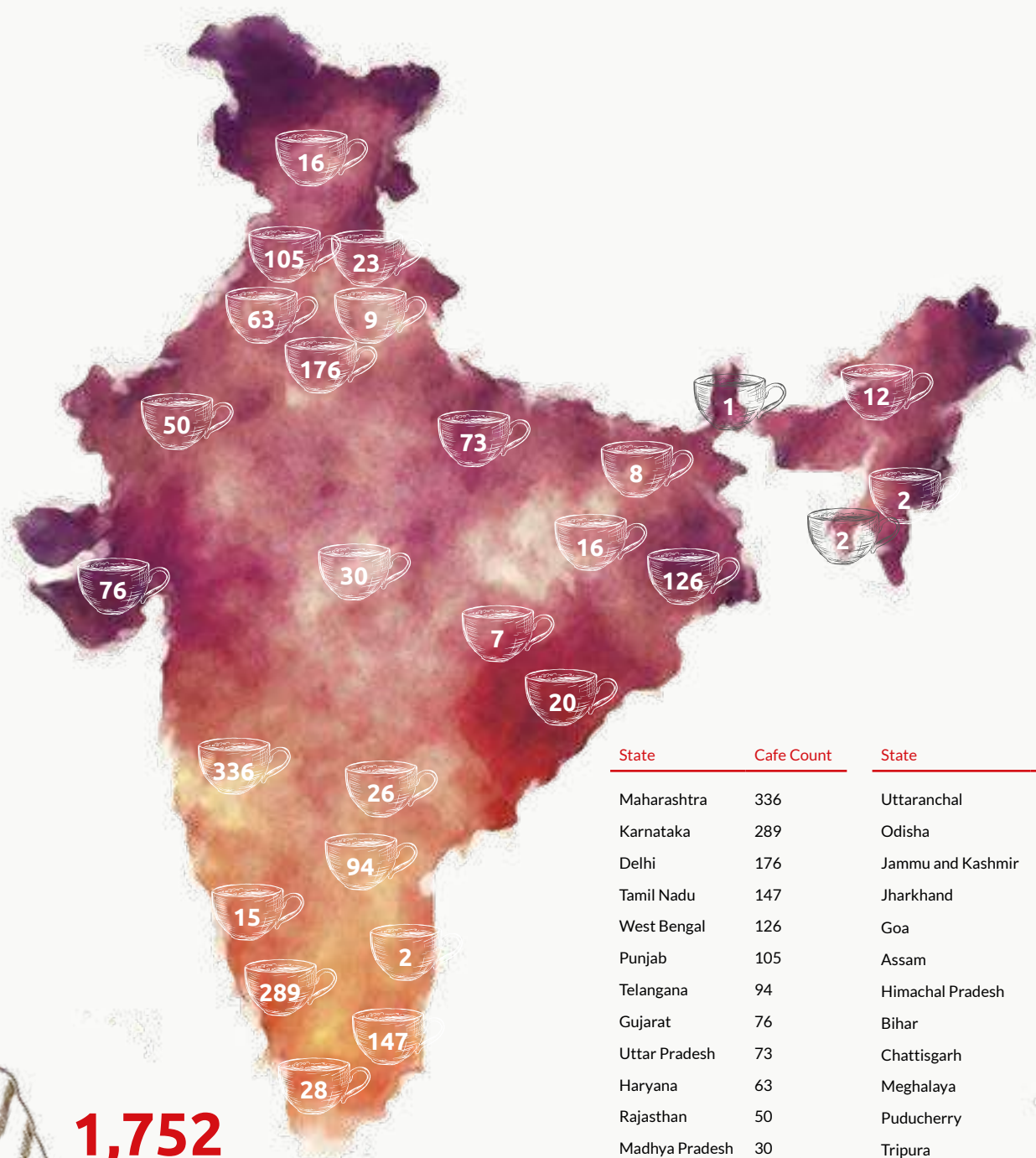


Coffee Day Trading

Investment operations

PG 15

Our café footprint



1,752
Cafes



Business Verticals

In a nutshell

A vertically integrated coffee business that pioneered the coffee culture in the café chain segment in India, and includes a vending business and retailing of coffee products.

Coffee Day Global

Café Coffee Day outlets

Café Coffee Day, a part of Coffee Day Global Limited, is India's favourite hangout for coffee and conversations. Colloquially renowned as 'CCD', our coffees are sourced from thousands of small coffee planters, who have made us who we are today and we are glad to be a part of their lives. We opened our first café in 1996 at Brigade Road, Bangalore and it has been an exciting journey since then, becoming the largest organised retail cafe chain in the country.

Targeted at the discerning, yet value-conscious youth, in 22 years, we have grown to 1,752 cafes across 243 cities in India. From signature coffees like the Iced Eskimo and the Devil's Own to delicious sandwiches, burgers and sundaes, we have a vast menu that appeals to diverse palates and dietary needs.

Café Coffee Day Value Xpress

Launched in 2003, this is our on-the-go food and beverage kiosk. If customers are on the lookout for a quick coffee stop or perhaps something to munch on, then CCD Value Express is the place to be. Whether on the highway, at the workplace, at theatres, or within malls, CCD Value Express delivers the promise of great quality and value for money.

Over the years, we have grown to 537 kiosks across 24 cities in India. We are also focused on selectively expanding the Value Xpress kiosks across high-demand locations like corporate offices, institutions and hospitals.

The Square

Aimed at the well-travelled coffee aficionado, this premium café offers exclusive single-origin coffees sourced from around the world. It also offers a variety of food that perfectly complements the range of coffees. The Square showcases a boutique of brewing systems and coffee beans for the connoisseur and the well-travelled. We are present in four cities with eight outlets.

Coffee Day Fresh & Ground

This division serves fresh beans and powder to customers from 375 Fresh & Ground (F&G) outlets across seven states in India. We have also introduced a specialised coffee machine called 'Kaapiguru' for our F&G business, which is used by numerous restaurants and eateries.

Coffee Day Beverages

This is the largest vending machine chain in India for fresh milk and roasted coffee beans with 56,500+ machines in India currently. We have entered into a joint venture agreement with WMF, Germany, and will be leveraging this association in the months to come.

Coffee Day exports

Coffee Day is one of India's leading coffee exporters with clients across Europe, the Middle East, South East Asia and North America. We have entered into long- and short-term contracts to export coffee beans at prevailing market rates set on international coffee exchanges.

International cafés

Our first international café opened in Vienna in the year 2005. Today, we have 17 outlets in Austria, the Czech Republic, Egypt, Malaysia and Nepal, helping us take the fine taste of Indian coffee to the world.





Business Verticals (Contd.)

SICAL Logistics

Founded in 1955, SICAL is India's leading integrated logistics solutions provider with over six decades of experience in providing end-to-end logistics solutions. Acquired by us in 2011, SICAL has since then made significant investments in logistics-related infrastructure and has expanded to capture opportunities in various business segments, such as mining, port logistics, road and rail transport, container freight station, warehousing and shipping. In addition to the above, SICAL also provides offshore support services to the oil and gas industry. At SICAL, every aspect of logistics is combined as an integrated solution tailored to meet individual client needs.

Way2Wealth

A retail-focused investment advisory company with a pan-India branch network, Way2Wealth includes our broking and commission businesses, financial product distribution, fund-based activities and quant-based algorithm businesses. Started in 1984, it services our customers through a team of 1,000+ wealth managers spread across 573 easily accessible investment outlets in India's major cities and towns.



Tanglin Developments

Tanglin, founded in 1995, is engaged in the development of technology parks and SEZs, offering bespoke facilities for IT and IT-enabled services. We conceptualised spaces in Global Village in Bengaluru, Karnataka, and Tech Bay in Mangaluru, Karnataka. We offer facilities for the technology enterprises on a lease and built-to-suit office spaces that are designed and constructed as per the specifications of the clients.

The Serai

We operate a chain of luxury resorts, known as The Serai, owned directly through Coffee Day and our wholly owned subsidiary, Coffee Day Hotels & Resorts. We launched the hospitality venture in 2006, seeking to share the unique lessons that our chosen properties had to offer. These resorts are designed in such a way that our guests can get the most out of their luxury experiences with us, while also making memories of a lifetime. We have an array of select and exquisite properties in the coffee estates of Chikmagalur, Karnataka; in the jungles of Bandipur, Karnataka; at the Kabini waterfront, Karnataka; and surrounded by the high seas in Havelock, Andaman & Nicobar Islands.

Coffee Day Trading

Coffee Day Trading, formerly known as Global Technology Ventures, is a venture capital firm specialising in early-stage, start-up, and late-stage financing. The firm typically invests in the technology sector and seeks to invest in Indian companies with a focus on Bangalore. Founded in 2000 and headquartered in Bangalore, Coffee Day Trading has invested in Ittiam Systems, Magnasoft and Global Edge Software Limited.



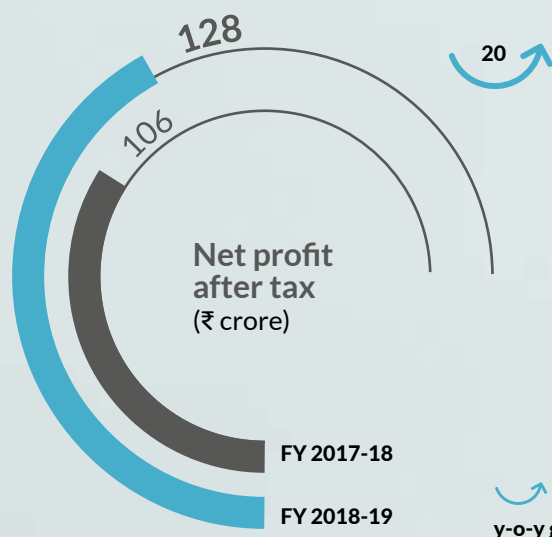
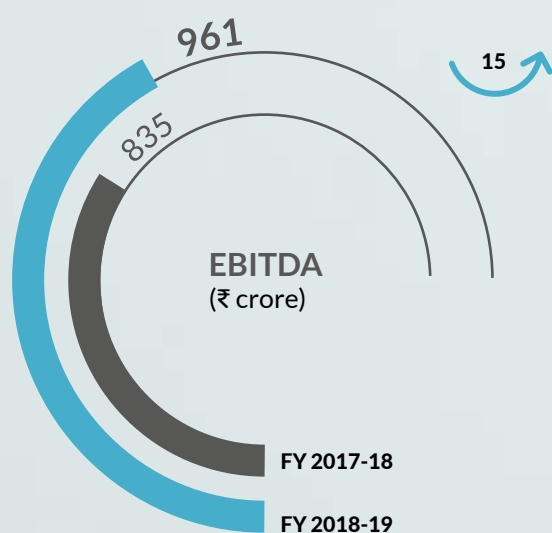
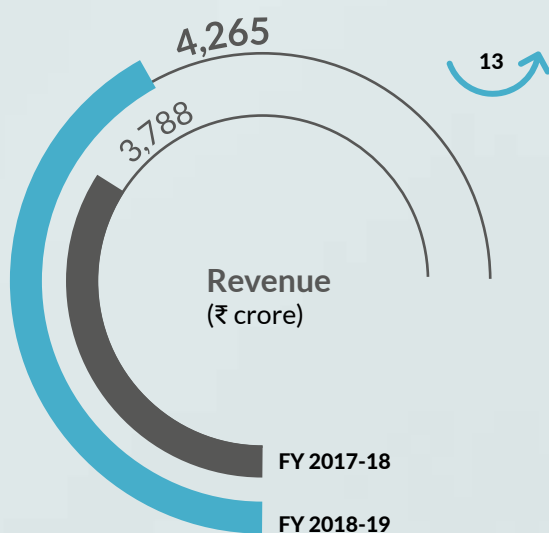


Key Performance Indicators

Crafting sustainable performance

Consolidated metrics

Overall, numbers have increased on the back of improved financial performance of Coffee Day Global and Tanglin Developments.



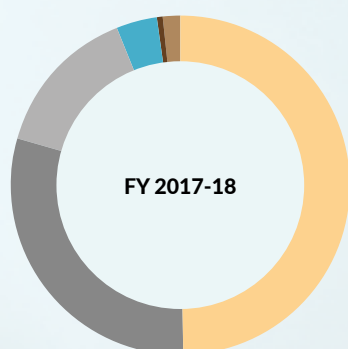
y-o-y growth (%)

Segment-wise metrics

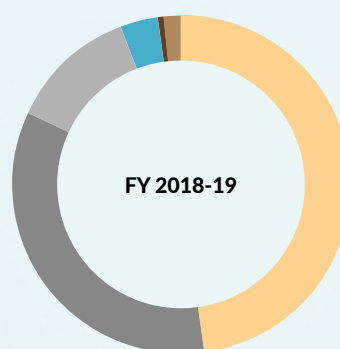
Our performance for the year is testimony to relentless efforts of each of our major verticals, borne out of their commitment towards delivering strong growth.

Overview

Contribution to the consolidated revenue (%)



Coffee Day Global	49.80
SICAL Logistics	29.87
Way2Wealth	14.40
Tanglin Developments	3.80
The Serai	0.72
Investments & other corporate operations	1.40



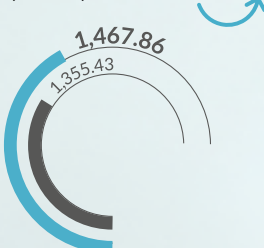
Coffee Day Global	47.91
SICAL Logistics	34.07
Way2Wealth	12.36
Tanglin Developments	3.57
The Serai	0.70
Investments & other corporate operations	1.39

Coffee Day Global

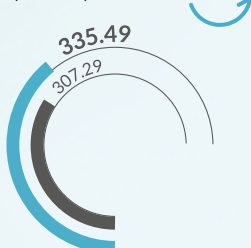
Net operational revenue
(₹ crore)



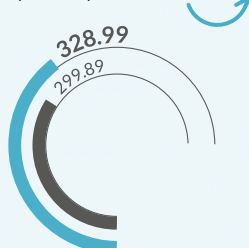
Net retail revenue
(₹ crore)



EBITDA
(₹ crore)



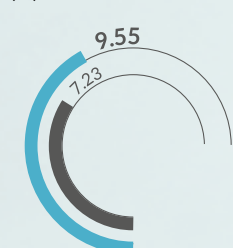
Retail EBITDA
(₹ crore)



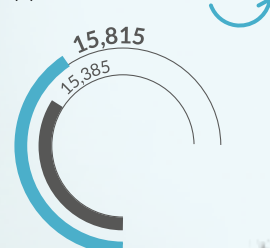
Net profit after tax
(₹ crore)



Same store sales growth
(%)



Average sales per day
(₹)



y-o-y growth (%)



Quarterly Highlights

The year gone by

Q1

- Entered into an agreement with Uber to leverage the UberEats app for the distribution of Food & Beverages (F&B)
- F&B innovation continued with an attractively priced, completely new 'Totally Worth It' menu



Q2

- Menu innovations, value-led offerings and unique everyday customer engagement initiatives drove new customer acquisitions
- Café Coffee Day turned 22
- Crossed 50,000 vending machine installations

Q3

- Commemorated the festive occasion, through the 'Season's Treatings' menu, with a delightful range of winter beverages
- Home Cravings, exclusively offered on UberEats, continued to deliver great quality products, specially curated for millennials



Q4

- Launched an exciting range of summer refreshers, through the 'Fruitylicious Fiesta' menu, with fruit-based beverages for every taste and palate
- Incorporated a subsidiary with Impact HD Inc. to set up a chain of retail stores in India and expand our F&G business
- Extended digital presence, through the Café Coffee Day mobile app, to 47.5 lakh customers

Board of Directors



Mr. S. V. Ranganath
Independent Director and Interim Chairman



Dr. Albert Josef Hieronimus
Independent Director



Mrs. Malavika Hegde
Non-Executive, Non-Independent Director

Corporate Information

Board of Directors

Mr. V. G. Siddhartha
Chairman and Managing Director
(ceased to be a Director from July 31, 2019)

Mr. Sanjay Omprakash Nayar
Non-Executive, Nominee Director
(resigned on November 13, 2019)

Mr. Albert Josef Hieronimus
Independent Director

Mrs. Malavika Hegde
Non-Executive, Non-Independent Director

Mr. S. V. Ranganath
Non-Executive, Independent Director
and Interim Chairman

Ms. Sulakshana Raghavan
Non-Executive, Women Independent Director
(resigned on August 1, 2019)

Committees and Composition

Audit Committee

Mr. S. V. Ranganath
(Chairperson)

Dr. Albert Josef Hieronimus

Mr. V. G. Siddhartha
(ceased to be a member from July 31, 2019)

Mrs. Malavika Hegde
(member since August 8, 2019)

Nomination & Remuneration Committee

Mr. S. V. Ranganath
(Chairperson)

Dr. Albert Josef Hieronimus

Mrs. Malavika Hegde

Stakeholders Relationship Committee

Mrs. Malavika Hegde
(Chairperson)

Mr. V. G. Siddhartha
(ceased to be a member from July 31, 2019)

Mr. S. V. Ranganath

Corporate Social Responsibility Committee

Mr. S. V. Ranganath
(Chairperson)

Mr. V. G. Siddhartha
(ceased to be a member from July 31, 2019)

Mrs. Malavika Hegde

Risk Management Committee

Mr. V. G. Siddhartha
(Chairperson)
(ceased to be a member from July 31, 2019)

Mrs. Malavika Hegde

Chief Financial Officer

Mr. R. Ram Mohan

Company Secretary and Compliance officer

Mr. Sadananda Poojary

Registered Office of the Company

23/2, Coffee Day Square, Vittal Mallya Road,
Bengaluru – 560 001

Auditors of the Company

Statutory

BSR & Co LLP, Bengaluru

Secretarial

HRB & Co., Bengaluru

Internal

ABS & Co., Bengaluru

Registrar and Share Transfer Agent

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (West)
Mumbai 400078
Tel: +91 22 6171 5400



Important communication to Shareholders

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

Management and Governance





Directors' Report

Dear Members,

Your Directors have pleasure in presenting their 11th Annual Report on business and operations along with the Audited financial statements and the Auditor's report of the Company for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

Amount in ₹ Crore

Particulars	Coffee Day Enterprises Limited	Coffee Day Enterprises Limited	Coffee Day Global Limited	Coffee Day Global Limited
	(Consolidated)	(Consolidated)	(Consolidated)	(Consolidated)
	FY 19	FY 18	FY 19	FY 18
Net Operational Revenue	4,264	3,788	1,814	1,777
Finance charges	456	349	81	68
Depreciation	292	260	189	174
Profit Before Tax	213	225	65	65
Income Tax	66	77	24	28
Profit attributable to the Owners	128	106	41	37

PERFORMANCE OVERVIEW

During the fiscal year ended March 31, 2019, consolidated gross revenue grew by 13% driven by impetus from Coffee & Multimodal Logistics. The revenue in coffee business contributed a growth of 6%. Consolidated Profit after tax attributable to owners is ₹128/- crore for the year 2019 compared to Profit of ₹106/-crore 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 THE COMPANY'S AFFAIRS

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

DIVIDEND

The Board of Directors of the Company has not recommended any dividend for the FY 2018-19.

TRANSFER TO RESERVES

In accordance to the provisions of Section 134(3)(j) of the Companies Act, 2013, (hereinafter "the Act") the Company has not proposed any amount to transfer to the General reserves of the Company for the FY 2018-19.

DEPOSITS

The Company has not accepted any Deposits under Section 73 and Chapter V of the Act and the rules made thereunder.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of the loans, guarantees and investments are provided in the notes to the audited financial statements annexed with the Annual report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2019, the Company has 46 subsidiaries (including indirect subsidiaries), 3 Associate Companies and 3 Joint Ventures. The details of the Companies which are yet to commence operations and which have been liquidated or sold during the year are mentioned in "Form AOC-1", which is attached as an "Annexure to the Consolidated Financial Statements." A statement containing the salient features of the financial statements of Subsidiaries, Associate Companies or Joint Ventures are mentioned specifically in the same annexure as mentioned above. In accordance with Section 136(1) of the Act, the financial statements of the subsidiaries companies are available on the Company's official website post approval of the members.

In line with Regulation 24 and Regulation 46(2)(h) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (hereinafter "the Listing Regulations") the Company has formulated a detailed policy for determining 'material' subsidiaries and the said policy is available at the Company's official website and may be accessed at the link: <http://www.coffeeday.com/PDF/MATERIAL-SUBSIDIARIES.pdf>

MANAGEMENT DISCUSSION & ANALYSIS REPORT

As stated in Regulation 34(2)(e) of the Listing Regulations, the Annual report shall contain a detailed report on Management Discussion & Analysis, which is hereto attached with the Annual report in "Annexure-1."

CORPORATE GOVERNANCE

The report on Corporate Governance along with a Certificate from the Practicing Company Secretary regarding proper compliance of Corporate Governance pursuant to the requirements of Schedule V of the Listing Regulations forms an integral part of the Annual Report stated in "Annexure-2."

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, the Board of the Company has adopted Dividend Distribution policy in their meeting held on May 18, 2017, which aims at marking the right balance between the quantum of dividend paid to its shareholders and the amount of profit retained for its commercial requirements. The said policy is hoisted in the website of the Company.

BOARD DIVERSITY

The Company recognises and embraces the importance of diverse Board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, industry experience that will help us retain our competitive strength. The Company has evaluated the policy with a purpose to ensure adequate diversity in Board of Directors, which enables them to function efficiently and foster differentiated thought processes at the back of varied industrial and management expertise. The Board recognises the importance of a diverse composition and has therefore adopted a Board Diversity Policy. The policy is made available at the Company's official website via link: <http://www.coffeeday.com/PDF/BOARD%20DIVERSITY%20POLICY.pdf>

BOARD EVALUATION AND POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

In accordance with Section 178(3) of the Companies Act, 2013, the Nomination and Remuneration Committee has specified the criteria and manner for effective evaluation of performance of 'Board', its 'Committees' and 'Individual Directors' carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and reviewed its implementation and compliance.

The detailed policy in compliance with Section 178(3) of the Act read along with Regulation 19 of the Listing Regulations has been approved by the Board of Directors of the Company and is made accessible at the Company's official website at the following link: <http://www.coffeeday.com/PDF/NOMINATION%20&%20REMUNERATION%20POLICY.pdf>.

APPOINTMENT/ RESIGNATION/ RE-APPOINTMENT OF BOARD OF DIRECTORS

There has been a change in the Composition, wherein Mr. M.D.Mallya, Independent Director of the Company had expired on November 25, 2018. The Board expressed their heartfelt condolences to his family and a deep appreciation towards his services and his valuable contributions towards the progress of the Company.

Mrs. Sulakshana Raghavan was appointed as Additional Non-Executive Independent Director in the Board on March 05, 2019, subject to approval by the members in this Annual General meeting

Mr. S. V. Ranganath & Mr. Albert Hieronimus, Independent Directors of our Company were appointed for the first term in the Board meeting held on 09.01.2015 for a period of 5 years and their term will end on 16.01.2020, in this connection the Board has proposed Mr. S.V.Ranganath's re-appointment for a further term of 5 years on the board of the Company subject to the approval of shareholders.

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

DIRECTOR'S RESPONSIBILITY STATEMENT

In Compliance with section 134(5) of the Companies Act, 2013, the Board of Directors hereby confirms 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 its 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 March 31, 2019.
- (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.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have given their declarations stating that they meet the criteria of independence as laid down under Section 149(6) of the Act read with Regulation 16(1)(b) of the Listing Regulations. In the opinion of the

Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

COMMITTEES OF THE BOARD

The Company has four main Committees of the Board i.e.:

- (a.) Audit Committee,
- (b.) Nomination and Remuneration Committee and,
- (c.) Stakeholder's Relationship Committee.
- (d.) Corporate Social Responsibility.

The detailed information on each of these committees including its composition, functioning and number of meetings are disclosed in the Corporate Governance report annexed with the Annual report of the Company.

MEETINGS OF THE BOARD

During FY 2018-19, the meetings of the Board of Directors were held Nine (9) times. Details of these meetings and other Committee/General meetings are given in the report on Corporate Governance Report attached with the Annual report.

PARTICULARS OF CONTRACTS/ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the FY 2018-19 were on an arm's length basis and in the ordinary course of business. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations. Prior omnibus approval from the Audit Committee is obtained for transactions which are repetitive in nature. Further, disclosures are made to the Committee on a quarterly basis. None of the transactions entered into with related parties' falls under the scope of Section 188(1) of the Act and hence there is no such requirement to enclose 'Form AOC-2' pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

The Company has adopted a Policy for dealing with Related Party Transactions and is made available on the Company's official website via web link: <http://www.coffeeday.com/PDF/RPT%20POLICY.pdf>

Material changes and commitment – if any, affecting the financial position of the Company from the end of the financial year till the date of this Report:

There has been no material change and commitment, affecting the financial performance of the Company which has occurred from the end of the financial year of the Company to which the financial statements relate and the date of this Report except to sale of shares held as an investment in Mindtree by the Company, subsidiaries along with the promoter and there was an Investment in Subsidiary by the Company and Company's Material Subsidiary, Coffee

Day Global Limited for 51% by Incorporation of New Company, Coffee Day Consultancy Services P Ltd towards expansion of F&G business, the remaining 49% is held by Impact HD Japan.

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 information on conservation on energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in "Annexure-3" to this Annual report.

AUDITORS

a) Statutory Auditors:

The Company had appointed B S R & Associates for a period of Five years in the Annual general Meeting held on September 27, 2018

The requirement to place the matter relating to appointment of Auditors for ratification by members at every AGM is done away by the Companies Amendment Act, 2017 vide notification dated May 07, 2018. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual general Meeting held on September 27, 2018.

b) Secretarial Auditor:

In accordance with Section 204 of the Act and the rules made there under, the Company has appointed M/s HRB & Co., to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2019. The Secretarial Audit report issued in this regard is attached as "Annexure-4".

c) Cost Auditor:

In terms of the provisions of Section 148 of the Act, the appointment of the Cost Auditors does not apply to the Company.

d) Internal Auditor:

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE COURTS/REGULATORS

Mr. V.G. Siddhartha had received a order u/s. 281B of Income Tax Act, 1961 dt. February 13, 2019, provisionally attaching shares of Coffee day Enterprises Limited held in DP account with Way 2 wealth Brokers Pvt. Limited of Mr. V.G. Siddhartha to safeguard the interest of the Revenue

in respect of likely future tax and penalty obligations in respect of open assessments of the Promoter. The Company would like to clarify that in response to notices u/s 148 & 153A of the Income tax, the Promoter has filed required revised returns and discharged all the tax liability along with the revised returns in respect of search & seizure conducted during September 2017. Further there is no undisputed tax liability for the Promoter

SALE OF MINDTREE INVESTMENT

The Company, Coffee Day Trading Limited ("Subsidiary of the Company") and Mr. V.G. Siddhartha (Promoter of the Company") have sold their entire stake in Mindtree Ltd to Larsen & Toubro Limited for a Net consideration of ₹3206 crore. The proceeds were used to pare down the Coffee Day Group's debts.

ISSUANCE OF NON-CONVERTIBLE DEBENTURES FOR THE FY 2018-19

The Company had during the Financial year 2018-19, sought shareholders' approval in the Annual general Meeting for issuance of NCD's for an amount not exceeding ₹300 crore. On March 22, 2019 the Board of Directors at its meeting issued NCD's for an amount of ₹200 crore to Identifiable Investors and on October 29, 2018 the Board of Directors at its meeting issued NCD's for an amount of ₹100 crore for the purpose of restructuring its existing debts.

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-5" to this Report.

BUSINESS RESPONSIBILITY REPORT

In compliance with the Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility Report forms the part of this Annual Report as "Annexure-6".

SECRETARIAL STANDARDS

The Company complies with all Secretarial Standards issued by Institute of Company Secretaries of India.

INTERNAL FINANCIAL CONTROL (IFC) AND ITS ADEQUACY

The internal controls of the Company operate through well documented standard policies and guidelines. The Company has adequate internal financial control procedures commensurate with its size and nature of business, which helps in ensuring orderly and efficient conduct of its business. This system provides a reasonable assurance of financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention and detection of frauds, accuracy and completeness of accounting records and ensuring compliance with corporate policies.

All the significant internal audit observations and management actions thereon are reported to Audit

Committee on a quarterly basis. The Audit Committee reviews the operations and assesses the adequacy of the actions proposed as well as monitors their implementation. The internal auditors conduct a quarterly follow-up for implementation of all audit recommendations and the status report is presented to the Audit Committee regularly.

The Company's management has assessed the effectiveness of the internal control over financial reporting for the year ended March 31, 2019 and based on the assessment; believe that the system is working effectively. The Statutory Auditors have issued a report on the adequacy and effectiveness of the internal control systems over financial reporting.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

As per the requirements laid down under Section 177(9) of the Act and Regulation 22 of the Listing Regulations, the Company has established the Whistle blower Policy which encourages Directors and employees to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the Company's Code of Conduct that could adversely impact on Company's operations and business. The Policy provides that the Company investigates such incidents, when reported, in an impartial manner and takes appropriate action to ensure that requisite standards of professional and ethical conduct are always upheld. The practice of the Whistle blower Policy is overseen by the Audit Committee and no employee has been denied access to the Committee. The Whistle Blower Policy is available on the Company's official website and may be accessed through web link: <http://www.coffeeday.com/PDF/CDEL-Whistle-Blower-Policy.pdf>

PARTICULARS OF EMPLOYEES

As stated in provisions of Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules which includes the name of top 10 employees in terms of remuneration, forms part of this annual report. Pursuant to the provisions of Section 136(1) of the Act, the Board report is being sent to the shareholders including the said statement.

Disclosure pertaining to the remuneration as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in "Annexure-7".

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, and on the recommendations of the CSR Committee comprising of Mr. S.V. Ranganath as the Chairman and Mr. V.G. Siddhartha and Mrs. Malavika Hegde as Members, the CSR policy is adopted and approved by

the Board of the Company. The said policy has been hosted on the Company's website and is available on the link: <http://www.coffeeday.com/PDF/CSR-Policy-CDEL.pdf>. It lays down the purpose of formulation of the policy, areas of focus, composition of Committee and CSR budget.

GREEN INITIATIVES

In commitment to keep in line with the Green Initiative and going beyond to it, electronic copy of the Notice of 11th Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their e-mail addresses, physical copies are sent through the permitted mode.

PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The Policy aims to promote a healthy work environment and to provide protection to employees at workplace and redress complaints of sexual harassment and related matters thereto. The Company has also constituted an Internal Complaints Committee, known as the Prevention of Sexual Harassment (POSH) Committee, to enquire into complaints of sexual harassment and recommend appropriate action.

During FY 2018-19, the Company has not received any complaints on sexual harassment.

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

1. For FY 2018-19, there are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report. However, the report by Practicing Company Secretary in the Secretarial Audit report of the Company had a qualification on the below aspect.

"The prior intimation to stock exchange pursuant to Regulation 29(2) of the SEBI (LODR) Regulations, 2015 about the meeting of the Board of Directors in which the proposal for fund raising by way of debt issue was considered was not given within the prescribed timelines."

The Board has taken note of the same. It is one of the technical mistakes and the company has taken action to avoid such technical mistakes.

RISK MANAGEMENT AND ASSESSMENT

The Company is exposed to various risks considering the diversified parameters according to the different business sectors of the Company such as coffee business, technology park business, logistics business, financial services business

and resort business. The Audit Committee oversees the area of financial risks and controls. Major risks identified by the business and functions are systematically addressed through mitigating actions on continuing basis. The Company has incorporated sustainability in the process, which helps the Board to align potential exposures with the risk appetite and highlight risks associated with chosen strategies.

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of the Act and the rules made thereunder.

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 (Listing Obligations and Disclosure Requirements) Regulation, 2015.

GENERAL DISCLOSURES

- a) Buy back of securities:**
In accordance with Section 68 of the Act, the Company has not bought back any of its securities during the year.
- b) Sweat Equity:**
The Company has not issued any Sweat Equity Shares under the provisions of Section 54 of the Act.
- c) Bonus Shares:**
In terms of Section 63 of the Act, the Company had not issued Bonus Shares during the year under review.
- d) Employee Stock Option Plan:**
Pursuant to the provisions of Section 62 of the Act, the Company has not provided any Stock Option to the Employees of the Company.

ACKNOWLEDGEMENT

The Directors would like to express their gratitude towards the Company's employees, customers, Banks and institutions, investors and academic partners for their continuous support. They also thank the concerned government departments and agencies for their co-operation. The Directors appreciate and value the contribution made by every member of the 'Coffee Day' family.

Place: Bangalore
Date: May 24, 2019

For Coffee Day Enterprises Limited

V. G. Siddhartha
Chairman & Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

ANNEXURE-1

MANAGEMENT DISCUSSION & ANALYSIS REPORT

1. OUTLOOK

Global Economic Outlook

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economies. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business confidence weakened and car production in Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than in the fall.

As a result of these developments, global growth is now projected to slow from 3.6% in 2018 to 3.3% in 2019, before returning to 3.6% in 2020. Growth for 2018 was revised down by 0.1 percentage point relative to the October 2018 World Economic Outlook (WEO), reflecting weakness in the second half of the year, and the forecasts for 2019 and 2020 are now marked down by 0.4 percentage point and 0.1 percentage point, respectively. The current forecast envisages that global growth will level off in the first half of 2019. The projected pickup in the second half of 2019 is predicted on an ongoing buildup of policy stimulus in China, recent improvements in global financial market sentiment, the waning of some temporary drags on growth in the euro area, and a gradual stabilisation of conditions in stressed emerging market economies, including Argentina and Turkey. Improved momentum for emerging market and developing economies is projected to continue into 2020, primarily reflecting developments in economies currently experiencing macroeconomic distress—a forecast subject to notable uncertainty. By contrast, activity in advanced economies is projected to continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group (Source IMF)

Indian Economic Outlook

THE Indian economy started the fiscal year 2018–19 with a healthy 8.2% growth in the first quarter on the back of domestic resilience. Growth eased to 7.3% in the subsequent quarter due to rising global volatility, largely from financial volatility, normalised monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Further, the Indian rupee suffered because of the crude price shock, and conditions exacerbated as recovery in some advanced economies caused faster investment outflows.

The Indian economy is likely to sustain the rebound in FY 2018–19—growth is projected to be in the 7.2% to 7.5% range and is estimated to remain upward of 7% for the year ahead. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy. India has already surpassed France to become the sixth-largest economy.

2. INDUSTRY STRUCTURE AND DEVELOPMENTS

a. **Coffee Business:****Market analysis**

Fast urbanisation of the mega cities combined with the requirement for pick me-up refreshments to manage current ways of living is probably going to help the market interest for coffee over the figure time frame. This is bolstered by the rise of different bistros and expanded nonessential salary dimensions of customers. Changing tastes of consumers and the dispatch of new coffee brews are anticipated to support the market valuation hugely. Fluctuating costs of coffee beans can hinder the growth of the global coffee market. In any case, the production of natural cafe and other similar beverages is probably going to help the market in keeping up its position in the forecast period. The global coffee market is expected to reach the valuation of USD 102,279.2 million by growing at a CAGR of 4.32% during the forecast period (2018- 2023).

Market segmentation

The global coffee market is divided on the basis of its variety, form, distribution channel and regional demand. On the basis of its variety, the market is classified into robusta, Arabica and others. Based on its form, the

market is segmented into whole, ground and other forms. On the basis of its distribution channel, the market is classified as non-store based and store-based.

b. Logistics Business:

Logistics has been the holding beam for almost every business structure across the world since the rise of the economy. The towering needs of businesses to transport goods and services must be addressed by the logistics sector with best-in-class infrastructure and effective logistics management system. The economic survey of India has projected the logistics sector to rise from the current worth of \$160 billion to ₹215 billion by 2020. In a PPP (Public Private Partnership) model, the government of India efforts to improve India's ranking in World Bank LPI (Logistics Performance Index) from 35 to 15 in the coming years.

The New Horizons in Indian logistics Market

The development in technology and the birth of new industry verticals have created high demands for logistics and delivery of products/services. Not just this but the new set of requirements arisen from the people with busy lifestyles have also added to the increase in logistics demand. Today, if you have done a lot of shopping and still have other plans before heading home, logistics services provider home delivery of your shopped products at your ease of time.

What can be better than having hassle-free timely delivery of the products and services right at the doorstep anywhere in the world? The growing market with the help of technology and developing infrastructure have made it possible. Developed countries have strengthened their infrastructure and transport system to their full potential in facilitating seamless logistics services in both domestic and cross-border territories. The globalisation at the fastest pace ever has taken industries with a storm and the movement of goods from the origin point to delivery station has been made effectively fast and secure. Whether it is a small courier or a complete cargo, logistics has made it easier for people to transport their products on time. The rise of e-commerce on the global platform in the recent times has made logistics a major player in the world economy.

The efforts to organise the unorganised logistics sector

The government of India has established a separate logistics division in the department of commerce to work for the integrated development of the industry both in the domestic and the international domain. In fact, the Ministry of Commerce and Industry (MoCI) has proposed framing of a unique dedicated online portal to accentuate logistics services in the country and bringing together the buyers, logistics service providers, and the related government agencies. The Ministry of Transport is also playing a key role in upbringing the logistics sectors by strengthening

the land connectivity through various programs like 'Sagarmala' project.

The economic survey presented in the parliament has speculated the Indian logistics Industry to grow at a CAGR of 10.5% crossing the 200 billion USD mark in coming time. With currently 22 million people employed in the industry, logistics is expected to extend employment to over 40 million people by 2020. With such a promising future, the Indian logistics sector has become the new sensation encouraging GoI to frame a dedicated IT backbone for this industry. Even the import-export system has been upgraded reducing the cargo release time to only 2 or 3 days.

The Goods and Service Tax (GST) framed under the center and state list has paved the path for a better logistics sector. The Central Board of Indirect Taxes and Customs (CBIC) under the Ministry of Finance also has brought new provision under CSB IV and CSB V to the Courier Imports and Exports (Electronic Declaration and Processing) Regulations, 2010 providing people 100% GST refunds in the logistics services. Customers can easily move their shipments with minimal paperwork and faster delivery and customs clearances with the new policy change by the GoI. Apart from this, to foster the growth of logistics sectors many start-ups and established enterprises have entered the market equipped with the latest technology, quality warehousing, and functional transport facility to provide world-class services in the Indian market. The recent entry of international logistics players has also ensured the boost of the Indian logistics industry. This will be a sight to behold the glorious rising of logistics industry in coming years, especially marking 2020.

Indian Companies is also supporting customers by offering Return Management, Fulfillment, Warehousing and 3PL services in all major ecommerce markets like USA, Europe, Australia and Middle East countries through their worldwide network. Which is creating a larger scope for Indian sellers to sell their products globally with a competitive edge. Also now Indian logistics companies are creating opportunities for other countries sellers to sell their products in India by providing seamless custom clearance and distribution across the country. Therefore Indian logistic industry is having more opportunities in the future time(Source:BS)

c. Hospitality Business:

Having weathered many adverse situations in the past three years to post consistent growth, the prevailing sentiment in the Indian hospitality industry is of confidence. The industry stakeholders feel that they will be able to maintain the growth trend in 2019 notwithstanding the aberrations of General Elections and its bearings on the policy level. The reason for this confidence emanates not very much on the high

expectations on inbound visitors, but on numerous domestic factors including the emergence of an aspirational young millennial travellers, revival in corporate and business travel in the country, and rapidly evolving connectivity factor in the country.

It is a fact that the appetite to travel and aspiration for certain lifestyles have taken strong roots and that is expected to further deepen in the middle-class Indian in the coming years. The improving connectivity factor in the form of good roads, express highways, regional air connectivity, etc. will certainly boost travel from cities to the hinterland in the coming years. In an encouraging development, for the first time since the UDAN scheme of Regional connectivity was launched, special bidding for connecting destinations of tourism importance has been rolled out by the government recently, which would definitely address issues of connectivity although not immediately but gradually between tourism destinations

On the policy front also, there are indications of some positive changes on the GST front. The Prime Minister and the Finance Minister had given ample indication of some moderation in GST slabs. The government also seems to have seized the complexities that exist in the e-Tourist Visa infrastructure. If the latest strategic document put forth by the highest Planning body, NITI Aayog is to be believed, there are proposals to extend Infrastructure status with highly favourable investment cap to the tourism industry in the country.

Moreover, the updated CRZ Notification 2018 is also in favour of tourism development on the coastal areas which has been out of bounds for tourism in the country for long (Source: Hospitality Biz)

3. RISKS CONCERNS AND THREATS

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 westernisation 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.

4. SEGMENT WISE PERFORMANCE

Company's financial overview

Statement of profit and loss analysis

Net Revenue

Net revenues increased by 13% to ₹4,264 crore in FY 2018-19, compared with ₹3,788 crore reported in FY 2017-18.

Operating profit

Operating profit (EBITDA) increased by 15% to ₹961 crore in during FY 2018-19 from ₹835 crore in FY 2017-18, the increase is because of improved financial performance of our cafe business, leasing business. Increase in EBITDA is also attributable to exceptional gain of ₹98 crore (2017-18 ₹53.2 crore on account of sale of equity stake in Global Edge Software Limited) on account of fair valuation of equity stake in Global Edge Software Limited and partial sale of equity share in Mindtree.

Depreciation

Depreciation for the year under review stood at ₹292 crore, compared with ₹260 crore recorded in the previous year, up 12% on a y-o-y basis.

Finance costs

Finance cost for the year under review increased by 31% from ₹349 crore to ₹456 crore because of increase in the gross debt.

Net profit

Consolidated net profit for the year under review attributable to share holders of the Company stood at

₹128 crore over ₹106 crore in the previous financial year thereby representing a growth of 21%.

Balance Sheet analysis

Net worth

The Company's net worth stood at ₹3,166 crore as on March 31, 2019, increasing by 5%, compared with ₹3,015 crore as on March 31, 2018. The net worth comprised of paid-up equity share capital amounting to ₹211.3 crore as on March 31, 2019 (211,251,719 equity shares of ₹10 each fully paid up) and Non-controlling interests of ₹637 crore. The Company's reserves and surplus stood at ₹2,318 crore as at March 31, 2019.

Loan profile

The total loan funds stood at ₹7,214 crore which comprises of long-term borrowings of ₹3,324 crore and short-term borrowings of ₹3,890 crore and the Company's net debt as on March 31, 2019 stood at ₹4,796 crore.

Liabilities

Non-current liabilities (excluding borrowings) stood at ₹184 crore, comprising of other financial liabilities ₹111 crore, deferred tax liabilities ₹21 crore, other non-current liabilities ₹34 crore and provisions amounting to ₹18 crore.

Current liabilities (excluding current borrowings of ₹3,890 crore and current maturities of long-term borrowings amounting to ₹667 crore) stood at ₹695 crore, comprising of other financial liabilities (excluding current maturities of long-term borrowings) of ₹439 crore, trade payables of ₹142 crore, other current liabilities ₹53 crore, current tax liabilities ₹55 crore and provisions amounting to ₹6 crore.

Total assets

The Company's total assets increased to ₹11,259 crore in 2018-19 from ₹8,853 crore in 2017-18, representing an increase of 27%. Capital work-in-progress (WIP) and Investment property under development for the year decreased by 3% to ₹1,220 crore in 2018-19, compared with ₹1,262 crore in 2017-18 decrease is on accounts of capitalisation of constructed commercial office space. This decrease is offset by addition made in our subsidiary engaged in the business of leasing of commercial office space and additions by integrated multimodal logistics business.

Investments

The Company's investments (current and non-current) including equity accounted investees during the year under review increased to ₹864 crore from ₹716 crore in the previous year, an increase of 21% over the previous year.

Current and Non-current assets

Inventories increased by 17% to ₹112 crore during the year under review from ₹96 crore in FY 2017-18. Inventories comprise of raw material inventory of ₹74 crore, stores and spares worth ₹15 crore, finished goods inventory of ₹19 crore and work in progress of ₹4 crore.

Trade receivables of the Company stood at ₹571 crore in FY 2018-19, increase of 19% over the previous year.

The Company had on its books cash and bank balances including deposits worth ₹2,418 crore as on March 31, 2019 as compared to ₹1,726 crore in March 31, 2018.

Tax assets increased by 57% to ₹159 crore during the year under review from ₹101 crore. Total tax assets for FY 2018-19 comprise of deferred tax assets, (net) ₹77 crore and current tax assets, (net) ₹82 crore.

Other financial assets stood at ₹123 crore as compared to ₹146 crore in the previous year.

Details of significant changes (i.e., change of 25% or more as compared to the immediately previous financial year) in the key financial ratios, along with detailed explanations thereof, including:

Sl NO	Particulars	2019	2018
1	Debtors turnover	8.12	8.52
2	Inventory turnover *	9.58	8.16
3	Interest coverage ratio	1.47	1.64
4	Current ratio	1.01	1.14
5	Debt equity ratio (Refer note 1)	2.28	1.67
6	Operating profit margin (%)	22.54%	22.03%
7	Net profit margin (%)	3.45%	3.91%
8	Return on Net Worth(%)	4.69%	4.81%

*Inventory turnover ratio pertains to Coffee business.

Note: 1

The change is primarily attributable to borrowings from Standard Chartered Bank amounting to ₹3,000 crore towards consolidation of debt into single lender for towards Mindtree stake sale.

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios except as mentioned in note.1.

Operational overview

Coffee Day Enterprises is present across the following sectors:

Coffee, logistics, financial services, leasing, commercial space and hospitality. However, 48% of the consolidated net revenue of the Company was contributed by the coffee business during the year

under review, followed by 34% from the logistics business and 12% from financial services.

Coffee business

Gross Revenue from the Company's consolidated coffee business stood at ₹2000 crore in 2018-19, contributing 43% to the consolidated topline, representing an decline of 0.8% over 2017-18. The reason for decline is due reduction in the export business mainly because of seasonal impact. Revenue from the retail division increased by 4% from ₹1590 crore in 2017-18 to ₹1653 crore over 2018-19. Consolidated net profit of CDGL increased by 10% from ₹37 crore in 2017-18 to ₹41 crore in 2018-19.

Coffee Day Global Limited's flagship café chain brand Café Coffee Day (CCD) owns 1752 cafes in 243 cities and 537 CCD Value Express kiosks. The coffee beans and powder are marketed through 373 Fresh and Ground Coffee retail stores. There are 56,799 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 Nepal and Egypt.

	2014-15	2015-16	2016-17	2017-18	2018-19
No. of cafes	1518	1,607	1,682	1,722	1,752
No. of cities of presence	215	231	241	245	243
No. of CCD Value Express kiosks	579	579	537	532	537
No. of vending machines	29,760	35,441	41,845	47,750	56,799

Highlights, 2018-19

Retail Gross Revenue at ₹1653 crore; up 4% YoY

Retail EBITDA at ₹329 crore; up 10%

Net Profit after Tax at ₹41 crore: up 10% YoY

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 55.18%. The Company is in existence for more than six decades with significant experience in the logistics sector and is listed on the Bombay Stock Exchange and National Stock Exchange with a Market capitalisation of ₹807 crore as on March 31, 2019. The Company is focused on port handling, road and rail, logistics, container freight stations, mining and transportation.

Revenue from our integrated logistics business stood at ₹1,525 crore in FY 2018-19, representing an increase of 28% over FY 2017-18, the increase in revenues can be attributed to new contracts and increased volumes in mining and transportation and growth in other business verticals. EBITDA during the year stood at ₹173 crore in FY 2018-19.

Financial services business

Way2Wealth, one of our group companies is present in the financial services sector through its subsidiary Way2Wealth Securities Private Limited, in which we hold an 85.53% equity stake. Way2Wealth group is engaged in wealth management, broking, portfolio management and investment advisory services.

Net Revenue from our financial services business stood at ₹527 crore in FY 2018-19, whereas EBITDA during the year was ₹34 crore. Significant revenue contributions can be attributed to growth in revenues from institutional, treasury and market operations through quantitative techniques.

Technology parks business

Our wholly-owned subsidiary, Tanglin Developments 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 4% to the Company's top line. Revenues from this division increased by 7% from ₹146 crore in FY 2017-18 to ₹156 crore in FY 2018-19. Occupancy levels stood at close to 3.9 million square feet as at March 31, 2019. Anchor tenants, Mindtree and Accenture, currently occupy over 2 mn sq. ft. An additional 6L sq. ft is ready and awaiting occupancy certificate.

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 with management control holds equity interest in a luxury resort in the Andaman and Nicobar islands.

Revenue from our hospitality business increased by 7% from ₹30 crore in FY 2017-18 to ₹32 crore in FY 2018-19.

Note: All information presented in Indian rupee has been rounded off to the nearest crore unless otherwise indicated.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has intended to increase transparency and accountability in an organisation's process of designing and implementing a system of Internal Control. The framework requires a Company to identify

and analyze risks and manage appropriate responses. The Company has successfully laid down the framework and ensured its effectiveness. The Company's Internal Controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance of Corporate Policies.

The Company has a well-defined delegation of power with authority limits for approving revenue as well as expenditure. Processes for formulating and reviewing annual and long term business plans have been laid down.

M/s. B.S.R & Associates LLP, the Statutory Auditors of the Company have audited the Financial Statements included in this Annual Report and have issued a report on the Internal Control over financial reporting (as defined in section 143 of the Companies Act, 2013).

The Company has appointed ABS & Co, Chartered Accountants to oversee and carry out Internal Audits. The Audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the Audit Committee, the conduct of Internal Audit is oriented towards the review of Internal Controls and risks. Additionally, there has been a continued focus on IT enablement and computerisation of key process controls through the Systems to maximise automated control transactions across key functions.

The Internal Audit function endeavors to make meaningful contributions to the Organisation's overall governance, Risk Management and Internal Controls. The Audit Committee reviews reports submitted by Internal Auditors. Suggestions for improvement are considered and the Audit Committee follows up on corrective actions taken by the Management. The Audit Committee also meets the Company's Statutory Auditors to ascertain, inter alia, their views on the adequacy of Internal Control Systems and keeps the Board of Directors informed of its major observations periodically. Based on its evaluation (as provided under Section 177 of the Companies Act, 2013 and applicable clause of SEBI Listing Regulations), the Audit Committee has concluded that as of March 31, 2019, the Internal Financial Controls were adequate and operating effectively.

6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT AND NUMBER OF PEOPLE EMPLOYED

At a Group level, we have built a reputation of being able to attract and retain key talent.

People & Culture

Our employees make a difference to our customers. Delivering customer promise across the Group is a critical component of our success. It therefore becomes imperative that our employees deliver the best in class service. We are very passionate and determined about being one of the best in the industry verticals we operate and are committed to be a leading employer in our space.

As at March 31, 2019, the Group employed 20,135 employees. The sub functions within our HR team include recruitment, training and development, compensation and culture.

Recruitment

We have strengthened our entry level and middle management lateral hiring process across our businesses. We have established relationships with over 75 premier universities, colleges and management schools in India. We get almost 10 times the application for each Management / Sales Trainee we hire at campus. We have a robust process to hire middle & senior management staff through need-based hiring. Our selection process has innovative "practical project" built in for senior level leadership hiring, so as to test their ability to lead a P&L or make change happen.

Training and development

Building skills for entry level staff has been a significant effort, and we continue to work with skilling institutions / NGO's, our own Skilling centres as well with several state government skilling programs. At management level, we have our well established "Trainee" programs across businesses or direct induction at mid-levels through a well-designed induction program for lateral hires.

Some of our popular programs have included the "Sales Trainee" program at Vending business, OT / LDP program at CCD, Management Trainee program at Retail Logistics to name a few. We have also partnered with five other well-known companies and formed an "Exchange Consortium" and have offered Leadership Development / learning opportunities for our Senior Leaders. We also continue to invest and grow our diversity staff including the hearing challenged.

Compensation

Our employees across various business receive competitive salaries and benefits within the industries they operate. We have started introducing a "Variable Pay" program selectively so as to drive a Performance culture. The "Group Retention Policy Program" is selectively used to attract and retain key talent. Increasingly we will use sales incentive / performance bonus to drive a performance culture.

There were no days lost due to any industrial strife or labour issues.

ANNEXURE-2

CORPORATE GOVERNANCE REPORT

In compliance with the provisions of Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations"), the Company submits the detailed report on Corporate Governance for the financial year ended March 31, 2019 containing the matters mentioned in the said Regulations with respect to the Corporate Governance requirements:

COMPANY'S PHILOSOPHY CORPORATE GOVERNANCE

The Company has a strong legacy of fair, transparent and ethical governance practices, as it constitutes the strong foundation on which successful enterprises are built to last. The Company ensures fiscal accountability, ethical corporate behaviour and fairness to all the stakeholders including regulators, employees, customers, vendors, investors and the society at large. The Corporate Governance philosophy of your Company ensures transparency in all dealings and in the functioning of the management and the Board. These policies seek to focus on enhancement of long-term shareholder value without compromising on integrity, social obligations and regulatory compliances.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the Executive Directors. In addition, the Company has adopted the same for their Non-executive Director which includes Code of Conduct for Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 (hereinafter "the Act"). The Code of Conduct is available on the Company's official website at the web link: <http://www.coffeeday.com/PDF/CODE-OF-CONDUCT.pdf>

The Company is in compliance with the requirements of Corporate Governance stipulated under Regulation 17 to 27 read with Schedule V and Regulation 46(2) of the Listing Regulations as applicable.

BOARD OF DIRECTORS

Composition, Category and Profile of Directors:

The Board comprises of an optimal combination of Executive and Non-Executive Independent Directors, representing a judicious mix of in-depth knowledge and experience. As on March 31, 2019, the Company has six Directors. Of the six Directors, five are Non-Executive Directors and of which three are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Act.

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 brief profile of each Director on the Board is available on the Company's official website at the web link: http://www.coffeeday.com/PDF/Profile_of_Board_of_Directors.pdf

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
Mrs. Malavika Hegde	Promoter group, Non-Executive Director
Mr. Sanjay Nayar	Non-Executive & Nominee Director
Mr. S.V. Ranganath	Independent and Non-Executive Director
Mrs. Sulakshana Raghavan	Independent and Non-Executive Director
Dr Albert Hieronimus	Independent and Non-Executive Director

Meetings and attendance record of Directors:

The Listing Regulations requires the Board to meet at least four times a year. The intervening period between two Board meetings was well within the maximum gap of 120 days. The tentative Board meeting dates are planned well in advance. These meetings are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated well in advance prior to the Board meeting. The Agenda provides the following information inter-alia to the Board and the Committee:

- Annual operating plans and budgets.
- Capital budgets and any updates.
- Quarterly results and its operating divisions or business segments.
- Minutes of meetings of audit committee and other committees of the Board.
- 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, prosecution notices and penalty notices, if any.
- 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 statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

During the financial year 2018-19, Board of Directors met five (9) times as on:

1. May 17, 2018,
2. August 09, 2018,
3. October 29, 2018,
4. November 14, 2018,
5. January 25, 2019,
6. February 07, 2019,
7. March 05, 2019,
8. March 18, 2019 and
9. March 22, 2019

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/she is a Director. Necessary disclosures regarding committee positions in other public companies as on March 31, 2019 have been made by the Directors.

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2019 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Listing Regulations.

Name of the Director	No. of Board Meeting held	No. of Board meeting attended	Attendance at the last AGM i.e. 27.09.2018
Mr. V.G. Siddhartha	9	9	Yes
Mrs. Malavika Hegde	9	9	Yes
Mr. Sanjay Nayar	9	1	No
Dr Albert Hieronimus	9	8	No
Mr. S.V. Ranganath	9	9	Yes
Mr. M.D. Mallya*	4	1	No
Mrs. Sulakshana Raghavan**	2	2	NA

*Upto November 25, 2018

**wef March 05, 2019

Name of the Director	Directorships in Other Public Companies
Mr. V.G. Siddhartha	2
Mrs. Malavika Hegde	2
Mr. Sanjay Nayar	3
Dr Albert Hieronimus	-
Mr. S.V. Ranganath	3
Mrs. Sulakshana Raghavan*	-

*wef March 05, 2019

Details of Directorship in other Listed companies:

Name of other listed entities where Directors of the Company are Directors and the category of Directorship:

S. No	Name of the Director	Name of listed entities in which the concerned Director is a Director	Category of Directorship
1.	Mr. V.G. Siddhartha	-	-
2.	Mrs. Malavika Hegde	-	-
3.	Mr. Sanjay Nayar	i.MAX FINANCIAL SERVICES LIMITED	Non-Executive Director
4.	Mr.S.V.Ranganath	i.BOSCH LIMITED	Non-Executive Independent Director
5.	Mrs. Sulakshana Raghavan	-	-
6.	Dr.Albert Hieronimus	-	-

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	2
2.	Mrs. Malavika Hegde	1 as a Chairperson
3.	Mr. Sanjay Nayar	-
4.	Mr. S.V. Ranganath	3 (including 2 as Chairman)
5.	Mrs. Sulakshana Raghavan	-
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 March 31, 2019
Mr. V.G. Siddhartha	Promoter, Chairman & Managing Director	69,174,700
Mrs. Malavika Hegde	Promoter Group, Non-Executive Director	85,62,506
Mr. Sanjay Nayar	Nominee Director	-
Mr. S.V. Ranganath	Independent and Non-Executive Director	-
Mrs. Sulakshana Raghavan	Independent and Non-Executive Director	-
Dr Albert Hieronimus	Independent and Non-Executive Director	-

Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making,
- Financial and Management skills
- Technical / Professional skills and specialised knowledge in relation to Company's business

Inter-se relationship among Directors:

There is no inter-se relationship amongst the Directors, except that Mr. V.G. Siddhartha and Mrs. Malavika Hegde are related to each other. Mrs. Malavika Hegde is the wife of Mr. V.G. Siddhartha.

Re-appointment of Directors:

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

Mr. S.V. Ranganath & Mr. Albert Hieronimus, Independent Directors of our Company were appointed for the first term in the Board meeting held on 09.01.2015 for a period of 5 years and their term will end on 16.01.2020, in connection the Board has proposed their re-appointment of Mr.S.V.Ranganath for a further term of 5 years on the Board of the Company subject to the approval of shareholders.

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.

Familiarisation Programme for Independent Directors:

As per Regulation 25(7) of the Listing Regulations and Schedule VI of the Act, the Company in its routine course of action familiarises its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through various orientation programmes which includes induction of new Directors and other initiatives to update the Directors on an on-going basis. The Familiarisation Programme framed for the Independent Directors is disclosed on the Company's official website and may be accessed at the web link: <http://www.coffeeday.com/PDF/FAMILIARISATION%20PROGRAMME%20FOR%20ID.pdf>

Meeting of Independent Directors:

A meeting of Independent Directors was held on May 17, 2018 in terms of the requirements of the Act and Regulation 25(3) of the Listing Regulations. The meeting was held 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 and assessed the quality, quantity and timeliness of flow of information between the Company's management and the Board.

Board Committees:

The Company has constituted various Committees for the smooth functioning of the Board. There are Six (6)

Board Committees which comprise of Three (3) statutory committees and Three (3) other committees that have been formed considering the needs of the Company and best practices in Corporate Governance.

1. Audit Committee
2. Nomination & Remuneration Committee
Statutory Committees
3. Stakeholder Relationship Committee

4. Corporate Social Responsibility Committee
5. Risk Management Committee Other Committees
6. Administrative Committee

The composition of all the Board Committees are in accordance with the provisions of the Act and the Listing Regulations, wherever applicable. Details of Board Committees and other related information are provided as hereunder:

1. AUDIT COMMITTEE:

Composition and Category	Terms of reference	Other details
<ol style="list-style-type: none"> 1. Mr. S.V. Ranganath, Chairman and Independent Director 2. Dr Albert Hieronimus, Independent Director and Member 3. Mr. V.G. Siddhartha, Executive Director and Member 	<p>The terms of reference of the Audit Committee covers all the areas mentioned under Section 177 of the Act and Regulation 18 read with Part C of Schedule II to the Listing Regulations.</p> <ul style="list-style-type: none"> • Oversight of the Company's financial reporting process and disclosure of its financial information; • Reviewing, with the management, the quarterly, half-yearly, annual financial statements and auditor's report before submission to the Board for approval; • Scrutinising of inter-corporate loans and investments; • Reviewing Management discussion and Analysis report; • Recommending the terms of appointment/re-appointment, remuneration, replacement or removal of Statutory auditors; • Recommending appointment and remuneration of Cost Auditors; • Reviewing the adequacy of internal audit function and internal control systems; • Approval of all related party transactions; • Evaluation of Risk Management System; • Appointment of Chief Executive Officer; • Reviewing the functioning of Whistle Blower Mechanism. 	<ul style="list-style-type: none"> • Majority of members of the committee are independent. The members possess sound knowledge of accounts, finance, audit and legal matters. • The Company Secretary & Compliance Officer, Mr. Sadananda Poojary, acts as the Secretary to the Audit Committee to ensure compliance and effective implementation of the Corporate Governance practices. • The MD and CFO have certified, in terms of regulation 17(8) of the Listing Regulations 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.

Meeting and attendance during the year

During the financial year 2018-19, the Committee met four (4) times as on:

1. May 17, 2018,
2. August 09, 2018,
3. November 14, 2018 and
4. February 07, 2019.

The details of member's attendance at the Audit committee meeting during the year are given below:

Name of the Director	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

2. NOMINATION & REMUNERATION COMMITTEE:

Composition and Category	Terms of reference	Other details
1. Mr. S.V. Ranganath, Chairman and Independent Director	In compliance with the requirements of Section 178 of the Act and Regulation 19 of the Listing Regulations, the terms of reference with respect to the Committee are as follows:	<ul style="list-style-type: none"> The Board in consensus with the Committee carried out an Annual evaluation of the performance of all its Committees, their Chairperson and each of Directors on the Board through a self-evaluation survey process.
2. Dr Albert Hieronimus, Independent Director and Member		
3. Mrs. Malavika Hegde, Non-Executive Director and Member	<ul style="list-style-type: none"> formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, key managerial personnel and other employees; formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors; devising a policy on diversity of Board of Directors; identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors. recommend to the Board, all remuneration, in whatever form, payable to senior management. 	<ul style="list-style-type: none"> The Independent Directors were evaluated on various pointers like integrity, confidentiality, commitment, participation, knowledge, decision-making capacity and inter-personal relationships with other Directors and management.

Meeting and attendance during the year

During the financial year 2018-19, the Committee met Two (2) times as on:

1. August 09, 2018,
2. March 05, 2019.

The details of member's attendance at the Nomination & Remuneration committee meeting during the year are given below:

Name of the Director	No. of Meeting held	No. of meeting attended
Mr. S.V. Ranganath	2	2
Dr Albert Hieronimus	2	2
Mrs. Malavika Hegde	2	2

Remuneration of Directors**a) Details of Remuneration:**

The details of remuneration and sitting fees paid or provided to each of the Directors during the year ended March 31, 2019 are given below:

Name of the Director	Salary and Perquisites			Others		Total
	Fixed pay & Bonus	Perquisites	Retiral Benefits	Commission	Sitting fees	
Mr. S.V. Ranganath	-	-	-	-	1.7	1.7
Mr. Albert Hieronimus	-	-	-	-	1.4	1.4
Mr. M.D. Mallya	-	-	-	-	0.1	0.1
Mrs. Sulakshana Raghavan	-	-	-	-	0.2	0.2
TOTAL						3.4

₹ in million

b) Services Contracts, notice and severance fees:

As at March 31, 2019, the Board comprised six members including One Chairman and Managing Director, two non-executive Directors and three Independent Directors. However, Independent Directors are not subject to any notice period and severance fees.

c) 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.

d) Compensation/Fees paid to Non-Executive Directors:

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

e) Criteria for making payment to Non-Executive Directors:

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

3. STAKEHOLDER RELATIONSHIP COMMITTEE:

Composition and Category	Terms of reference
1. Mrs. Malavika Hegde, Chairman and Non-Executive Director	Pursuant to Section 178 of the Act and Regulation 20 of the Listing Regulations, the Committee's terms of reference are as under: <ul style="list-style-type: none"> Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. Review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
2. Mr. V.G. Siddhartha, Executive Director and Member	
3. Mr. S.V. Ranganath, Independent Director and Member	

Meeting and attendance during the year

During the financial year 2018-19, the Committee met Two (2) times as on:

- August 09, 2018,
- February 07, 2019.

The details of member's attendance at the Stakeholders Relationship committee meeting during the year are given below:

Name of the Director	No. of Meeting held	No. of meeting attended
Mr. S.V. Ranganath	2	2
Mr. V.G. Siddhartha	2	2
Mrs. Malavika Hegde	2	2

Shareholders Complaint and Redressal:

The Registrar and Share Transfer Agent (RTA) of the Company is Link Intime India Private Limited, who handles the investor's grievances in coordination with the Compliance Officer of the Company. The Company maintains continuous interaction with RTA and takes proactive steps and necessary actions in resolving shareholder's queries and complaints. The details of the shareholders complaints received and redressed during the year are as follows:

Opening	Complaints received	Complaints solved	Pending
Nil	1	1	Nil

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Name of the Member	Category and Position	Other details
1. Mr. S.V. Ranganath	Chairman & Independent Director	The Company has formulated a policy of CSR, which lays down the areas of focus, composition of Committee. It also contains the CSR activities which can be carried out by the Company. The said policy has been hosted on the Company's website and is available on the link: http://www.coffeeday.com/PDF/CSR-Policy-CDEL.pdf
2. Mr. V.G. Siddhartha	Executive Director & Member	
3. Mrs. Malavika Hegde	Non-Executive Director & Member	

5. RISK MANAGEMENT COMMITTEE:

Name of the Member	Category and Position	Other details
1. Mr. V.G. Siddhartha	Chairman & Executive Director	The Company has incorporated sustainability in the process, which helps the Board to align potential exposures with the risk appetite and highlight risks associated with different business sectors such as coffee business, technology parks, logistics business, financial services and hospitality business.
2. Mrs. Malavika Hegde	Non-Executive Director and Member	

6. ADMINISTRATION COMMITTEE:

Name of the Member	Category and Position	Other details
1. Mr. V.G. Siddhartha	Chairman & Executive Director	For overall smooth functioning of the Company, the Board has delegated some of the day to day functions to the Committee.
2. Mrs. Malavika Hegde	Non-Executive Director and Member	

GENERAL BODY MEETINGS

Location and time of the Shareholders meetings:

The last three financial year General Meetings of the Company were held as under:

Year	Date and Time	Venue	Special Resolution, if any
2015-16	14.09.2016 11:00 AM	Taj Vivanta, No. 2275, Tumkur Road, Yeshwantpur, Bengaluru-560022	Issue of Non-Convertible Debentures on Private Placement Basis
2016-17	10.03.2017 12:00 Noon (NCLT Meeting)	Café Coffee Day, 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
2016-17	14.09.2017 11:00 AM	Café Coffee Day, Global Village, RVCE Post, Mysore road, Mylasandra, Bangalore-560059	Issue of Non-Convertible Debentures on Private Placement Basis
2017-18	27.09.2018 11:00 AM	Café Coffee Day, Global Village, RVCE Post, Mysore road, Mylasandra, Bangalore-560059	Issue of Non-Convertible Debentures on Private Placement Basis

Role of Company Secretary & Compliance Officer

The Company Secretary plays a key role in ensuring that the Board (including committees thereof) procedures are followed and regularly reviewed. The Board appointed Mr. Sadananda Poojary as the Company Secretary and Compliance officer pursuant to the Act and Regulation 6 of the Listing Regulations. He ensures that all relevant information, details and documents are made available to the Directors and senior management for effective decision making at the meetings. He is primarily responsible to assist and advise the Board in the conduct of affairs of the Company, to ensure compliance with applicable statutory requirements and Secretarial Standards, to provide guidance to Directors and to facilitate convening of meetings. He interfaces between the management and regulatory authorities for governance matters.

OTHER DISCLOSURES:**A. Means of Communication****i. Website:**

The Company's official website www.coffeeday.com contains the information pertaining to the Company that it is in compliance with the Listing Regulations. A separate section for investors is available wherein the updated information pertaining to quarterly, half-yearly and annual financial results, official press releases and presentations, if any, Shareholding pattern, etc. is available in a user-friendly and downloadable form.

ii. Financial Results:

The quarterly, half-yearly and annual financial results of the Company are uploaded on NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre in accordance with the Listing Regulations. The financial results are displayed on BSE and NSE websites and are also published in 'The Business Line' (English) and 'Vijayvani' (Kannada) newspapers within forty-eight (48) hours of Board approval thereof and posted on the Company's official website.

iii. Annual Report:

Annual Report containing, inter-alia, the Audited Standalone and Consolidated Financial Statements, Board's Report, Auditor's Report, Corporate Governance Report, Business Responsibility Report, Management Discussion and Analysis Report is circulated to members and others entitled thereto. The same is made available on the Company's official website under the web link: <http://www.coffeeday.com/stakeholders.html>

iv. Exclusive Designated Email Address:

In terms of the Listing Regulations, the Company has designated a separate email Id for dealing with Investors' queries and complaints viz., investors@coffeedaygroup.com.

v. SCORES:

SEBI Complaints Redressal System (SCORES) is an online facility, where investors can submit their complaints for Redressal by the RTA/Company.

B. General Shareholders' Information

i. The 11th AGM of the Company was originally scheduled on September 20, 2019 however under the existing circumstances the ROC had granted extension and the AGM is scheduled to be held on December 14, 2019 at Café Coffee Day, Global Village, RVCE Post, Mysore road, Mylasandra, Bangalore (KA) - 560059.

ii. Financial Year and Tentative Financial Calendar:
Financial Year – April 01, 2018 to March 31, 2019

Tentative Schedule for declaration of financial results during the financial year 2019-20 and next AGM is as under:

Results of Quarter ending June 30, 2019	August 08, 2019
Results of Quarter ending September 30, 2019	November 14, 2019
Results of Quarter ending December 31, 2019	February 13, 2020
Results of Quarter ending March 31, 2020	May 21, 2020
AGM for the year ending March 31, 2020	On or before September 30, 2020

iii. Book Closure Dates:

The Company has not transacted any business pursuant to Regulation 42(1) of the Listing Regulations, therefore there is no such requirement for book closure for this financial year.

iv. Dividend Payment Date:

During the financial year 2018-19, no dividend has been declared by the Directors of the Company; hence this clause is not applicable to the Company.

v. Listing on Stock Exchanges:

BSE Limited (BSE)	National Stock Exchange of India (NSE)
Add.: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai (MH) - 400001	Add.: Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai (MH) - 400051
Stock Code: 539436	Stock Code: COFFEEDAY

vi. International Securities Identification Number (ISIN):
ISIN of the Company is – INE335K01011

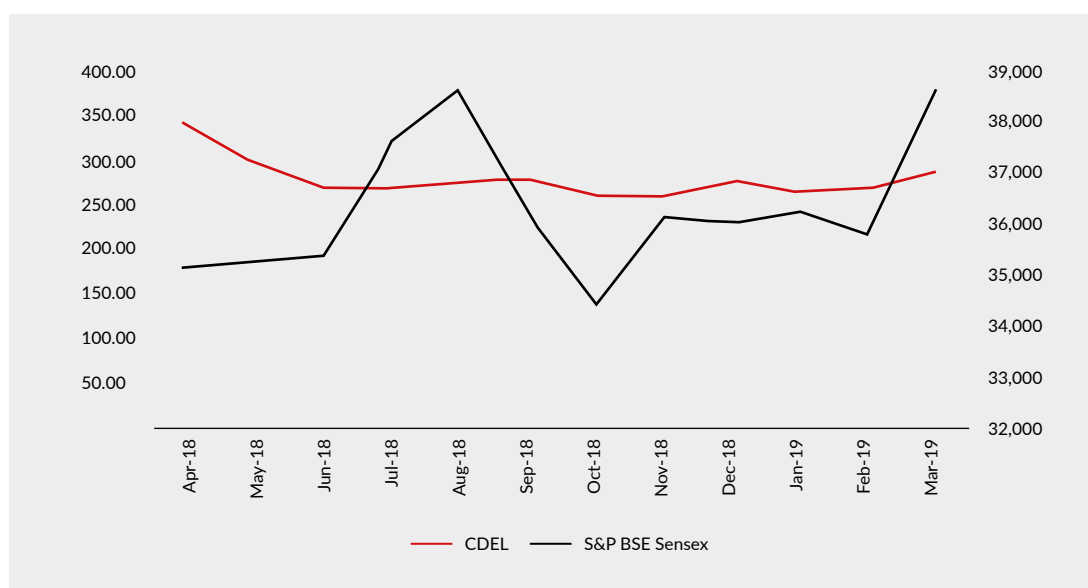
C. Market Price data during 2018-19

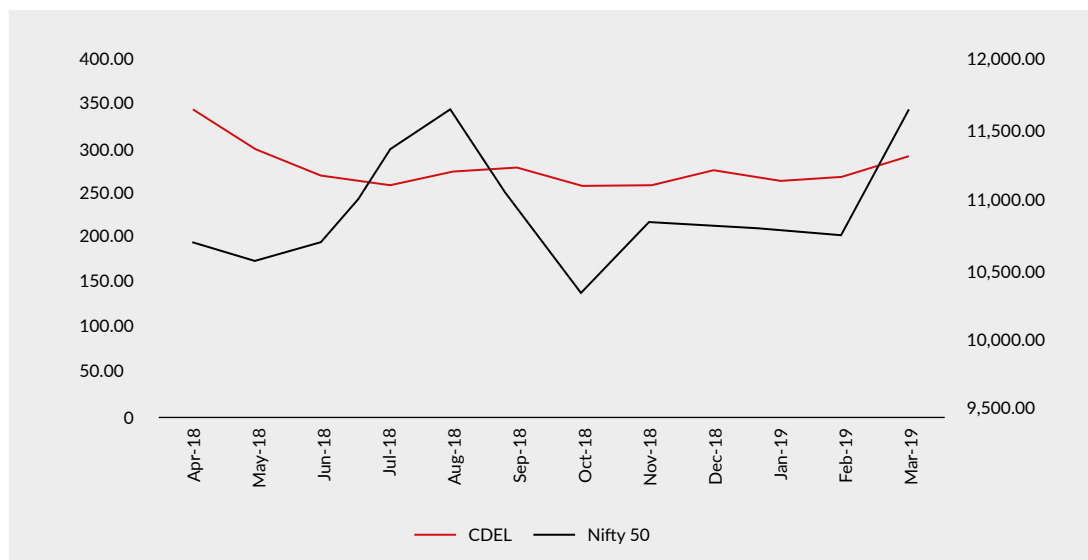
The monthly high/low closing prices and volume of shares of the Company from April 01, 2018 to March 31, 2019 are given below:

Months	BSE		NSE	
	High Price	Low Price	High Price	Low Price
Apr-18	356.20	295.30	356.10	297
May-18	354.65	290.05	354	295.45
Jun-18	332.3	262.95	333	263.6
Jul-18	278	249.35	276.55	248.35
Aug-18	286	237.1	285.8	236.45
Sep-18	325	263.65	324.85	263.2
Oct-18	281.1	243	280.4	242.75
Nov-18	302.2	261.35	303	260
Dec-18	281.8	255	284	250
Jan-19	299.9	265.1	299.9	264.05
Feb-19	285	248.75	284.9	248.15
Mar-19	317.9	270.55	318	271.70

D. Stock Price Performance Index In Comparison With BSE Sensex/ NSE Nifty For The FY 2018-19

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 April 01, 2018 to March 31, 2019. The Management cautions that the stock price movement shown in the graph below should not be considered indicative of potential future stock price performance.





A. Share Transfer System:

a) Physical Shares:

Share transfers in physical form are processed by the Company's Registrar & Share Transfer Agent (RTA) viz. Link Intime India Private Limited, Mumbai. The share certificates are generally returned to the transferees within a period of fifteen (15) days from the date of receipt of transfer documents, if technically found to be in order and complete in all respects.

b) Demat Shares:

On receipt of the Demat request, shares are processed and the confirmation is given to depositories within fifteen (15) days from the date of receipt if the documents are in order.

The Equity shares of the Company are in Demat form except who holds 82 shares in physical form.

B. Distribution of the Shareholding:

The distribution of shareholding (category wise) as at March 31, 2019 is as under:

C. Distribution of shareholding by number of shares:

Category	No. of shareholders	Total Shares	% to Shareholders	% to paid up capital
1-500	36879	34,72,300	89.36	1.64
501-1000	2875	18,78,690	6.97	0.89
1001-2000	621	9,00,318	1.50	0.43
2001-3000	244	6,19,094	0.59	0.29
3001-4000	117	4,18,478	0.28	0.20
4001-5000	83	3,89,916	0.20	0.18
5001-10000	160	11,69,795	0.39	0.55
10000 & above	291	20,24,03,128	0.71	95.81

D. Dematerialisation of shares and liquidity:

82 shares constituting 0.00% of the paid up share capital of the Company were in physical form as at March 31, 2019. There are no outstanding GDRs/ ADRs/ Warrants and convertible instruments.

E. Contact Information:

Investor Grievances Correspondence

Mr. Sadananda Poojary
Company Secretary and Compliance Officer
Tel.: 91 80 - 40012345
E-mail id: investors@coffeedaygroup.com

Registrar and Share Transfer Agents

Link Intime India Private Limited
C 101, 247 Park, LBS Marg, Vikhroli (West),
Mumbai (MH) - 400083

Registered Office Address:

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

To Equity (%)

Promoters & Promoter Group	53.93
Foreign Portfolio Investors	5.58
Mutual Funds, Banks, IFIs	0.17
NRIs & Foreign Nationals	22.71
Corporate Bodies	4.91
Indian Public & Others	12.70



F. Compliance Requirements:

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authority on all matters relating to capital markets during the last three (3) years except to one fine imposed by both the exchanges w.r.t delay in intimation on the Board meeting held on October 29, 2018

G. Code of Conduct:

The Company has laid down a "Code of Business conduct and Ethics" for the Directors and Senior Management Personnel. The same code has been made available on the Company's official website and can be accessed at the web link: <http://www.coffeeday.com/PDF/CODE-OF-CONDUCT.pdf>

All the Board members and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2019. A declaration duly signed by Mr. V.G. Siddhartha, Managing Director, forms part of this report.

H. Whistle Blower Policy/ Vigil mechanism:

In line with Regulation 22 of the Listing Regulations and Section 177(9) of the Act, Vigil Mechanism/ Whistle blower policy has been formulated for Directors and Employees (including their representative bodies) to communicate and report genuine concerns about the unethical behaviour or practices, actual or suspected fraud or violation of Company's Code of conduct etc. The said policy provides adequate safeguard against the victimisation of Directors/ Employees who avail such mechanism and it also provides direct access to the Chairman of Audit Committee in exceptional cases. Further it has been also affirmed that no personnel has been denied access to the Audit Committee. The Whistle blower policy has been made available on the Company's official website.

I. Related party contracts or arrangements:

All Related Party Transactions that were entered into during the financial year 2018-19 were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations. There were no materially significant Related Party Transactions made by the Company during the year that required shareholders' approval under Regulation 23 of the Listing Regulations.

The Audit Committee in their meeting held on May 17, 2018 has placed all the related parties' transactions for prior approval and in the same meeting; omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature or when the need for them cannot be foreseen in advance. Further, disclosures are made to the Committee on a quarterly basis. None of the transactions entered

into with related parties' falls under the scope of Section 188(1) of the Act and hence there is no such requirement to enclose 'Form AOC-2' pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

The Company has adopted a Policy for dealing with Related Party Transactions which has been approved by the Board of Directors on the recommendations of the Audit Committee and may be viewed on the Company's official website.

J. 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 official website.

The Company has 46 subsidiaries of which two subsidiaries viz. Coffee Day Global Limited and Sical Logistics Ltd are 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.

K. Reconciliation of Share Capital Audit:

A qualified Practicing Company Secretary carried out a share capital audit under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital.

The audit report confirms that the total issued/ paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

L. Preservation of Documents:

As per Regulation 9 of the Listing Regulations, the Company has framed a policy for preservation of documents in the name of 'Archival Policy'. The policy plays an important role in completing the Information Management Life Cycle of the Company. It aims at ensuring creation and management of reliable and authentic archives for accountability purposes. The said policy is made available on the Company's official website and can be accessed through a web link at: <http://www.coffeeday.com/PDF/Archival%20Policy.pdf>

M. Compliance with mandatory and non-mandatory requirement:

The Company has complied with all the mandatory requirements of the Listing Regulations relating Corporate Governance.

The Company has also adopted the following discretionary requirements under Regulation 27(1) of the Listing Regulations read along with Part E of Schedule II thereto:

- Unmodified opinion in Audit Report: The Statutory Auditors of the Company has not raised any qualifications/ modified opinion on the Financial Statements of the years 2016-17, 2017-18 and 2018-19, thereby moving towards regime of unqualified/ unmodified Financial Statements.
- Reporting of Internal Auditor: The Internal Auditors, ABS & Co., reports directly to the Audit Committee of the Company.

- N.** Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

	₹ in Million
Payment to Statutory Auditors	FY 2018-19
Audit Fees	8.79

Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the financial year 2018-19- Nil

Number of complaints disposed off during the financial year 2018-19- Nil

Number of complaints pending as on end of the financial year- Nil

O. Insider Trading Regulations

The Company has adopted the Coffee Day Code of Conduct for Prevention of Insider Trading and Code of Fair Disclosure Practices. This Code of Conduct is applicable to all Directors and such designated persons who are expected to have access to unpublished price sensitive information relating to the Company.

P. Certificate on Corporate Governance

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. Mr. Harshavardhan.R. Boratti, Practicing Company Secretary, has submitted a certificate to this effect.

A compliance certificate from Mr. Harshavardhan.R. Boratti, Practicing Company Secretary pursuant to the requirements of Schedule V to the Listing Regulations regarding compliance of conditions of Corporate Governance is attached.

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 March 31, 2019.

For Coffee Day Enterprises Limited

(Sd/-)

Mr. V.G. Siddhartha

Chairman & Managing Director

Bengaluru
May 24, 2019

PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Coffee Day Enterprises Limited,

I have examined the compliance of the conditions of Corporate Governance by Coffee Day Enterprises Limited ('the Company') for the year ended March 31, 2019, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of 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.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended March 31, 2019.

I state that such compliance 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.

Harshavardhan.R.Boratti

HRB & Co

Place: Bengaluru

FCS 9490

Date: May 24, 2019

CP NO 11444

ANNEXURE-3

DETAILS ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to 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 analyzing power factor, maximum demand, working hours, load factor, specific energy consumption and monthly consumption.

Your Company has taken various initiatives for conservation of energy and reducing its environmental impact by conducting energy audits and introducing innovative ways of saving power, few of them are listed below:

- Installing advanced energy saving gadgets like capacitor banks, indigenised components like thermo controllers for the ovens and usage of LED lighting etc.
- Introducing 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.
- Installation of occupancy sensors in CCD outlets, an intelligent and an effective energy saving solution for automatically turning ON/OFF the air conditioners/lights etc. depending upon the occupancy in the CCD outlets.
- 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.
- Technological up-gradation by installing higher efficiency state-of-the-art machineries in the coffee roasting unit.

The above mentioned initiatives have reduced the energy consumption substantially by 8-10% 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 latest vending machines to cater the needs of the corporate customers.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	FY 2018-19	FY 2017-18
Foreign Exchange earned	Nil	Nil
Outgo of Foreign Exchange	₹1.4 million	₹0.9 million

ANNEXURE-4
SECRETARIAL AUDIT REPORT

For the financial year ended on March 31, 2019

[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
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 **Coffee Day Enterprises Limited** (hereinafter 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 authorised 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 March 31, 2019 ('Audit Period') complied with the statutory provisions listed hereunder 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 hereinafter;

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 March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - 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 (Buyback of Securities) Regulations, 2018 **(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

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 except to the extent mentioned below:

1. The prior intimation to stock exchange pursuant to Regulation 29(2) of the SEBI (LODR) Regulations, 2015 about the meeting of the board of directors in which the proposal for fund raising by way of debt issue was considered was not given within the prescribed timelines.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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 Company has allotted 750 Unlisted, Secured, Unrated, Redeemable Non-Convertible Debentures of ₹10,00,000 each aggregating up to ₹75,00,00,000/- to Credit Opportunities II Pte Ltd.
- (ii) The Company has allotted 750 Unlisted, Secured, Unrated, Redeemable Non-Convertible Debentures of ₹10,00,000 each aggregating up to ₹75,00,00,000/- to India Special Situations Scheme-I.
- (iii) The Company has allotted 250 Unlisted, Secured, Unrated, Redeemable Non-Convertible Debentures of ₹10,00,000 each aggregating up to ₹25,00,00,000/- to Credit Opportunities II Pte Ltd.
- (iv) The Company has allotted 250 Unlisted, Secured, Unrated, Redeemable Non-Convertible Debentures of ₹10,00,000 each aggregating up to ₹25,00,00,000/- to India Special Situations Scheme-I.
- (v) The Company has allotted 500 Unlisted, Rated, Redeemable Non-Convertible Debentures of ₹10,00,000 each aggregating up to ₹50,00,00,000/- to ICICI Prudential Ultra Short Term Fund.
- (vi) The Company has allotted 500 Unlisted, Rated, Redeemable Non-Convertible Debentures of ₹10,00,000 each aggregating up to ₹50,00,00,000/- to ICICI Prudential Credit Risk Fund.

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

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

Place: Bangalore
Date:

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.

ANNEXURE-A

To,
The Members
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. Where ever 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

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

Place: Bangalore
Date:

ANNEXURE-5

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L55101KA2008PLC046866
ii) Registration Date	June 20, 2008
iii) Name of the Company	Coffee Day Enterprises 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 (KA) - 560001
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 (MH) - 400083

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

S. 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	55.32
2	Interest Income	64990	15.73
3	Dividend Income	64200	15.36

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Coffee Day Global Ltd.	U85110KA1993PLC015001	Subsidiary	90.69%	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	Coffee Day Kabini Resorts Ltd	U55101KA2018PLC117722	Subsidiary	100.00%	2 (87) (ii)
7	Classic Coffee Curing Works	NA	Subsidiary	100.00%	2 (87) (ii)
8	Coffeelab Ltd.	U85110KA1996PLC019932	Subsidiary	100.00%	2 (87) (ii)
9	A N Coffeeday International Ltd.	NA	Subsidiary	100.00%	2 (87) (ii)
10	Coffee Day Gastronomie Und Kaffeehandles GmbH	NA	Subsidiary	100.00%	2 (87) (ii)
11	Coffee Day C Z a.s	NA	Subsidiary	100.00%	2 (87) (ii)
12	Giri Vidhyuth (India) Limited	U40101KA2001PLC029866	Subsidiary	100.00%	2 (87) (ii)
13	Tanglin Retail Reality Developments Pvt. Ltd.	U70102KA2007PTC044421	Subsidiary	100.00%	2 (87) (ii)
14	Sical Logistics Ltd.	L51909TN1955PLC002431	Subsidiary	55.18%	2 (87) (ii)
15	PNX Logistics Pvt. Ltd.	U74120MH2011PTC223670	Subsidiary	60.00%	2 (87) (ii)
16	Develecto Mining Limited	U10200TN2018PLC121501	Subsidiary	51.00%	2 (87) (ii)
17	PAT Chems Private Ltd.	U24110MH1989PTC052943	Subsidiary	68.00%	2 (87) (ii)
18	Sical Mining Limited	U10300TN2016PLC112461	Subsidiary	100.00%	2 (87) (ii)
19	Sical Iron Ore Terminal Ltd.	U13100TN2006PLC061022	Subsidiary	63.00%	2 (87) (ii)
20	Sical Iron Ore Terminal (Mangalore) Ltd.	U63020TN2009PLC073147	Subsidiary	100.00%	2 (87) (ii)
21	Sical Adams Offshore Ltd.	U63000TN2012PLC087754	Subsidiary	100.00%	2 (87) (ii)

S. No.	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
22	Sical Saumya Mining Limited	U74900TN2015PLC101236	Subsidiary	65.00%	2 (87) (ii)
23	Sical Washeries Ltd	U10100TN2019PLC128380	Subsidiary	51.00%	2(87) (ii)
24	Norsea Offshore India Ltd.	U74900TN2009PLC071762	Subsidiary	100.00%	2 (87) (ii)
25	Sical Infra Assets Ltd.	U45203TN2007PLC063432	Subsidiary	53.00%	2 (87) (ii)
26	Sical Bangalore Logistics Park Limited	U63090TN2016PLC110673	Subsidiary	100.00%	2 (87) (ii)
27	Sical Multimodal and Rail Transport Ltd.	U60232TN2007PLC063378	Subsidiary	100.00%	2 (87) (ii)
28	Bergen Offshore Logistics Pte Ltd.	NA	Subsidiary	100.00%	2 (87) (ii)
29	Norsea Global Offshore Pte Limited	NA	Subsidiary	100.00%	2 (87) (ii)
30	Wilderness Resorts Pvt. Ltd.	U55101KA2005PTC035580	Subsidiary	100.00%	2 (87) (ii)
31	Karnataka Wildlife Resorts Pvt. Ltd.	U92199KA2001PTC028981	Subsidiary	100.00%	2 (87) (ii)
32	Magnasoft Consulting India Pvt. Ltd.	U74140KA2000PTC026735	Subsidiary	77.88%	2 (87) (ii)
33	Magnasoft Europe Ltd.	NA	Subsidiary	100.00%	2 (87) (ii)
34	Magnasoft Spatial Services Inc.	NA	Subsidiary	100.00%	2 (87) (ii)
35	Way2Wealth Distributors Pvt. Ltd.	U70101KA2001PTC029910	Subsidiary	100.00%	2 (87) (ii)
36	Way2Wealth Capital Pvt. Ltd.	U65921KA1995PTC018960	Subsidiary	100.00%	2 (87) (ii)
37	Way2Wealth Enterprises Pvt. Ltd.	U65999AP2017PTC106315	Subsidiary	100.00%	2 (87) (ii)
38	Way2Wealth Insurance Brokers Pvt. Ltd.	U66010KA2003PTC032003	Subsidiary	100.00%	2 (87) (ii)
39	Mandi2Market Traders Pvt. Ltd.	U67190KA2007PTC043494	Subsidiary	100.00%	2 (87) (ii)
40	Calculus Traders LLP	AAM-6699	Subsidiary	99.99%	2 (87) (ii)
41	Way2Wealth Brokers Pvt. Ltd.	U67120KA2000PTC027628	Subsidiary	100.00%	2 (87) (ii)
42	Way2Wealth Commodities Pvt. Ltd.	U51229KA2006PTC039880	Subsidiary	99.99%	2 (87) (ii)
43	AlphaGrep Securities Pvt. Ltd.	U66010KA2002PTC029982	Subsidiary	51.00%	2 (87) (ii)
44	AlphaGrep Commodities Pvt. Ltd.	U65999TG2017PTC117172	Subsidiary	100.00%	2 (87) (ii)
45	Alphagrep Pte Ltd.	NA	Subsidiary	100.00%	2 (87) (ii)
46	AlphaGrep Holding HK Ltd.	NA	Subsidiary	100.00%	2 (87) (ii)
47	AlphaGrep UK Limited	NA	Subsidiary	100.00%	2 (87) (ii)
48	Shanghai Dao Ge International Trading Limited	NA	Subsidiary	100.00%	2 (87) (ii)
49	Ittiam Systems Pvt. Ltd.	U72900KA2001PTC028392	Associate*	32.51%	2 (6)
50	Barefoot Resorts and Leisure India Pvt. Ltd.	U55101TN1998PTC040221	Associate*	27.69%	2 (6)
51	Mindtree Ltd	L72200KA1999PLC025564	Associate*	17.11%	2 (6)
52	Coffee Day Schaerer Technologies Private Limited	U29248KA2015FTC084523	Joint Venture#	49%	2(6)
53	PSA Sical Terminals Ltd.	U74999TN1998PLC040682	Joint Venture#	37.50%	2 (6)
54	Sical Sattva Rail Terminal Pvt. Ltd.	U63031TN2000PTC045198	Joint Venture#	50%	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 2018				No. of Shares held at the end of the year 2019				% 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	77,737,206	-	77,737,206	36.80	77,737,206	-	77,737,206	36.80	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	36,191,992	-	36,191,992	17.13	36,191,992	-	36,191,992	17.13	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	113,929,198	-	113,929,198	53.93	113,929,198	-	113,929,198	53.93	-
(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)	113,929,198	-	113,929,198	53.93	113,929,198	-	113,929,198	53.93	-
(B)	Public shareholding									
(1)	Institutions									
(a)	Mutual Funds/UTI	23,64,773	-	23,64,773	1.12	177,052	-	177,052	0.08	(1.04)
(b)	Financial Institutions/ Banks	1,33,125	-	1,33,125	0.06	196,362	-	196,362	0.09	0.03
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Portfolio Investors	12,162,621	-	12,162,621	5.76	11,783,426	-	11,783,426	5.58	(0.18)
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
	Any Other (specify)	-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	14,660,519	-	14,660,519	6.94	12,156,840	-	12,156,840	5.75	(1.19)
(2)	Non-institutions									
(a)	Bodies Corporate	57,914,573	-	57,914,573	27.41	57,578,187	-	57,578,187	27.25	(0.16)
(b)	Individuals -									
	(i) Individual shareholders holding nominal share capital up to ₹2 lakh.	6,861,256	19	6,861,275	3.25	7,976,013	82	7,976,095	3.75	0.50
	(ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh.	15,914,571	-	15,914,571	7.53	17,309,754	-	17,309,754	8.19	0.66
(c)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(d)	Any Other (Details)	-	-	-	-	-	-	-	-	-
	NRIs/OCBs	771,665	-	771,665	0.37	769,321	-	769,321	0.35	(0.02)
	Clearing Member	531,027	-	531,027	0.25	539,390	-	539,390	0.26	0.01
	Hindu Undivided Families	668,388	-	668,388	0.32	973,484	-	973,484	0.46	0.14
	Trusts	503	-	503	0.00	10,670	-	10,670	0.00	-
	NBFC's registered with RBI	-	-	-	-	8,780	-	8,780	0.00	-
	Sub-Total (B)(2)	82,661,983	19	82,662,002	39.13	85,165,599	82	85,165,681	40.31	1.18

Category Code	Category of Shareholders	No. of Shares held at the beginning of the year 2018				No. of Shares held at the end of the year 2019				% Change during the year
		Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
	Total Public Shareholding									
	(B) = (B)(1)+(B)(2)	97,322,502	19	97,322,521	46.07	97,322,439	82	97,322,521	46.07	-
	TOTAL (A)+(B)	211,251,700	19	211,251,719	100.00	211,251,637	82	211,251,719	100.00	-
(c)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C)	211,251,700	19	211,251,719	100.00	211,251,637	82	211,251,719	100.00	-

ii) Shareholding of Promoters and Promoters' Group:

S No	Shareholder's Name	Shareholding at the beginning of the year 2018			Shareholding at the end of the year 2019			% change in share holding during the year
		No. of Shares	% of total Shares of the Co	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Co.	% of Shares Pledged / encumbered to total shares	
1	Mr. V. G. Siddhartha	69,174,700	32.75	12.66	69,174,700	32.75	22.89	-
2	Mrs. Malavika Hegde	85,62,506	4.05	2.67	85,62,506	4.05	2.62	-
3	Devadarshini Info Technologies Pvt. Ltd.	12,408,440	5.87	5.87	12,408,440	5.87	4.56	-
4	Coffee Day Consolidations Pvt. td.	12,268,416	5.81	5.71	12,268,416	5.81	4.59	-
5	Gonibedu Coffee Estates Pvt. Ltd.	11,071,104	5.24	5.24	11,071,104	5.24	4.14	-
6	Sivan Securities Private Limited	444,032	0.21	0.21	444,032	0.21	0.21	-

iii) Change in Promoters'/Promoters Group shareholding:

There were no changes in the shareholding of the Promoter/Promoter group

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

S. No.	Particulars	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	10.61		
	Change during the year	Nil	Nil	22,412,992	10.61
	At the end of the year	22,412,992	10.61		

S. No.	Particulars	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	12,826,912	6.07		
	Change during the year	Nil	Nil	12,826,912	6.07
	At the end of the year	12,826,912	6.07		

S. No.	Particulars	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	11,402,901	5.40		
	Less: Sold on April 27, 2018	(1,429,916)	0.68	9,972,985	4.72
	Less: Sold on May 04, 2018	(200,132)	0.09	9,772,853	4.63
	At the end of the year	9,772,853	4.63		

S. No.	Particulars	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	5,681,128	2.69		
	Change during the Year	-	-	5,681,128	2.69
	At the end of the year	5,681,128	2.69		

S. No.	Particulars	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.	SUDHIR K R (COFFEE WELFARE TRUST):				
	At the beginning of the year	5,250,000	2.49		
	Change during the Year	-	-	5,250,000	2.49
	At the end of the year	5,250,000	2.49		

S. No.	Particulars	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.	GOVERNMENT PENSION FUND GLOBAL:				
	At the beginning of the year	2,742,899	1.30		
	Less: Sale of Shares on August 24, 2018	(47,632)	0.02	2,695,267	1.28
	Less: Sale of Shares on August 31, 2018	(227,000)	0.11	2,468,267	1.17
	Less: Sale of Shares on October 12, 2018	(62,448)	0.03	2,405,819	1.14
	Add: Acquisition of Shares on February 01, 2019	293,752	0.14	2,699,571	1.28
	Add: Acquisition of Shares on February 08, 2019	99,648	0.05	2,799,219	1.33
	Add: Acquisition of Shares on February 15, 2019	266,600	0.12	3,065,819	1.45
	Add: Acquisition of Shares on March 01, 2019	890,000	0.42	3,955,819	1.87
	At the end of the year	3,955,819	1.87		

S. No.	Particulars	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.	MARINA III (SINGAPORE) PTE. LTD.:				
	At the beginning of the year	2,566,331	1.21		
	Less: Sold on April 27, 2018	(320,084)	0.15	2,246,247	1.06
	Less: Sold on May 04, 2018	(44,868)	0.02	2,201,379	1.04
	At the end of the year	2,201,379	1.04		

S. No.	Particulars	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.	NATIONAL WESTMINSTER BANK PLC AS TRUSTEES OF THE JUPITER INDIA FUND:				
	At the beginning of the year	1,893,852	0.90		
	Add: Acquisition of Shares on April 06, 2018	21,603	0.01	1,915,455	0.91
	Add: Acquisition of Shares on November 16, 2019	33,410	0.01	1,948,865	0.92
	Add: Acquisition of Shares on November 16, 2019	130,212	0.06	2,079,077	0.98
	At the end of the year	2,079,077	0.98		

S. No.	Particulars	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.	BENNETT COLEMAN AND COMPANY LTD				
	At the beginning of the year	1,368,304	0.65		
	Change during the Year	-	-	1,368,304	0.65
	At the end of the year	1,368,304	0.65		

S. No.	Particulars	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.	SHUBHI CONSULTANCY SERVICES LLP				
	At the beginning of the year	0	0.00		
	Add: Acquisition of Shares on June 15, 2018	498,029	0.24	498,029	0.24
	Add: Acquisition of Shares on August 31, 2018	717,064	0.34	1,215,093	0.58
	At the end of the year	1,215,093	0.58		

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Particulars	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.	Mr. V.G. Siddhartha:				
	At the beginning of the year	69,174,700	32.75		
	Change during the year	Nil	Nil	69,174,700	32.75
	At the end of the year	69,174,700	32.75		

S. No.	Particulars	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.	Mrs. Malavika Hegde:				
	At the beginning of the year	8,562,506	4.05		
	Change during the year	Nil	Nil	8,562,506	4.05
	At the end of the year	8,562,506	4.05		

S. No.	Particulars	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.	Mr. R. Ram Mohan:				
	At the beginning of the year	586	0.00		
	Change during the year	Nil	Nil	586	0.00
	At the end of the year	586	0.00		

S. No.	Particulars	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.	Mr. Sadananda Poojary:				
	At the beginning of the year	2070	0.00		
	Change during the year	Nil	Nil	2070	0.00
	At the end of the year	2070	0.00		

V. INDEBTEDNESS:

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

Amount in Crores				
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1038.93	0.00	0.00	1038.93
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	1038.93	0.00	0.00	1038.93
Change in Indebtedness during the financial year				
* Addition	0.00	0.00	0.00	0.00
**Reduction	687.38	0.00	0.00	687.38
Net Change	687.38	0.00	0.00	687.38
Indebtedness at the end of the financial year				
i) Principal Amount	351.55	-	-	351.55
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due		-	-	-
Total (i+ii+iii)	351.55	-	-	351.55

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

S. No.	Particulars of Remuneration	Mr. V.G. Siddhartha	Total Amount in lakh(₹)
	Gross Salary		
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		
2	Stock Options		
3	Sweat Equity		
4	Commission		NIL
	- 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)		

S. No.	Particulars of Remuneration	Name of Directors				Total Amount in ₹
		Mr. S. V. Ranganath	Mr. Albert Hieronimus	Mr. M D Mallya Up to November 25, 2018	Mrs.Sulakshana R wef March 05, 2019	
	Fee for attending Board / Committee Meetings	₹1,00,000 per meeting	₹1,00,000 per meeting	₹1,00,000 per meeting	₹1,00,000 per meeting	34,00,000
	Commission	Nil	Nil	Nil		Nil
	Others, please specify	Nil	Nil	Nil		Nil
	Total (B)(1)	₹17,00,000	₹14,00,000	₹1,00,000	₹2,00,000	₹34,00,000

2. Non-Executive Directors:

S. No.	Particulars of Remuneration	Name of Directors		Total Amount in ₹
		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

S. No.	Particulars of Remuneration	Mr. Sadananda Poojary Company Secretary	Mr. R. Ram Mohan Chief Financial officer	Total Amount in (₹)
	Gross Salary	2,172,840*	3,505,283*	5,678,123
1	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961			
2	Stock Options			
3	Sweat Equity			
4	Commission			
	- as % of profit			
	- others, specify....			
5	Others, please specify			
	Total	2,172,840	3,505,283	5,678,123

*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			NONE		
B.DIRECTORS					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		
C.OTHER OFFICERS IN DEFAULT					
Penalty			NONE		
Punishment			NONE		
Compounding			NONE		

For and on Behalf of the Board
By Order of the Board
For Coffee Day Enterprises Limited

Bengaluru
May 24, 2019

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

Sd/-
Malavika Hegde
Director
DIN: 00136524

ANNEXURE-6

BUSINESS RESPONSIBILITY REPORT

The Directors present the "Business Responsibility Report" (BRR) of the Company for the financial year ended on March 31, 2019, 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

S.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@coffeedaygroup.com
6.	Financial Year reported	Year ended on March 31, 2019 (FY 2018-19)
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	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, operating at various locations across India and other countries.
10.	Markets served by the Company	Products and services have national as well as international presence

SECTION B

FINANCIAL DETAILS OF THE COMPANY

S.NO	PARTICULARS	COMPANY INFORMATION
1.	Paid up Capital, as on 31.3.2019	211,251,719 Shares of ₹10 each aggregating to ₹2,112,517,190
2.	Turnover: Net	₹4,220 crore
3.	Profit after Tax	₹128 crore
4.	Total Spending on Corporate Social Responsibility	₹3,655,000 (By Way2wealth group companies) ₹3,704,408 (By Tanglin Developments Ltd.) ₹8,624,776 (By CDGL) ₹10,936,000 (By By SICAL & group companies)
	a) In ₹	₹26,920,184
	b) As a percentage of Profit after Tax	2% of average net profits of the Company made during the 3 immediately preceding financial years.
5.	List the activities, in which expenditure in 4 above, has been incurred	

Our CSR activities are carried out through the subsidiaries & its group companies (Way2Wealth, Tanglin Developments Limited & Coffee Day Global Limited).

Contributions were made towards CSR activities to the below mentioned Foundations /Organisations:

Contribution made to:	Activities
United Way of Mumbai	United Way Mumbai is a part of the 128 year old United Way movement engaged in nearly 1800 communities, spanning 41 countries across the world, is a premier professional non-profit organisation that endeavors to leverage corporate, employee and leadership talent for community development.
Dr. Batras' Positive Health Foundation	Dr Batra's Positive Health Foundation was established in 2001 to help the underprivileged. The foundation has been making a profound difference in the lives of street children, orphans, elderly, and the physically and mentally challenged; this includes needy animals into this circle of compassion. Each of Batra's clinics adopts an orphanage and old-age home, and provides its residents free treatment for life.
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.
Arya Vidya Mandir	Arya Vidya Mandir (AVM) is a group of non-profit schools located in Mumbai. AVM group of schools are affiliated with the Council for the Indian School Certificate Examinations (CISCE), New Delhi and offer classes from Nursery to class X. AVM aims to offer holistic education.
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.
Environmental and Sustainability activities of the Group	Environmental sustainability ecological balance/agro forestry

SECTION C

BUSINESS RESPONSIBILITY (BR) INFORMATION

- Does the Company have any Subsidiary Company/ Companies?
Yes. The List of Subsidiaries is given in Form MGT-9 (Extract of Annual return) which is annexed as 'Annexure-5' of the Annual report of the Company
- 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 happen through the subsidiary companies and its group, operating in different geographies.
- 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

- Details of Director/Directors responsible for BR:
 - Details of the Director/Directors responsible for implementation of the BR policy/policies

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

b. Details of BR head(s)

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

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 to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements like ISO 22000 (Food Safety Management System), ISO 9000 (requirements for a quality management system), ILO conventions ratified by our Country and IFC Performance Standards.								
4	Has the policy being approved by the Board?	Policies mandated under the Companies Act, 2013 and SEBI (LODR) Regulations, 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	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, wherever appropriate								
7	Does the Company have in-house structure to implement the policy/ policies?	Yes								
8	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								
9	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, wherever appropriate								
10	Indicate the link for the policy to be viewed online?	The links to view the policies online are given herein below*.								

*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	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles									
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						Not Applicable			
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 are periodically assessed by CEO.

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

The Business Responsibility Report is part of Annual Report, being published by the Company for FY 2018-19. The same will be disclosed on the website of the Company www.coffeeday.com

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.

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

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 2018, 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.

- 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 recognised 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 customised 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 waste packing material and responsibly disposing Electronic waste.

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: **20,155**
2. Total number of employees hired on temporary/contractual/casual basis: **7,310**
3. Number of permanent employees with disabilities: **139**
4. Do you have an employee association that is recognised 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 marginalised.

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 & marginalised stakeholders?

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

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised 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 YUVA, an SVGH Education Trust initiative for Vocational Training College at Chikmagalur. Over the years, our approach has been to engage in social issues with sensitivity, rigor and responsibility. YUVA lays the platform for Coffee Days value system with a Vision to create an institution which motivates rural youth to find their purpose, realise their potential and mould them as independent and responsible citizens. The Institution's charter is to promote education to economically underprivileged rural youth and supporting them to be independent, responsible and adaptable to urban environment. We aim to equip our students with life skills and professional skills which will provide an opportunity for their holistic development. YUVA has trained over 4000 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 realise their potential, and to move from opportunity anticipated to opportunity realised.

In states like Karnataka, Bihar, Kerala 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 organisation.

We work through a unique partnership model wherein we have established strategic partnerships with around 40 various training bodies, non-governmental & government organisations who leverage our relationship to provide skill training and employability to the under privileged.

Partners namely Dr Reddy's Foundation, Kotak Foundation, Sarthak, Empower Pragathi, Magic Bus, Orion Educate, Don Bosco Foundation, ICA Edu Skills, Atheos, Tata Strives, Mahindra Pride School and Tech Smart (Tech Mahendra)

have been instrumental in helping us make a valuable contribution by deploying over 1500 candidates per annum towards the cause.

We have an 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 2018-19, 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 2018-19, 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 substantially
- Installing advanced energy saving gadgets like capacitor banks and indigenised components like thermo controllers for the ovens and electronic timers to control the Air Conditioners during peak hours of operations.
- 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
- Technological up-gradation by installing higher efficiency state-of-the-art machineries 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 Policy covers company and 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

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 2018-19.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company recognises 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 core business

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

The Company innovates and invest in products, technologies and processes that promotes the well-being of all segments of society, including vulnerable and marginalised groups.

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

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

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

The Company assesses the impact of its Projects and Programs. an update on impact assessment is placed at the Board meetings for their review.

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

Our CSR activities are carried out through the subsidiaries & its group companies, (Way2Wealth, Tanglin Developments Limited & Coffee Day Global Limited). Contributions made towards community development projects are detailed 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 utilisation 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 March 31, 2019, 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-7
DISCLOSURE OF REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 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.

S. No.	Requirements	Disclosure	
1.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2018-19	Designation	Ratio
	Mr. V.G. Siddhartha	Chairman & Managing Director	Nil
	Mrs. Malavika Hegde	Non-Executive Director	
	Mr. Sanjay Nayar	Non-Executive Director	
2.	The remuneration paid to independent directors were as below:	Designation	
	Mr. S.V. Ranganath	Independent Director	The Independent directors of the Company were in receipt of sitting fees for attending the Board and Committee meetings and are not paid any remuneration. Current sitting fee for attending Board & committee Meetings are ₹1,00,000/-
	Dr. Albert Hieronimus	Independent Director	
	Mrs. Sulakshana Raghavan	Independent Director	
	The percentage increase in remuneration of each director, CFO, CEO, CS in the financial year	CFO CS Represents the allocated portion of salary based on time spent.	Overall increase of 6.5% and 10% for CS one a group level
3.	The percentage increase in the median remuneration of employees in the financial year	11%	
4.	The number of permanent employees on the rolls of the Company	197	
5.	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 percentage increase in the salary of employees is 11%. The increment given to employees is based on their potential, performance and contribution and to match the industry compensation	
6.	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

Bengaluru
May 24, 2019

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

Sd/-
Malavika Hegde
Director
DIN: 00136524

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 March 31, 2019

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 ₹)
Balachandar Natarajan	Group Head – Human Resource	M.S. (Industrial Management)	Strides Acrolabs Limited	30	Chief Human Resource Officer	1,40,92,789/-
Shankar Venkataraman	President	M.B.A	Coffee Day Trading Ltd	36	Managing Director	62,65,002/- ¹
Philip. T. Athyal	Senior General Manager – Corporate Finance	A.C.A., B.Com	Coffee Day Global Limited	22	Senior General Manager – Corporate Finance	49,45,002/-
Ganesh Pai	General Manager – Corporate Finance	A.C.A., B.Com	Nvidia Graphics Private Limited	13	Manager – Finance	41,83,497/-
R. Ram Mohan	Chief Financial Officer	A.C.A., B.Com	Caterpillar India	32	Director	35,05,283/- ²
Naveen Bhat	GM – Finance	ACA, B.Com	Orange County Resorts & Hotels Limited	15	Chief Financial Officer	24,30,350/- ³
Sadananda Poojary	Company Secretary and Compliance Officer	F.C.S, I.C.W.A.I, B.Com	K.S.F.C	30	Deputy Manager	21,72,840/- ²
Devahuthi V Gangwani	General Manager – Marketing (PR & Communication)	PGD in Mass Communication	Coffee Day Global Limited	16	PR Executive	17,63,456/-
Ankit Naita	Deputy Manager – Corporate Finance	A.C.A., B.Com	KPMG (India)	6	Consultant	12,94,598/-
Devendra Pratap Singh	Resort Manager	BHM	Tata Coffee Limited - Plantation Trails	10	Operation Manager	12,29,502/-

1 Joined w.e.f October 01, 2018.

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

3 Joined w.e.f May 16, 2018.

B. Employees drawing a Remuneration of ₹1.02 crore 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 ₹)
Balachandar Natarajan	Group Head-Human Resource	M.S. (Industrial Management)	54	Strides Acrolabs Ltd.	30	Jan 21, 2012	Chief Human Resource officer	1,40,92,789/-

FORM AOC_1
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
"Part - A : Subsidiaries"
Statement containing salient features of the financial statements of the Subsidiary Companies as on March 31, 2019

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
S. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange rate as on March 31, 2019	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities excluding (6) & (7)	Investments	Percentage of Holding	Turnover	Profit before Taxation (PBT)	Provision for Taxation	Profit after Taxation (PAT)	Proposed Dividend
1	Coffee Day Global Limited	Apr-March	INR	1.00	19.09	1,421.36	2,420.90	980.45	77.55	90.69%	1,829.22	72.98	24.29	48.69	-
2	Classic Coffee Curing Works	Apr-March	INR	1.00	3.10	(1.41)	132.37	130.68	-	100.00%	-	(0.12)	-	(0.12)	-
3	CoffeeLab Limited	Apr-March	INR	1.00	0.06	(1.32)	0.38	1.64	-	100.00%	1.76	(0.51)	-	(0.51)	-
4	A N Coffeeday International Limited	Apr-March	USD	68.85	0.73	85.80	86.56	0.03	86.55	100.00%	-	(0.13)	-	(0.13)	-
5	Coffee Day Gastronomie Und Kaffeehandles GmbH	Apr-March	EURO	76.97	0.11	(0.03)	2.21	2.14	-	100.00%	6.49	(1.79)	0.01	(1.80)	-
6	Coffee Day CZ as	Apr-March	CKZ	3.00	32.82	(32.17)	4.81	4.15	-	100.00%	12.23	(5.48)	-	(5.48)	-
7	Coffeeday Hotels & Resorts Private Limited	Apr-March	INR	1.00	11.22	(58.89)	267.59	315.26	35.23	100.00%	11.79	(19.91)	-	(19.91)	-
8	Wilderness Resorts Private Limited	Apr-March	INR	1.00	1.28	(10.69)	58.49	67.90	0.13	100.00%	-	(7.08)	-	(7.08)	-
9	Karnataka Wildlife Resorts Private Limited	Apr-March	INR	1.00	1.30	(22.23)	59.80	80.73	-	100.00%	8.16	(1.32)	-	(1.32)	-
10	Tanglin Developments Limited	Apr-March	INR	1.00	5.13	75.71	2,386.38	2,305.54	110.65	100.00%	142.51	3.83	0.91	2.92	-
11	Tanglin Retail Reality Developments Private Limited	Apr-March	INR	1.00	0.10	(51.06)	2,922.11	2,973.07	241.26	100.00%	-	(2.51)	0.02	(2.53)	-
12	Giri Vridhyuth (India) Limited	Apr-March	INR	1.00	0.87	(17.99)	559.94	577.06	-	100.00%	-	(0.36)	-	(0.36)	-
13	Coffee Day Kabini Resorts Limited	Apr-March	INR	1.00	0.00	(0.40)	110.67	111.06	-	100.00%	-	(0.40)	-	(0.40)	-
14	Sical Logistics Limited	Apr-March	INR	1.00	58.54	544.46	2,084.07	1,481.07	300.47	55.18%	1,303.15	51.73	21.20	30.53	-
15	PNX Logistics Private Limited	Apr-March	INR	1.00	0.55	(6.06)	37.02	42.53	-	60.00%	54.83	(11.66)	(3.60)	(8.06)	-
16	Develecto Mining Limited	Apr-March	INR	1.00	0.01	-	2.43	2.42	-	51.00%	-	-	-	-	-
17	Patcherns Private Limited	Apr-March	INR	1.00	0.01	4.70	8.96	4.25	-	68.00%	29.99	0.85	0.21	0.65	-
18	Sical Mining Limited	Apr-March	INR	1.00	0.01	-	0.04	0.03	-	100.00%	0.75	-	-	-	-
19	Sical Iron Ore Terminals Limited	Apr-March	INR	1.00	130.00	(0.06)	1,026.63	896.69	-	63.00%	-	-	-	-	-
20	Sical Iron Ore Terminal (Mangalore) Limited	Apr-March	INR	1.00	36.50	-	39.75	3.25	-	100.00%	-	-	-	-	-
21	Sical Adams Offshore Limited	Apr-March	INR	1.00	0.05	-	0.06	0.01	-	100.00%	-	-	-	-	-
22	Sical Saunnya Mining Limited	Apr-March	INR	1.00	0.01	3.35	50.34	46.98	-	65.00%	83.90	1.07	0.29	0.77	-
23	Norsea Offshore India Limited	Apr-March	INR	1.00	0.05	(1.46)	10.71	12.12	-	100.00%	5.28	(0.96)	(0.25)	(0.71)	-
24	Sical Infra Assets Limited	Apr-March	INR	1.00	53.30	200.86	262.89	8.73	90.09	53.00%	10.82	1.08	0.35	0.72	-
25	Sical Bangalore Logistics Park Limited	Apr-March	INR	1.00	0.03	-	54.15	54.12	-	100.00%	-	-	-	-	-
26	Sical Multimodal and Rail Transport Limited	Apr-March	INR	1.00	72.69	91.50	520.57	356.38	3.45	100.00%	141.67	0.40	0.32	0.08	-
27	Bergen Offshore Logistics Pte Ltd. Singapore	Apr-March	USD	69.79	46.68	(45.64)	1.05	0.01	-	100.00%	-	(0.00)	-	(0.00)	-
28	Norsea Global Offshore Pte Ltd (Refer Note-1)	Apr-March	NA	NA	NA	NA	NA	NA	NA	100.00%	NA	NA	NA	NA	NA

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
S. No.	Name of the Subsidiary Company	Reporting period	Reporting currency	Exchange rate as on March 31, 2019	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities excluding (6) & (7)	Investments	Percentage of Holding	Turnover	Profit before Taxation (PBT)	Provision for Taxation	Profit after Taxation (PAT)	Proposed Dividend
29	Sical Washeries Limited	Apr-March	INR	1.00	0.01	-	0.01	-	-	51.00%	-	-	-	-	-
30	Magnasoft Europe Limited	Apr-March	GBP	90.53	0.01	(0.83)	0.08	0.90	-	100.00%	-	(0.05)	-	(0.05)	-
31	Magnasoft Spatial Services Inc.	Apr-March	USD	69.16	0.00	(2.66)	1.09	3.75	-	100.00%	6.84	(0.76)	0.00	(0.76)	-
32	Way2Wealth Securities Private Limited	Apr-March	INR	1.00	47.50	94.94	228.49	86.05	101.76	85.53%	72.65	12.09	2.95	9.15	-
33	Way2Wealth Capital Private Limited	Apr-March	INR	1.00	10.00	11.24	34.16	12.91	3.03	100.00%	4.61	1.65	0.54	1.11	-
34	Way2Wealth Enterprises Private Limited	Apr-March	INR	1.00	0.01	1.30	4.88	3.57	-	100.00%	29.50	(1.95)	(0.66)	(1.30)	-
35	Way2Wealth Insurance Brokers Private Limited	Apr-March	INR	1.00	1.00	1.51	3.47	0.97	-	100.00%	6.31	1.16	0.31	0.86	-
36	Way2Wealth Brokers Private Limited	Apr-March	INR	1.00	18.35	63.92	211.13	128.86	9.62	100.00%	113.12	(6.26)	(1.69)	(4.56)	-
37	Way2Wealth Commodities Private Limited	Apr-March	INR	1.00	1.50	0.38	25.12	23.24	0.03	100.00%	24.49	0.29	0.08	0.21	-
38	AlphaGrep Securities Private Limited	Apr-March	INR	1.00	1.56	66.85	131.01	62.60	35.47	51.00%	173.11	16.93	4.15	12.78	-
39	AlphaGrep Commodities Private Limited	Apr-March	INR	1.00	0.10	17.36	41.98	24.52	1.64	100.00%	96.88	2.24	(0.15)	2.39	-
40	Alphagrep Pte Limited	Apr-March	USD	69.17	26.93	(25.87)	91.59	90.52	0.41	100.00%	56.13	(38.82)	(5.81)	(33.01)	-
41	AlphaGrep Holding HK Limited	Apr-March	USD	69.17	0.01	(2.09)	6.80	8.88	-	100.00%	19.11	8.64	2.59	6.05	-
42	AlphaGrep UK Limited	Apr-March	USD	69.17	0.09	0.17	0.35	0.09	-	100.00%	4.31	0.02	0.00	0.01	-
43	Shanghai Dao Ge International Trading Limited	Apr-March	USD	69.17	0.31	8.11	11.27	2.85	-	100.00%	27.85	8.25	1.31	6.93	-
44	Calculus Traders LLP	May-March	INR	1.00	0.10	0.04	0.19	0.06	-	99.99%	4.26	0.05	0.01	0.04	-

Note

1. Norsesea Offshore Logistics Pte Ltd, Stepdown subsidiary of Bergen Offshore Logistics Pte Ltd ('Bergen') got merged with Bergen Offshore Logistics Pte Ltd on January 10, 2019.

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

Sd/-
V. G. Siddhartha
 Managing Director
 DIN: 00063987

Sd/-
Malavika Hegde
 Director
 DIN: 00136524

Sd/-
R. Ram Mohan
 Chief Financial Officer

Sd/-
Sadananda Poojary
 Company Secretary

Place: Bangalore
 Date: May 24, 2019

Place: Bangalore
 Date: May 24, 2019

“Part - B : Associates and Joint Ventures”

Statement containing salient features of the financial statements of the Associates and Joint Ventures as on March 31, 2019

1	2	3	4	5	6	7	8	9	10
S. No.	Name of the Company	Category of the Company	Latest Audited Balance Sheet date	No. of Shares held by the Company in Associate/JV at the year end	Amount of Investment in Associates	Percentage of Holding	Reason why the Associate is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit Considered in Consolidation
1	Mindtree Limited	Associate (Upto February 07, 2019)	31-Mar-19	2,74,56,012	204.72	17.12%	NA	541.85	90.25
2	Ittiam Systems Private Limited	Associate	31-Mar-19	32,00,000	12.87	32.51%	NA	19.09	2.61
3	Barefoot Resorts and Leisure India Private Limited	Associate	31-Mar-19	17,672	16.00	27.69%	NA	8.90	(0.14)
4	Coffee Day Schaefer Technologies Private Limited	Joint Venture	31-Mar-19	6,86,000	0.69	49.00%	NA	(0.77)	-
5	PSA Sical Terminals Limited	Joint Venture	31-Mar-18	56,25,030	6.54	37.50%	NA	22.22	(5.70)
6	Sical Sattva Rail Terminal Private Limited	Joint Venture	31-Mar-19	17,25,000	3.45	50.00%	NA	0.91	(0.05)

Notes:

1 There is a Significant influence due to percentage of Share Capital.

2 Names of Subsidiaries or Associates or Joint Ventures which are yet to commence business are:

A. Subsidiaries:

- Bergen Offshore Logistics Pte Ltd, Singapore
- Sical Iron Ore Terminals Limited
- Sical Bangalore Logistics Park Limited
- Sical Iron Ore Terminal (Mangalore) Limited
- Sical Adams Offshore Limited
- Sical Mining Limited
- Develecto Mining Limited
- Sical Washeries limited

3 Name of associates or subsidiaries which have been liquidated or sold during the year are:

A. Subsidiaries:

- Norsea Offshore Logistics Pte Ltd, Stepdown subsidiary of Bergen Offshore Logistics Pte Ltd ('Bergen') got merged with Bergen Offshore Logistics Pte Ltd on January 10, 2019.

B. Associates:

- Mindtree Limited

On February 07, 2019, the Board of Directors provided an in principal approved to sell the shares of Mindtree Limited held by the Company and its subsidiary. Subsequently, on March 18, 2019, the Company has entered into an agreement to sell the shares of Mindtree Limited held by the Company, its subsidiary as well as directly by the Promoter to Larsen and Toubro Limited at an agreed price of ₹980 per share subject to certain terms and conditions as per the agreement. Subsequently on April 30, 2019, the transaction for sale of Mindtree Limited has been completed and the Company along with its subsidiary has received the entire agreed consideration.

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

Sd/-
V. G. Siddhartha
Managing Director
DIN: 00063987

Sd/-
Malavika Hegde
Director
DIN: 00136524

Place: Bangalore
Date: May 24, 2019

Place: Bangalore
Date: May 24, 2019

Sd/-
R. Ram Mohan
Chief Financial Officer

Sd/-
Sadananda Poojary
Company Secretary



Financial Statements



Independent Auditors' Report

To
The Members of
Coffee Day Enterprises Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the standalone financial statements of Coffee Day Enterprises Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Impairment of investments As at March 31, 2019, the Company has investment in Coffee Day Hotels and Resorts Private Limited (CDHRPL) amounting to ₹706.68 million. As CDHRPL has reported losses in the current and prior financial years, Management has assessed that there is an indication that the asset may be impaired and hence has estimated its recoverable amount and basis such estimation has concluded that there is no impairment required to be recorded. We focused on this area due to the magnitude of the carrying amounts of these assets and the fact that significant judgements were required by management (i) to identify whether any impairment indicators existed; (ii) to determine the appropriate impairment approaches, i.e. fair value less costs of disposal or value in use; and (iii) to select key assumptions to be adopted in the valuation models, including estimating future cash flows, growth rates and discount rates.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:- <ul style="list-style-type: none"> evaluated the design and implementation of the processes and internal controls relating to identification / assessment of impairment indicators and performing the related impairment analysis; evaluated management's identification of CGU's, the carrying value of each CGU and the methodology followed by management for the impairment assessment in compliance with the prevailing accounting standards; evaluated the valuation approach and assumptions used by the independent valuation expert appointed by the Management. This involved assessing the competence, expertise and objectivity of the independent valuer including obtaining an understanding of the independent valuer's scope of work and terms of engagement. We have also evaluated the appropriateness of the assumptions applied to key inputs such as market rates for land and replacement cost of building which involved comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client. This also involved using our internal valuation specialists to compare these assumptions against external benchmarks and considering the assumptions based on our knowledge of the client and its market. Performed sensitivity analysis by assessing the impact of changes in key inputs on the fair value estimated. evaluated the appropriateness of the disclosure in the financial statements and assessed the completeness and mathematical accuracy.

The key audit matter	How the matter was addressed in our audit
<p>Assets held for sale</p> <p>On February 07, 2019, the Board of Directors of the Company provided an in-principle approval to sell the investment in equity shares of Mindtree Limited ('the shares') held by the Group and Mr. V. G. Siddhartha, Chairman and Managing Director of the Group. Subsequently on 18 March 2019, the consent of the Board of Directors was accorded to sell the shares at an agreed price of INR 980 per share along with such other terms and conditions, as per the draft share-purchase agreement to be entered between the Group and Larsen & Toubro Limited ('purchaser'). On 18 March 2019, a share purchase agreement was entered among the Group and Larsen & Toubro Ltd for sale of the shares subject to approval of a regulator and certain other routine terms and conditions.</p> <p>As at March 31, 2019, though the consummation of the sale of the shares was not completed pending approval from the regulator, Management has classified the investment in shares of Mindtree as "Non currents assets held for sale" as it believes that the necessary criteria for such classification as required under Ind-AS 105 - Non-current Assets Held for Sale and Discontinued Operations have been met.</p> <p>We focused on this area as there is uncertainty as to the likely outcome of the regulatory approval and involves significant management's judgement on the classification as such asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence.</p> <ul style="list-style-type: none"> • We independently read the share purchase agreement entered into between the Group and the purchaser and assessed the key conditions precedent for consummation of the sale transaction as documented in the agreement. • Evaluating the criteria required under Ind AS 105 for classification of a non-current asset as held for sale and an independent assessment of Management's evaluation of how each of such criteria is met. • Evaluated Management's specific assessment of why they believe that the approval from the regulator is probable as at March 31, 2019 and also reviewed the independent external legal opinion obtained by Management to validate such a conclusion. • We have validated the appropriateness of the related disclosures in note 29 to the financial statements.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income,

changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at March 31, 2019 on its financial position in its standalone financial statements - Refer Note 27 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2019.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the Company has not paid any remuneration to its directors during the current year in accordance with the provisions of Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership No.: 217433

Place: Bengaluru

Date: May 24, 2019

Annexure A to the Independent Auditor's Report

As referred to in our Independent Auditor's Report to the members of Coffee Day Enterprises Limited ('the Company') on the Standalone Ind AS financial statements of the Company for the year ended March 31, 2019, 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, the Company does not have any immovable properties except for a parcel of land held on long term lease. We have verified the lease agreement in the name of the Company for the land taken on lease 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 three 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 wholly owned subsidiaries 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 wholly owned subsidiaries listed in the register maintained under

Section 189 of the Act, the loans and interest are repayable on demand.

- (c) There are no overdue amounts in respect of the loan granted to the wholly owned subsidiaries 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 advanced and investments made and securities and guarantees 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, Income tax dues, Goods and Service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Duty of Customs and Cess during the year. Also refer note 27 to the financial statements.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Goods and Service tax, Income tax dues and other material statutory dues were in arrears, as at March 31, 2019, 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 Goods and Service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the Company did not have any dues on account of Employees' State Insurance,

Duty of Customs and Cess during the year. The Company, however, disputes the following Income-tax dues which are as follows:

Name of the Statute	Nature of the dues	Amount (₹ in Million)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax and interest	46.37 (6.20)*	AY 2011 – 12	Income Tax Appellate Tribunal, Bangalore

* Amount in parenthesis represents taxes paid under protest

- (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 and debenture holders. The Company did not have any outstanding dues to any financial institution and government during the year.
- (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, paragraph 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 & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership No.: 217433

Place: Bengaluru

Date: May 24, 2019

Annexure B to the Independent Auditors' report on the standalone financial statements of Coffee Day Enterprises Limited for the year ended March 31, 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

OPINION

We have audited the internal financial controls with reference to financial statements of Coffee Day Enterprises Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls

with reference to financial statements. 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 with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to

financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership No.: 217433

Place: Bengaluru

Date: May 24, 2019

Standalone Balance Sheet

₹ (in Million)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	50.54	51.49
Intangible assets	5	-	-
Investment in subsidiaries and associate	6	19,370.00	21,315.06
Financial assets			
(I) Loans	7-A	6.81	6.81
(II) Other financial assets	9	-	32.50
Non-current tax assets	8	31.44	32.04
Other assets	10-A	1.65	1.59
Total non-current assets		19,460.44	21,439.49
Current assets			
Financial assets			
(I) Trade receivables	11	38.95	39.42
(II) Cash and cash equivalents	12	21.00	13.89
(III) Bank balances other than cash and cash equivalents	13	102.82	195.60
(IV) Loans	7-B	62.37	7,514.83
Other assets	10-B	29.60	0.28
		254.74	7,764.02
Asset held for sale	29	1,946.47	-
Total current assets		2,201.21	7,764.02
TOTAL ASSETS		21,661.65	29,203.51
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,112.52	2,112.52
Other equity		15,970.83	16,647.41
Total equity		18,083.35	18,759.93
Non-current liabilities			
Financial liabilities			
Borrowings	15	3,264.98	5,573.22
Provision	16-A	8.51	7.84
Total non-current liabilities		3,273.49	5,581.06
Current liabilities			
Financial liabilities			
(I) Trade payables			
Total outstanding dues to micro enterprises and small enterprises; and	17	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		18.62	9.72
(II) Other financial liabilities (other than those specified above)	18	264.70	4,843.69
Provision	16-B	0.35	0.48
Other current liabilities	19	21.14	8.63
Total current liabilities		304.81	4,862.52
TOTAL EQUITY AND LIABILITIES		21,661.65	29,203.51
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 & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Aravind Maiya
Partner
Membership no.: 217433
Place: Bangalore
Date: May 24, 2019

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
Place: Bangalore
Date: May 24, 2019

Sadananda Poojary
Company Secretary
Place: Bangalore
Date: May 24, 2019

Standalone Statement of Profit and Loss

₹ (in Million)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	20	1,223.16	1,403.06
Other income	21	17.42	17.12
Total income		1,240.58	1,420.18
Expenses			
Purchase of stock in trade		691.27	611.49
Employee benefits expense	22	84.99	76.93
Finance costs	23	1,050.78	1,257.28
Depreciation and amortization expense	24	4.66	4.44
Other expenses	25	86.02	84.95
Total expenses		1,917.72	2,035.09
Loss before tax		(677.14)	(614.91)
Tax expense	26	-	-
Loss for the year		(677.14)	(614.91)
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Re-measurements of defined benefit plan		0.56	0.17
		0.56	0.17
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income for the year		0.56	0.17
Total Comprehensive loss for the year		(676.58)	(614.74)
Loss per equity share:			
- Basic	30	(3.21)	(2.91)
- Diluted		(3.21)	(2.91)
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 & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

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

Aravind Maiya
Partner
Membership no.: 217433
Place: Bangalore
Date: May 24, 2019

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R Ram Mohan
Chief Financial Officer
Place: Bangalore
Date: May 24, 2019

Sadananda Poojary
Company Secretary
Place: Bangalore
Date: May 24, 2019

Standalone Statement of Cash Flows

	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Loss for the year	(677.14)	(614.91)
Adjustments for:		
- Interest income on bank deposits	(14.24)	(14.46)
- Remeasurements of actuarial gain and losses	0.56	0.17
- Finance cost	1,050.78	1,257.28
- Financial guarantee obligation income	(6.92)	(11.92)
- Depreciation and amortization	4.66	4.44
Operating cash flow before working capital changes	357.70	620.60
Changes in		
- Trade receivables	0.47	246.63
- Provisions	0.54	2.96
-Trade payables and other current and non current financial liabilities	0.92	0.67
- Other current and non-current liabilities	12.51	(7.59)
- Other current and non-current assets	(7.56)	2.28
- Loan given to related parties	(10,557.26)	(10,167.70)
- Loan received from related parties	18,009.81	9,796.81
Cash generated from operations	7,459.43	(125.94)
Income taxes refund/(paid)	0.60	(3.40)
Cash generated from operations [A]	7,817.73	491.26
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3.71)	(1.68)
Investment in fixed deposits	(102.82)	(24.73)
Withdrawal of fixed deposits	228.10	-
Interest received	14.24	14.47
Net cash generated used in investing activities [B]	135.81	(11.94)
Cash flows from financing activities		
Proceeds from borrowings	250.54	2,150.00
Repayment of borrowings	(9,024.71)	(3,817.39)
Advance payment of transaction costs related to borrowings	(21.88)	-
Proceeds from issue of debentures	2,005.31	2,350.00
Interest paid	(1,155.69)	(1,156.35)
Net cash used in financing activities [C]	(7,946.43)	(473.74)
Net increase in cash and cash equivalents [A+B+C]	7.11	5.58
Cash and cash equivalents at the beginning of the year	13.89	8.31
Cash and cash equivalents at the end of the year (refer note 12)	21.00	13.89

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 & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

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

Aravind Maiya
Partner
Membership no.: 217433
Place: Bangalore
Date: May 24, 2019

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R Ram Mohan
Chief Financial Officer
Place: Bangalore
Date: May 24, 2019

Sadananda Poojary
Company Secretary
Place: Bangalore
Date: May 24, 2019

Standalone Statement of Changes in Equity

A EQUITY SHARE CAPITAL

₹ (in Million)		
Particulars	Note	Total
Balance as at March 31, 2017		2,060.02
Changes in equity share capital during 2017-18	14	52.50
Balance as at March 31, 2018		2,112.52
Changes in equity share capital during 2018-19	14	-
Balance as at March 31, 2019		2,112.52

B OTHER EQUITY

₹ (in Million)			
Particulars	Reserves and Surplus		Total
	Securities Premium	Retained Earnings	
Balance as at April 01, 2017	21,664.51	(5,636.69)	16,027.82
Total comprehensive income for the year ended March 31, 2018			
Loss during the year	-	(614.91)	(614.91)
Other comprehensive income	-	0.17	0.17
Premium received on issue of conversion of 41,000,000 compulsorily convertible debentures into 18,755,822 equity shares	1,234.33	-	1,234.33
Total comprehensive income	22,898.84	(6,251.43)	16,647.41
Balance as at March 31, 2018	22,898.84	(6,251.43)	16,647.41
Balance as at April 01, 2018	22,898.84	(6,251.43)	16,647.41
Total comprehensive income for the year ended March 31, 2019			
Loss during the year	-	(677.14)	(677.14)
Other comprehensive income	-	0.56	0.56
Total comprehensive income	22,898.84	(6,928.01)	15,970.83
Balance as at March 31, 2019	22,898.84	(6,928.01)	15,970.83
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 & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

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

Aravind Maiya
Partner
Membership no.: 217433
Place: Bangalore
Date: May 24, 2019

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R Ram Mohan
Chief Financial Officer
Place: Bangalore
Date: May 24, 2019

Sadananda Poojary
Company Secretary
Place: Bangalore
Date: May 24, 2019

Notes to the Financial Statements

1 REPORTING ENTITY

Coffee Day Enterprises Limited ('CDEL' or 'the Company') was originally incorporated as a private limited Company under the Companies Act, 1956 on June 20, 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 November 02, 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 purchase and sale 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	90.69%
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%
Coffee Day Kabini Resorts Limited ('CDKRL')	a subsidiary of the Company incorporated under the laws of India	100.00%
STEP-DOWN SUBSIDIARIES		
Way2Wealth Securities Private Limited ('W2WSPL')	a subsidiary of TDL and CDEL incorporated under the laws of India	85.53%
Tanglin Retail Reality Developments Private Limited ('TRR')	a subsidiary of TDL 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%
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 CDGL incorporated under the laws of India	100.00%
Coffee Day Gastronomie Und Kaffeehandels 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%
Sical Logistics Limited ('SLL')	a subsidiary of TRR incorporated under the laws of India	55.18%
Sical Washeries Limited	a subsidiary of SLL incorporated under the laws of India	51.00%
Sical Infra Assets Limited ('SIAL')	a subsidiary of SLL incorporated under the laws of India	53.00%
Sical Iron Ore Terminal Limited	a subsidiary of SLL incorporated under the laws of India	63.00%
Sical Iron Ore Terminal (Mangalore) Limited	a subsidiary of SLL incorporated under the laws of India	100.00%
Norsea Offshore India Limited	a subsidiary of SLL incorporated under the laws of India	100.00%
Sical Mining Limited	a subsidiary of SLL incorporated under the laws of India	100.00%
Sical Saumya Mining Limited	a subsidiary of SLL incorporated under the laws of India	65.00%

Notes to the Financial Statements

Name of the entity	Country of incorporation and other particulars	Percentage of holding
Sical Bangalore Logistics Park Limited	a subsidiary of SIAL incorporated under the laws of India	100.00%
Sical Adams Offshore Limited	a subsidiary of SLL incorporated under the laws of India	100.00%
Bergen Offshore Logistics Pte. Limited ('BOFL')	a subsidiary of SLL incorporated under the laws of India	100.00%
Norsea Global Offshore Pte Ltd	a subsidiary of BOFL incorporated under the laws of India	100.00%
Sical Multimodal and Rail Transport Limited ('SMART')	a subsidiary of SIAL incorporated under the laws of India	100.00%
PNX Logistics Private Limited	a subsidiary of SLL incorporated under the laws of India	60.00%
PAT Chems Private Limited	a subsidiary of SLL incorporated under the laws of India	51.00%
Develecto Mining Limited	a subsidiary of SLL incorporated under the laws of India	51.00%
Way2Wealth Capital Private Limited	a subsidiary of W2WSPL incorporated under the laws of India	99.99%
Way2Wealth Enterprises Private Limited	a subsidiary of W2WSPL incorporated under the laws of India	100.00%
Way2Wealth Brokers Private Limited ('W2WBPL')	a subsidiary of W2WSPL incorporated under the laws of India	99.99%
Way2Wealth Insurance Brokers Private Limited (erstwhile Total Insurance Brokers Private Limited)	a subsidiary of W2WSPL incorporated under the laws of India	99.99%
AlphaGrep Securities Private Limited (erstwhile Way2Wealth Illuminati Securities Private Limited)	a subsidiary of W2WSPL incorporated under the laws of India	51.00%
Way2Wealth Commodities Private Limited	a subsidiary of W2WBPL incorporated under the laws of India	99.99%
Alphagrep Commodities Private Limited	a subsidiary of Alphagrep Securities incorporated under the laws of India	100.00%
Alphagrep Pte Limited (erstwhile Way2Wealth Illuminati Pte. Limited ('W2WIP'))	a subsidiary of Alphagrep Securities incorporated under the laws of Singapore	100.00%
AlphaGrep Holding HK Limited ('AHHKL')	a subsidiary of Alphagrep Securities incorporated under the laws of hongkong	100.00%
AlphaGrep UK Limited	a subsidiary of Alphagrep Securities incorporated under the laws of United Kingdom	100.00%
Shanghai Dao Ge International Trading Limited	a subsidiary of Alphagrep Securities incorporated under the laws of China	100.00%
Calculus Traders LLP	a subsidiary of W2WSPL incorporated under the laws of India	99.99%
Girividhyuth 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 (KWRPL)	a subsidiary of WRPL incorporated under the laws of India	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	32.51%
Mindtree Limited	an associate of the Company and CDTL incorporated under the laws of India	16.03%
Barefoot Resorts and Leisure India Private Limited	an associate of CDHRPL incorporated under the laws of India	27.69%
Global Edge Software Private Limited (until September 25, 2017)	an associate of the Company and CDTL incorporated under the laws of India	26.50%
JOINT VENTURES		
Coffee Day Schaefer 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 SLL 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%

Notes to the Financial Statements

2 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.

This is the first set of the Company's annual financial statements in which Ind AS 115 Revenue from Contracts with Customers have been applied. Changes to significant accounting policies pertaining to revenue are described in Note 3.4 Revenue Recognition.

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

2.2 Functional and presentation currency

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

Assumptions and estimation uncertainties
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended March 31, 2019 is included in the following notes:

- Note 26 – 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 27 – recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 35 – 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

Notes to the Financial Statements

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 35)
- Disclosures for valuation methods, significant estimates and assumptions (note 35)
- Quantitative disclosures of fair value measurement hierarchy (note 35)
- Financial instruments (including those carried at amortised cost) (note 35)

2.7 Changes in accounting policies

Except for the changes below, the Company has consistently applied the accounting policies set out in note 3 to all periods presented in these standalone financial statements.

The Company has initially applied Ind AS 115 from April 01, 2018. A number of other amendments are also effective from April 01, 2018. These new standards and amendments are as follows:

- Transfers of Investment Property (Amendments to Ind AS 40)

Notes to the Financial Statements

- Inclusion of Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

The new standard and the amendments do not have a material effect on the Company's standalone financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

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.

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 equipment	8 years
Office equipment	6 years
Computers (including software)	3 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.

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.

Notes to the Financial Statements

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 at 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).

Notes to the Financial Statements

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

The Company derives its revenue primarily from running and/or managing hotels and resorts, sale of coffee beans and providing consultancy services

The Company has initially applied Ind AS 115 - 'Revenue from contracts with Customers' from April 01, 2018. IndAs 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced Ind AS 18 - Revenue and Ind AS 11 Construction Contracts and Guidance Notes.

The Company has adopted IndAs 115 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of the initial application i.e., April 01, 2018. Accordingly, the information presented for the year ended March 31, 2018 is not restated, i.e., it is presented, as previously reported, under IndAs 18, IndAs 11 and related interpretations. Additionally, the disclosure requirements in IndAs 115 have not generally been applied to comparative information. There is no impact due to adoption of Ind AS 115.

Revenue is recognised when the entity satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of an asset.

Service income is recognized when the related services are rendered unless significant future contingencies exist.

Income from resorts:

Sales are disclosed net of sales tax, service tax, trade discount and quality claims.

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.

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

Revenue from sale of coffee beans is recognised when control is transferred to the buyer.

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

Interest on the deployment of funds is recognised using the effective interest rate method.

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.

Notes to the Financial Statements

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.

Notes to the Financial Statements

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 sole 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.

Notes to the Financial Statements

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 (INR)."

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.

Notes to the Financial Statements

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.

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 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 Company 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 recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has

sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

Notes to the Financial Statements

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. There are no potential dilutive equity shares with the Company.

3.15 Contributed equity

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

3.16 Recent Accounting Pronouncements

Notification of 'Ind AS 116 - Leases'

The Company is required to adopt Ind AS 116, Leases from April 01, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing

its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Company plans to apply Ind AS 116 initially on April 01, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at April 01, 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before April 01, 2019 and identified as leases in accordance with Ind AS 17.

The effect on adoption of Ind AS 116 is not expected to be significant.

The following amended standards are not expected to have a significant impact on the Company's standalone financial statements.

- Ind AS 12, Income Taxes (amendments relating to income tax consequences of dividend)
- Appendix C to Ind AS 12, Income taxes - uncertainty over Income tax treatments
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Notes to the Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT

₹ (in Million)

	Owned						
	Buildings*	Plant and equipment	Office equipment	Furniture and fixtures	Computers	Vehicles	Total
Cost or deemed cost							
Balance as at April 01, 2017	54.85	6.70	1.70	5.17	1.37	0.27	70.06
Additions	-	0.86	0.10	0.25	0.34	0.03	1.58
Balance as at March 31, 2018	54.85	7.56	1.80	5.42	1.71	0.30	71.64
Balance as at April 01, 2018	54.85	7.56	1.80	5.42	1.71	0.30	71.64
Additions	1.14	1.90	0.12	0.36	0.13	0.06	3.71
Balance as at March 31, 2019	55.99	9.46	1.92	5.78	1.84	0.36	75.35
Accumulated depreciation:							
Balance as at April 01, 2017	6.75	3.25	1.37	2.86	1.37	0.18	15.78
Depreciation for the year	2.57	0.91	0.16	0.49	0.19	0.05	4.37
Balance as at March 31, 2018	9.32	4.16	1.53	3.35	1.56	0.23	20.15
Balance as at April 01, 2018	9.32	4.16	1.53	3.35	1.56	0.23	20.15
Depreciation for the year	2.75	1.02	0.09	0.52	0.24	0.04	4.66
Balance as at March 31, 2019	12.07	5.18	1.62	3.87	1.80	0.27	24.81
Carrying amounts (net):							
As at March 31, 2018	45.53	3.40	0.27	2.07	0.15	0.07	51.49
As at March 31, 2019	43.92	4.28	0.30	1.91	0.04	0.09	50.54

*Represents building constructed on leasehold land.

Significant estimates

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 anticipation of future events, which may impact their life, such as changes in technology.

5 INTANGIBLE ASSETS

₹ (in Million)

	Software	Total
Cost		
Balance as at April 01, 2017	0.36	0.36
Balance as at March 31, 2018	0.36	0.36
Balance as at April 01, 2018	0.36	0.36
Balance as at March 31, 2019	0.36	0.36
Accumulated amortisation		
Balance as at April 01, 2017	0.29	0.29
Amortisation for the year	0.07	0.07
Balance as at March 31, 2018	0.36	0.36
Balance as at April 01, 2018	0.36	0.36
Balance as at March 31, 2019	0.36	0.36
Carrying amount:		
As at March 31, 2018	-	-
As at March 31, 2019	-	-

Notes to the Financial Statements

6 INVESTMENT IN SUBSIDIARIES AND ASSOCIATE

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Investments accounted at cost		
Trade investment - unquoted		
<i>Investment in debentures</i>		
<i>- in subsidiaries</i>		
Nil (March 31, 2018: 41,000,000) debentures of Coffee Day Global Limited of ₹100 each [Refer note 6(a)]	-	4,100.00
<i>Investment in equity instruments</i>		
<i>- in subsidiaries</i>		
11,223,980 (March 31, 2018: 11,223,980) equity shares of Coffee Day Hotels and Resorts Private Limited	706.68	706.68
5,131,651 (March 31, 2018: 5,131,651) equity shares of Tanglin Developments Limited	820.34	818.93
173,127,164 (March 31, 2018: 153,371,342) equity shares of Coffee Day Global Limited [Refer note 6(a)]	15,765.48	11,665.48
30,922,186 (March 31, 2018: 30,922,186) equity shares of Coffee Day Trading Limited	1,353.72	1,353.72
77,729,800 (March 31, 2018: 77,729,800) equity shares of Way2Wealth Securities Private Limited	723.78	723.78
7 (March 31, 2018: Nil) equity shares of Coffee Day Kabini Resorts Limited	-	-
Trade investment - quoted		
<i>Investment in equity instruments</i>		
<i>- in associates</i>		
Nil (March 31, 2018: 17,461,768) equity shares of Mindtree Limited (Refer note 29)	-	1,946.47
	19,370.00	21,315.06
(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 Nil (March 31, 2018: ₹4,100 million). These debentures have been converted to 19,755,822 equity shares of Coffee Day Global Limited having a par value of Re 1 each pursuant to the agreement dated November 09, 2015.		
Aggregate book value of quoted investments	-	1,946.47
Aggregate market value of quoted investments	-	13,479.61
Aggregate value of unquoted investments	19,370.00	19,368.59
Aggregate amount of impairment in the value of investments	-	-

7 LOANS

A Non-current loans

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Loan receivables considered good - secured	-	-
Loan receivables which have significant increase in credit risk	-	-
Loan receivables-credit impaired	-	-
Loan receivables considered good - unsecured		
Loans and advance to employees	4.00	4.00
Security deposit	2.81	2.81
	6.81	6.81

Notes to the Financial Statements

B Current loans

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Loan receivables considered good - secured	-	-
Loan receivables which have significant increase in credit risk	-	-
Loan receivables-credit impaired	-	-
Loan receivables considered good - unsecured		
Loans to employees	0.08	0.04
Loans to related parties		
Loans to wholly owned subsidiary companies (Refer note 33)	62.29	7,514.79
	62.37	7,514.83

8 NON-CURRENT TAX ASSETS

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Advance tax including tax deducted at source, net of provision for tax	25.24	32.04
Tax paid under protest (Refer note 27)	6.20	-
	31.44	32.04

9 OTHER FINANCIAL ASSETS

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposit accounts with banks*	-	32.50
	-	32.50

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

10 OTHER ASSETS

A Other non-current assets

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Balance with government authorities	1.62	1.57
Prepaid expenses	0.03	0.02
	1.65	1.59

B Other current assets

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	29.60	0.28
	29.60	0.28

Notes to the Financial Statements

11 TRADE RECEIVABLES

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - secured	-	-
Trade receivables which have significant increase in credit risk	-	-
Trade receivables credit impaired	-	-
Trade receivables considered good - unsecured		
Trade receivables	38.95	39.42
	38.95	39.42
Non-current	-	-
Current	38.95	39.42
	38.95	39.42

Of the above trade receivables from related parties are as below:

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Trade receivables considered good - unsecured		
Trade receivables from related parties (Refer note 33)	36.27	36.12
	36.27	36.12

The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 35.

12 CASH AND CASH EQUIVALENTS

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in current accounts	20.94	13.83
Cash on hand	0.06	0.06
	21.00	13.89

13 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Fixed deposit accounts with banks*	102.82	195.60
	102.82	195.60

*As at March 31, 2018, represents balances held as security for loan availed by the Company.

Notes to the Financial Statements

14 EQUITY SHARE CAPITAL

₹ (in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
270,834,000 (March 31, 2018: 270,834,000) equity shares of ₹10 each	2,708.34	2,708.34
3,500,000 (March 31, 2018: 3,500,000) compulsorily convertible preference shares of ₹10 each	35.00	35.00
	2,743.34	2,743.34
Issued, subscribed and fully paid up		
211,251,719 (March 31, 2018: 211,251,719) equity shares of ₹10 each	2,112.52	2,112.52
	2,112.52	2,112.52

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

₹ in Million (except share data)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
Number of shares outstanding at the beginning of the year	21,12,51,719	2,112.52	20,60,01,719	2,060.02
Add: Shares issued during the year	-	-	52,50,000	52.50
Number of shares outstanding at the end of the year	21,12,51,719	2,112.52	21,12,51,719	2,112.52

- (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 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.

- (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 March 31, 2019		As at March 31, 2018	
	% of holding	No of shares	% of holding	No of shares
Equity shares				
Mr. V G Siddhartha	32.75%	6,91,74,700	32.75%	6,91,74,700
KKR Mauritius PE Investments II Limited	6.07%	1,28,26,912	6.07%	1,28,26,912
NLS Mauritius LLC	10.61%	2,24,12,992	10.61%	2,24,12,992
Devadarshini Info Technologies Private Limited	5.87%	1,24,08,440	5.87%	1,24,08,440
Coffeeday Consolidations Private Limited	5.81%	1,22,68,416	5.81%	1,22,68,416
Gonibedu Coffee Estates Private Limited	5.24%	1,10,71,104	5.24%	1,10,71,104

Notes to the Financial Statements

15 NON-CURRENT BORROWINGS

₹ (in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured:		
Debtentures		
Nil (March 31, 2018: 850) secured rated redeemable non-convertible debtentures of ₹1,000,000 each issued to ICICI Prudential Asset Management Company [Refer Note 15(i)]	-	894.76
Nil (March 31, 2018: 600) secured rated redeemable non-convertible debtentures of ₹1,000,000 each issued to ICICI Prudential Asset Management Company [Refer Note 15(ii)]	-	628.95
Nil (March 31, 2018: 900) secured rated redeemable non-convertible debtentures of ₹1,000,000 each issued to ICICI Prudential Asset Management Company [Refer Note 15(iii)]	-	945.12
1000 (March 31, 2018: Nil) secured rated redeemable non-convertible debtentures of ₹1,000,000 each issued to Credit Opportunities II Pte. Ltd. [Refer Note 15(iv)]	1,002.66	-
1000 (March 31, 2018: Nil) secured rated redeemable non-convertible debtentures of ₹1,000,000 each issued to India Special Situations Scheme I [Refer Note 15(iv)]	1,002.65	-
Term loans		
From banks		
- Axis Bank Limited [Refer Note 15(v)]	1,259.67	3,104.39
	3,264.98	5,573.22

Information about the Company's exposure to interest rate and liquidity risks is included in note 35.

Notes:

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

- As at the year end, the paid up value of these debtentures is Nil [March 31, 2018: 850 secured rated redeemable non convertible debtentures of ₹1 million each]
- 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 at least 1.5 times the benchmark amount from the effective date of issue of mindtree shares.
- Personal guarantee of Mr. V. G. Siddhartha.
- MIBOR plus 600 base points subject to a minimum of 10.99% and maximum of 11.01%
- Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
- The amount shall be paid on bullet repayment basis on the expiry of the term of 2 years.

- The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.

The Company has prepaid these debtentures on 26 March 2019.

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

- As at the year end, the paid up value of these debtentures is Nil [March 31, 2018: i.e., 600 secured rated redeemable non convertible debtentures of ₹1 million each]
- 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 at least 1.5 times the benchmark amount from the effective date of issue of mindtree shares.
- Personal guarantee of Mr. V. G. Siddhartha.
- These debtentures carry a fixed maturity internal rate of return of 11% p.a
- Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
- The amount shall be paid on bullet repayment basis on the expiry of the term of 2 years.

Notes to the Financial Statements

- The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.
The Company has prepaid these debentures on 26 March 2019.

(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 Nil [March 31, 2018: 900 secured rated redeemable non convertible debentures of ₹1 million each]
- 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 at least 1.5 times the benchmark amount from the effective date of issue of mindtree shares.
- Personal guarantee of Mr. V. G. Siddhartha.
- MIBOR plus 600 basis points subject to a minimum of 10.99% and maximum of 11.01%.
- Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay.
- The amount shall be paid on bullet repayment basis on the expiry of the term of 2 years.
- The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement.

The Company has prepaid these debentures on 26 March 2019.

(iv) Secured, unlisted, redeemable non-convertible debentures issued to Credit Opportunities II Pte. Ltd. and India Special Situations Scheme I

- As at the year end, the paid up value of these debentures is ₹2,000 [March 31, 2018: Nil secured redeemable non convertible debentures of ₹1 million each]
- Security
 - Pledge of shares of CDGL where the aggregate amount shall be 2.5 times the benchmark amount.
- Personal guarantee of Mr. V. G. Siddhartha.

- 9.5% per year, payable quarterly and interest of 4% compounding quarterly
- Initial security cover ratio: 2.25x from CDGL shares and an additional 0.25x from CDEL shares within 45 days ("Initial Collateral Package"). Promoter shall have the right to alter the collateral to 1.00x cover from CDGL shares and an additional 1.00x cover from CDEL shares.
- The amount shall be paid on bullet repayment basis at the end of year three, 31 March 2022.

(v) From Axis Bank Limited [Principal amount of loan amounting to ₹1,259.67 million (March 31, 2018 - ₹3,104.39 million) - Secured by

- Security
 - 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
 - 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., June 28, 2020)
- Amounts unpaid on due date will attract overdue interest at 2% p.a
- As per the letter dated 18 March 2019, the Company has remitted ₹1,850 million to the lender against the aforesaid loan balance. However, the bank has accounted for such payment as deposits and accordingly confirmed a gross loan outstanding including the deposit balance as at March 31, 2019.

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

Fully paid secured rated redeemable non-convertible debentures of ₹1,000,000 each issued to ICICI Prudential Asset Management Company -

- As at the year end the paid up value of these debentures is Nil (March 31, 2018: ₹1,004.36 million)]
- 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 at least 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; 14 March 2019)
- Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the cash coupon rate.
- The Company has repaid these debentures on 14 March 2019.

(vii) 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 (March 31, 2018 : ₹1,082.89 million including current maturities of long-term borrowings)
- 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 have been redeemed on 25 October 2018 by way of bullet repayment at the end of 19 months and 6 days from the date of issue.

(viii) Secured rated redeemable non-convertible debentures issued to Birla Sun Life-

- As at the year end, the paid up value of these debentures is Nil (March 31, 2018: ₹1,200 million including current maturities of long-term borrowings)
- 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- April 27, 2015- ₹600 million and May 12, 2015- ₹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 have been redeemed by way of bullet repayment on April 16, 2018.

(ix) From Aditya Birla Finance Limited (ABFL)-

₹250.54 million [March 31, 2018: Principal amount of loan amounting to ₹1,528.81 million including current maturities of long-term borrowings - Secured by

- Security
 - Pledge of a proportion of the shares of Mindtree Limited (released during the year), 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 15.00% p.a. payable quarterly

Notes to the Financial Statements

- 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 repayment of the loan has been extended pursuant to the letter dated June 21, 2018 up to May 24, 2019. This loan has been prepaid on 25 March 2019.
- During the year, ABFL has sanctioned a similar facility of up to ₹500 million with rate of interest being 15% p. a with effect from 27 March 2019 of which ₹250 million has been withdrawn and outstanding as at March 31, 2019.

(x) **Redeemable debentures in descending order of redemption:**

	Manner of conversion/ redemption	Earliest date of conversion / redemption
1000 (March 31, 2018: Nil) secured rated redeemable non-convertible debentures of ₹1,000,000 each issued to Credit Opportunities II Pte. Ltd. [Refer Note 15(iv)]	Redemption	31-Mar-22
1000 (March 31, 2018: Nil) secured rated redeemable non-convertible debentures of ₹1,000,000 each issued to India Special Situations Scheme I [Refer Note 15(iv)]	Redemption	31-Mar-22

- (xi) There are no continuing default in the repayment of the principal loan and interest amounts with respect to the above loans.
- (xii) The aggregate amount of borrowing secured by personal guarantee of Director amounts to ₹3,550.91 million (March 31, 2018: ₹10,262.75 million).

16 PROVISION

A Non-current provision

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity [Refer Note 34]	8.51	7.84
	8.51	7.84

B Current provision

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity [Refer Note 34]	0.35	0.48
	0.35	0.48

Notes to the Financial Statements

17 TRADE PAYABLES

₹ (in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises	18.62	9.72
	18.62	9.72

All trade payables are current

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 35.

Micro, Small and Medium Enterprises

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 (March 31, 2018: 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.

₹ (in Million)

Particulars	As at March 31, 2019	As at March 31, 2018
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 amount 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	-	-

Notes to the Financial Statements

18 OTHER CURRENT FINANCIAL LIABILITIES

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debentures		
Nil (March 31, 2018:1,000) secured rated redeemable non-convertible debentures of ₹1,000,000 each issued to ICICI Prudential Asset Management Company [Refer Note 15(vi)]	-	1,004.36
Nil (March 31, 2018:1,050) secured rated redeemable non-convertible debentures of ₹1,000,000 each issued to DSP Black Rock [Refer Note 15(vii)]	-	1,082.89
Nil (March 31, 2018:1,200) secured rated redeemable non-convertible debentures of ₹1,000,000 each issued to Birla Sun Life [Refer Note 15(viii)]	-	1,200.00
Current maturities of long-term debt		
- Aditya Birla Finance Limited [Refer Note 15(ix)]	250.54	1,528.81
Financial guarantee obligation	2.71	8.22
Others		
- accrued salaries and benefits	5.19	3.76
- creditors for expenses	0.10	0.10
- creditors for capital goods	0.30	0.40
- provision for expenses	5.86	15.15
	264.70	4,843.69

19 OTHER CURRENT LIABILITIES

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues	17.92	1.37
Others		
- Advance from customers	3.22	7.26
	21.14	8.63

20 REVENUE FROM OPERATIONS

₹ (in Million)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
- Sale of coffee beans	691.91	618.42
- Sale of food, beverages and other items	33.67	30.00
- Sale of merchandise items	0.15	0.33
Sale of services		
- Income from hospitality services	120.35	114.98
- Income from consultancy services	9.00	18.00
Other operating revenue		
- Dividend income	192.08	192.08
- Commission income	6.92	11.92
- Interest income on loans given to subsidiary	198.81	450.40
Less: sales tax/ goods and service tax	(29.73)	(30.94)
Less: luxury tax	-	(2.13)
	1,223.16	1,403.06

Notes to the Financial Statements

21 OTHER INCOME

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income		
- Bank deposits	14.24	14.46
- Interest on income tax refund	1.45	-
- Miscellaneous income	1.73	2.66
	17.42	17.12

22 EMPLOYEE BENEFITS EXPENSE

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	81.06	73.12
Contribution to provident and other funds	3.41	3.41
Staff welfare expenses	0.52	0.40
	84.99	76.93

23 FINANCE COSTS

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense on loans and debentures	1,020.26	1,224.42
Other charges	30.52	32.86
	1,050.78	1,257.28

24 DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (Refer note 4)	4.66	4.37
Amortisation of intangible assets (Refer note 5)	-	0.07
	4.66	4.44

25 OTHER EXPENSES

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Legal and professional fees (Refer note 28)	28.57	29.22
Food, beverages and other consumables	16.64	14.81
Rates and taxes	11.26	11.63
Power and fuel	7.55	6.74
Rent (Refer note 31)	5.41	5.18
Advertisement expenses	3.76	3.84
Director sitting fee	2.61	2.14
Repairs and maintenance		

Notes to the Financial Statements

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
- Others	3.72	4.35
- Machinery	0.46	0.94
- Buildings	1.13	1.32
Travelling and conveyance	1.82	1.88
Insurance	0.32	0.55
Communication expenses	0.47	0.57
Printing and stationery	0.67	0.34
Freight and handling charges	0.41	0.31
Miscellaneous expenses	1.22	1.13
	86.02	84.95

26 INCOME TAX

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

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss before tax	(677.14)	(614.91)
Estimated tax at Indian tax rate of 26.00% (March 31, 2018: 30.90%)	(176.06)	(203.29)
Losses on which no deferred tax is created	176.06	203.29
Income tax expense	-	-

(b) Unrecognised deferred tax assets

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

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Carry forward of business losses	6,291.57	5,432.04
Potential tax benefit @ 26.00% (March 31, 2018: 30.90%)	1,635.81	1,678.50
Carry forward of unabsorbed depreciation	55.21	48.11
Potential tax benefit @ 26.00% (March 31, 2018: 30.90%)	14.35	14.87

*The business losses expire in 2021-28.

27 CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Contingent liabilities:		
Claims against the Group not acknowledged as debt in respect to income tax matter, service tax and value added tax matters (refer notes (iii))	46.37	46.37
Investments pledged for loan taken by a subsidiary	-	4,745.38

- Pending resolution of the respective proceedings, it is not practicable for the Company 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.
- The Company 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

Notes to the Financial Statements

from the Company's legal counsel, management does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

- iii) Income tax department conducted search/survey under Section 132/132A of the Income Tax Act, 1961 on the Company and its subsidiary Companies from September 21, 2017 to September 24, 2017. AS at March 31, 2018, the Company received a demand for ₹46.37 million. During the current year, the Company received a favorable order from the office of the CIT (Appeals), Bengaluru dated April 12, 2018. The Company has received a notice from the Income Tax Appellate Tribunal (ITAT) dated February 11, 2019 due to a further appeal by the Income tax department to the ITAT. The Company does not envisage any material impact on its financial statements.
- iv) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Company does not expect any material impact of the same.

28 AUDITOR'S REMUNERATION (INCLUDED IN LEGAL AND PROFESSIONAL FEES AND EXCLUDES SERVICE TAX)

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
As auditor		
- for statutory audit	4.50	2.70
- limited reviews	3.75	6.00
Reimbursement of expenses	0.25	0.15
	8.50	8.85

29 ASSETS CLASSIFIED AS HELD FOR SALE

On February 07, 2019, the Board of Directors provided an in principal approved to sell the shares of Mindtree Limited held by the Company and its subsidiary. Subsequently, on 18 March 2019, the Company has entered into an agreement to sell the shares of Mindtree Limited held by the Company, its subsidiary as well as directly by the Promoter to Larsen and Toubro Limited at an agreed price of ₹980 per share subject to certain terms and conditions as per the agreement. Accordingly, the Company has classified its shares held in Mindtree Limited as at March 31, 2019 as "Assets held for Sale" as required under Ind-AS 105 – "Non Current Assets Held for Sale and Discontinued Operations". Subsequent to the balance sheet date on April 30, 2019, the transaction for sale of Mindtree Limited has been completed and the Company along with its subsidiary has received the entire agreed consideration.

A Assets of disposal of share held for sale

As at March 31, 2019 disposal shares was stated at lower of its carrying amount and fair value less cost to sell.

Particulars	Amount
	₹ (in Million)
-17,461,768 (March 31, 2018: 17,461,768) equity shares of Mind tree Limited of ₹10 each fully paid up	1,946.47

B Cumulative income or expense included in OCI

There is no cumulative income or expense included in OCI

C Measurement

Consideration as agreed with Larsen & Toubro Limited for these assets held for sale is considered as fair value.

Notes to the Financial Statements

30 LOSS PER SHARE

(i) Loss attributable to equity shareholders (basic and diluted):

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Loss for the year, attributable to the equity holders	(677.14)	(614.91)

(ii) Weighted average number of equity shares (basic and diluted):

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of equity shares at the beginning of the year (Refer note 14)	21,12,51,719	21,12,51,719
Add: Weighted average number of equity shares issued during the year	-	-
Number of weighted average equity shares considered for calculation of basic earnings per share	21,12,51,719	21,12,51,719

(iii) Loss per share:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
- Basic	(3.21)	(2.91)
- Diluted	(3.21)	(2.91)

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 ₹5.26 million (Previous year: ₹5.02 million).

The future minimum lease payments under non-cancellable operating leases in aggregate are as follows:

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	5.52	5.26
Later than 1 year and not later than 5 years	24.99	23.80
More than 5 years	72.38	79.09

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 ₹0.15 million (Previous year: ₹0.16 million).

32 SEGMENT INFORMATION

A Basis for segmentation

In accordance with Ind AS 108, Operating segments, segment information has been provided in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these standalone financial results.

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

Notes to the Financial Statements

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

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

- Mr. Sanjay Nayar
- Mrs. Malavika Hegde
- Mr. S V Ranganath
- Mr. Albert Hieronimus
- Mrs. Sulakshana Raghavan (Appointed w.e.f - 5 March 2019)

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:

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Significant transactions with entities where control exists -		
<i>Services rendered (Income from hospitality):</i>		
- Karnataka Wildlife Resorts Private Limited	26.28	23.37
<i>Rent paid:</i>		
- Coffee Day Global Limited	0.09	0.10
<i>Trade Mark Sublicence Fee:</i>		
- Coffee Day Global Limited	0.90	0.88
<i>Loans given:</i>		
- Tanglin Developments Limited	7,344.64	6,600.17
- Coffee Day Kabini Resorts Private Limited	1,106.66	-
- Coffee Day Hotels and Resorts Private Limited	2,105.96	3,567.86
<i>Interest income:</i>		
- Tanglin Developments Limited	198.81	450.40
<i>Sale of coffee beans:</i>		
- Kathlekhan Estates Private Limited	691.91	352.84
<i>Purchase of coffee beans:</i>		
- Coffee Day Trading Limited	-	350.97
- Sampigehutty Estates	691.27	-
<i>Purchase of consumables:</i>		
- Coffee Day Global Limited	0.48	0.65
<i>Trade Mark License Income:</i>		
- Tanglin Developments limited	0.40	0.40
- SICAL Logistics Ltd	0.50	0.50
- Way2wealth Securities Private Limited	0.40	0.40
<i>Loans recovered from:</i>		
- Tanglin Developments Limited	13,403.78	6,592.61
- Coffee Day Hotels and Resorts Private Limited	3,499.37	3,204.54
- Coffee Day Kabini Resorts Private Limited	1,106.66	-

Notes to the Financial Statements

Significant transactions with entities where significant influence exists -

Particulars	₹ (in Million)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<i>Dividend income:</i>		
Mindtree Limited	192.08	192.08
<i>Debt interest:</i>		
- Coffee Day Global Limited	-	0.41
<i>Consultancy services:</i>		
- Magnasoft Consulting India Private Limited	9.00	18.00
<i>Guarantees given/ (closed):</i>		
-Tanglin Developments Limited	10,150.00	1,478.40
-Tanglin Developments Limited	(3,202.90)	-
-Tanglin Retail Reality Developments Limited	(1,136.10)	467.00
-Wilderness Resorts Private Limited	(346.60)	-
-Way2Wealth Securities Private Limited	(500.00)	-
<i>Commission income:</i>		
-Tanglin Developments Limited	3.67	7.10
-Tanglin Retail Reality Developments Private Limited	1.38	3.62
-Way2Wealth Securities Private Limited	0.75	0.50
-Coffee Day Hotels and Resorts Private Limited	0.82	0.40
-Norsea Offshore India Limited	0.30	0.30

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

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Long-term loans and advances recoverable:*		
-Tanglin Developments Limited	22.09	6,081.23
- Coffee Day Hotels and Resorts Private Limited	40.20	1,433.61
<i>Trade receivables:</i>		
- Karnataka Wildlife Resorts Private Limited	1.39	0.21
- Tanglin Developments Limited	0.43	-
- Magnasoft Consulting India Private Limited	34.01	35.91
- SICAL Logistics Limited	0.44	-
<i>Corporate guarantees given:</i>		
-Tanglin Developments Limited	10,150.00	3,202.90
-Tanglin Retail Reality Developments Limited	-	1,136.10
-Wilderness Resorts Private Limited	-	346.60
-Way2Wealth Securities Private Limited	-	500.00
-Coffee Day Hotels and Resorts Private Limited	467.40	467.40
-Norsea Offshore India Limited	470.00	470.00

* Details of inter- corporate loans given

Notes to the Financial Statements

(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	12%**	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 centers. 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 Coffee Day Hotels & Resorts Private Limited.

(b) Reconciliation of inter-company loans and advances given as at the beginning and as at the end of the year:

₹ (in Million)			
Particulars	As at March 31, 2019	As at March 31, 2018	
(i) <i>Tanglin Developments Limited</i>			
At the commencement of the year	6,081.23	6,073.67	
Add: Given during the year	7,344.64	6,599.83	
Less: Repaid during the year	(13,403.78)	(6,592.27)	
At the end of the year	22.09	6,081.23	
(ii) <i>Coffee Day Hotels and Resorts Private Limited-Long Term</i>			
At the commencement of the year	1,433.61	1,070.29	
Add: Given during the year	2,105.96	3,567.86	
Less: Repaid during the year	(3,499.37)	(3,204.54)	
At the end of the year	40.20	1,433.61	
(iii) <i>Coffee Day Kabini Resorts Limited</i>			
At the commencement of the year	-	-	
Add: Given during the year	1,106.66	-	
Less: Repaid during the year	(1,106.66)	-	
At the end of the year	-	-	

E. Compensation of key management personnel of the Company:

₹ (in Million)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	5.68	4.25
	5.68	4.25

The remuneration of 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.

Notes to the Financial Statements

34 EMPLOYEE BENEFITS OBLIGATIONS

A Defined benefit plan

The Company has a defined benefit gratuity plan in India, governed by the Payment of Gratuity Act, 1972.

Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India.

B Reconciliation of the net defined benefit liability

Reconciliation of the projected benefit obligations

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
<i>Change in projected benefit obligation:</i>		
Obligations at the beginning of the year	8.32	5.36
Included in profit and loss:		
- Service cost	1.03	3.11
- Interest cost	0.63	0.37
Included in other comprehensive income:		
- Premeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in financial assumptions	0.10	0.59
- Actuarial (gains)/ losses arising from experience adjustments	(0.66)	(0.76)
Benefits settled	(0.56)	(0.35)
Obligations at year end	8.86	8.32
<i>Liability recognised in the balance sheet</i>	8.86	8.32
Non current	8.51	7.84
Current	0.35	0.48

C Expense recognised in the statement of profit and loss and other comprehensive income:

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Gratuity cost for the year		
<i>Included in profit and loss:</i>		
- Service cost	1.03	3.11
- Interest cost	0.63	0.37
<i>Included in other comprehensive income:</i>		
- Premeasurement (gains)/ losses in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in demographic assumptions		-
- Actuarial losses/ (gains) arising from changes in financial assumptions	0.10	0.59
- Actuarial gains arising from experience adjustments	(0.66)	(0.76)
Net gratuity cost	1.10	3.31

D Defined benefit obligation

(i) Assumptions

Interest rate	7.70%	7.80%
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 (2012-14)	IALM (2006-08)

Notes to the Financial Statements

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.

Particulars	₹ (in Million)			
	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(8.39)	9.37	(0.45)	0.49
Future salary growth (0.5% movement)	9.30	(8.44)	0.44	(0.42)

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 FINANCIAL INSTRUMENTS - FAIR VALUES AND RISK MANAGEMENT

A Accounting classification and fair value

Particulars	₹ (in Million)				
	Carrying value	Fair value			
	As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost:					
Loans (current and non current)	69.18	-	-	-	-
Trade receivables	38.95	-	-	-	-
Cash and cash equivalents	21.00	-	-	-	-
Bank balances other than cash and cash equivalents	102.82	-	-	-	-
Total	231.95	-	-	-	-
Financial liabilities measured at amortised cost:					
Fixed rate borrowings	2,255.85	-	2,255.85	-	2,255.85
Fluctuating rate borrowings	1,259.67	-	-	-	-
Trade payables and other financial liabilities	32.78	-	-	-	-
Total	3,548.30	-	2,255.85	-	2,255.85

The Company has not disclosed the fair values for financial instruments for non current fluctuating rate borrowing, trade receivables, cash and cash equivalents and bank balances other than cash and cash equivalents, trade payables because their carrying amounts are reasonably approximation of fair value. Investment in equity shares and assets held for sale are not appearing as financial asset in the table above being investment in subsidiaries and associate accounted under Ind AS 28, Separate Financial Statements and Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations respectively and is hence scoped out under Ind AS 109.

Notes to the Financial Statements

₹ (in Million)

Particulars	Carrying value	Fair value			
	As at March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets measured at amortised cost:					
Loans (current and non current)	7,521.71	-	-	-	-
Other financial assets (current and non current)	32.50	-	-	-	-
Trade receivables	39.42	-	-	-	-
Cash and cash equivalents	13.89	-	-	-	-
Bank balances other than cash and cash equivalents	195.60	-	-	-	-
Total	7,803.12	-	-	-	-
Financial liabilities measured at amortised cost:					
Fixed rate borrowings	7,284.89	-	7,275.20	-	7,275.20
Fluctuating rate borrowings	3,104.39	-	-	-	-
Trade payables	9.72	-	-	-	-
Other financial liabilities (current and non current)	27.63	-	-	-	-
Total	10,426.63	-	7,275.20	-	7,275.20

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-

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level 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

Notes to the Financial Statements

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 March 31, 2019 was assessed to be insignificant.

The following tables show the valuation techniques used in measuring Level 2 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 amortized cost

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 and loans:

The Company's trade receivable primarily includes receivables from related parties and others from Customers. The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references.

The Company's loans include recoverable from loans given to wholly owned subsidiaries

Notes to the Financial Statements

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.

Based on the above analysis, the Company does not expect any credit risk from its trade receivables and loans recoverable 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

₹ (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-19	Loans	66.37	0%	-	66.37
			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-18	Loans	7,518.83	0%	-	7,518.83
			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.

₹ (in Million)

As at March 31, 2019	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	1,510.21	1,557.90	312.60	59.46	110.74	1,075.10	-
Non-convertible redeemable debentures	2,005.31	2,810.00	135.00	135.00	270.00	2,270.00	-
Trade payables	18.62	18.62	18.62	-	-	-	-
Other financial liabilities	14.16	14.16	14.16	-	-	-	-
	3,548.30	4,400.68	480.38	194.46	380.74	3,345.10	-

Notes to the Financial Statements

₹ (in Million)							
As at March 31, 2018	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Secured bank loans	4,633.20	4,764.20	1,579.87	-	-	3,184.33	-
Non-convertible redeemable debentures	5,756.08	6,834.59	1,242.90	3,177.25	2,414.44	-	-
Trade payables	9.72	9.72	9.72	-	-	-	-
Other financial liabilities	27.63	27.63	27.63	-	-	-	-
	10,426.63	11,636.14	2,860.12	3,177.25	2,414.44	3,184.33	-

(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 INR.

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.

Exposure to interest rate risk

The interest rate profile of the Company's interest-bearing financial instruments as reported to management is as follows:

₹ (in Million)		
Particulars	As at March 31, 2019	As at March 31, 2018
Fixed rate instruments		
Financial liabilities	2,255.85	7,284.89
Variable rate instruments		
Financial liabilities	1,259.67	3,104.39

Sensitivity analysis

Fair value sensitivity analysis for fixed-rate instruments

The Company does not have any significant impact on interest cost on the fixed rate instruments as it is not recognised at fair value.

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 remain constant.

₹ (in Million)		
Particulars	Impact on profit or loss March 31, 2019	Impact on profit or loss March 31, 2018
Interest rates - increases by 100 bps	(24.12)	(22.15)
Interest rates - decreases by 100 bps	24.12	22.15

Notes to the Financial Statements

36 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 March 31, 2019 was as follows.

Particulars	₹ (in Million)	
	As at March 31, 2019	As at March 31, 2018
Borrowings	3,529.68	10,389.28
Trade payables	18.62	9.72
Other payables	-	-
Less: cash and cash equivalents	21.00	13.89
Net debt	3,527.30	10,385.11
Equity and reserves	18,083.35	18,759.93
Total equity	18,083.35	18,759.93
Net debt to equity ratio	0.20	0.55

37 SPECIFIED BANK NOTES

The disclosures regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2019.

38 RECONCILIATION OF MOVEMENTS OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liability
	Loans
Balance as at March 31, 2018	10,389.28
Proceeds from borrowings	250.54
Proceeds from issue of debentures	2,005.31
Redemption of debentures	(9,024.71)
Total changes from financing activities	3,620.42
Other changes:-	
Liability-related	
Interest expense	1,050.78
Interest paid	(1,155.69)
Balance as at March 31, 2019	3,515.51

As per our report of even date attached

for **B S R & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

Aravind Maiya
Partner
Membership no.: 217433
Place: Bangalore
Date: May 24, 2019

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
Place: Bangalore
Date: May 24, 2019

Sadananda Poojary
Company Secretary
Place: Bangalore
Date: May 24, 2019

Independent Auditors' Report

To
The Members of
Coffee Day Enterprises Limited

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Coffee Day Enterprises Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements or consolidated financial statements, as applicable, of such subsidiaries, associates and joint ventures as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with

the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on consolidated financial statements or separate financial statement as applicable, of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter	How the matter was addressed in our audit
Impairment testing of Goodwill <p>As set out in Note 6, the Group has a carrying value of goodwill of ₹509.10 crore as at March 31, 2019 within four major Cash Generating Units (CGUs). Management is required to perform an annual impairment assessment of goodwill.</p> <p>For the CGUs that contain goodwill, the determination of recoverable amount, being the higher of fair value less costs to sell and value-in-use, requires judgement on the part of management in both identifying and then valuing the relevant CGUs. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models, Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) multipliers, market value of land etc. These models use several key assumptions and variables including estimates of future sales volumes and prices, growth rates, operating/capital costs and economic assumptions such as discount rates, guidance value of land and inflation rates.</p> <p>Considering the significant estimation and complex calculations involved, the impairment testing of goodwill is considered to be a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence.</p> <p>Our procedures included discussion with senior management on the suitability of the impairment model and reasonableness of the assumptions, through performing the following</p> <ul style="list-style-type: none"> evaluated the design and implementation of the processes and internal controls relating to impairment of non-financial assets including, goodwill; evaluated management's identification of CGU's, the carrying value of each CGU and the methodology followed by management for the impairment assessment in compliance with the prevailing accounting standards; Evaluated the valuation approach and assumptions used by the independent valuation expert appointed by the Management. This involved assessing the competence, expertise and objectivity of the independent valuer including obtaining an understanding of the independent valuer's scope of work and terms of engagement. We have challenged the growth rate, discount rate, market rates for land, multiples for EBITDA assumptions of the independent valuation expert. This also involved using our internal valuation specialists to compare these assumptions against external benchmarks and considering the assumptions based on our knowledge of the Group and its industry.

The key audit matter	How the matter was addressed in our audit
	<ul style="list-style-type: none"> Assessing the reliability of management's forecast through a review of actual performance against previous forecasts, if any. We have tested the mathematical accuracy of cash flow models and agreeing relevant data to the latest plans and approved budgets. Performed sensitivity analysis by assessing the impact of changes in key inputs on the fair value estimated. Evaluating the adequacy of the financial statement disclosures, including disclosures of key assumptions, judgments and sensitivities as provided in note 6 to the financial statements.
<p>Assets held for sale</p> <p>On February 07, 2019, the Board of Directors of the Company provided an in-principle approval to sell the investment in equity shares of Mindtree Limited ('the shares') held by the Company, Coffee Day Trading Limited and Mr. V. G. Siddhartha, Chairman and Managing Director of the Group (together referred to as 'Selling shareholders'). Subsequently on 18 March 2019, the consent of the Board of Directors was accorded to sell the shares at an agreed price of INR 980 per share along with such other terms and conditions, as per the draft share-purchase agreement to be entered between the Group and Larsen & Toubro Limited ('purchaser'). On 18 March 2019, a share purchase agreement was entered among the Group and Larsen & Toubro Ltd for sale of the shares subject to approval of Competition Commission of India and certain other routine terms and conditions.</p> <p>As at March 31, 2019, though the consummation of the sale of the shares was not completed pending approval from the regulator, Management has classified the investment in shares of Mindtree as "Assets held for sale" as it believes that the necessary criteria for such classification as required under Ind-AS 105 - Non-current Assets Held for Sale and Discontinued Operations have been met.</p> <p>We focused on this area as there is uncertainty as to the likely outcome of the regulatory approval and involves significant management's judgement on the classification as such asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. Management has also obtained a legal opinion to substantiate its conclusion.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence.</p> <ul style="list-style-type: none"> We independently read the share purchase agreement entered into between the Selling shareholders and the purchaser and assessed the key conditions precedent for consummation of the sale transaction as documented in the agreement. Evaluating the criteria required under Ind AS 105 for classification of a non-current asset as held for sale and an independent assessment of Management's evaluation of how each of such criteria is met. Evaluated Management's specific assessment of why they believe that the approval from the regulator is probable as at March 31, 2019 and also reviewed the independent external legal opinion obtained by Management to validate such a conclusion. We have validated the appropriateness of the related disclosures in note 46 to the financial statements,
<p>Revenue recognition</p> <p>Refer 3(a) of the notes to the consolidated financial statements for the revenue recognition policies followed by the Group.</p> <p>The Group, through its subsidiary Coffee Day Global Limited earns a substantial portion of revenue from sale of products (Coffee and related business) which comprise:</p> <ul style="list-style-type: none"> - Sale of coffee beans - Sale of food, beverages and other items - Sale of merchandise items - Sale of traded goods <p>We identified revenue recognition as a key audit matter because the Group and its external stakeholders focus on revenue from coffee and related business as a key performance indicator. This could create an incentive for revenue to be overstated or recognised before the point of recognition.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> We assessed the appropriateness of the revenue recognition accounting policies by comparing with applicable accounting standards. We evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on selected transactions. We performed substantive testing of underlying documents on selected samples of revenue transactions, recorded during the year using statistical sampling. We carried out analytical procedures on revenue recognised during the year to inquire on unusual variances, if any. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year end date to determine whether the revenue had been recognised in the appropriate financial period We tested manual journal entries posted to revenue account to identify unusual items, if any.

The key audit matter	How the matter was addressed in our audit
<p>Identification and compliance of related party transactions (RPT's)</p> <p>The Group has numerous transactions with related parties during the year. The related party balances as at March 31, 2019 and related party transactions are disclosed in note 51 to the consolidated financial statements.</p> <p>Transactions with related parties mainly comprise transactions between the Group and other entities which are directly / indirectly controlled by the shareholders with significant influence of the Group.</p> <p>We identified related party transactions as a key audit matter because of risks with respect to completeness of disclosures made in the financial statements; compliance with statutory regulations governing related party relationships such as the Companies Act 2013 and SEBI Regulations and the judgment involved in assessing whether transactions with related parties are undertaken at arms' length</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • We tested key controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standard and also tested controls on the required approval process of such related party transactions. • We carried out an assessment of compliance with the listing regulations and the regulations under the Companies Act, 2013, including checking of approvals as specified in Sections 177 and 188 of the Companies Act, 2013 with respect to the related party transactions. In cases where the matter was subject to varied interpretations, we have relied on opinions obtained by management from independent legal practitioners. • We considered the adequacy and appropriateness of the disclosures in the financial statements, relating to the related party transactions. • For transactions with related parties, we inspected relevant ledgers, agreements and other information that may indicate the existence of related party relationships or transactions. We also tested completeness of related parties with reference to the various registers maintained by the Company statutorily. • We have tested on a sample basis, Management's assessment of related party transactions for arm's length pricing.
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) of Sical Logistics Limited, a subsidiary of the Holding Company</p> <p>Recognition of revenue is complex due to several types of customer contracts including port handling contracts, surface mining and overburden removal contracts, integrated and retail logistics contracts, etc.</p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.</p> <p>Refer Notes 3(a) to the Consolidated Financial Statements</p>	<p>In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Assessed the Group's process to identify the impact of adoption of the new revenue accounting standard. • Evaluated the design of key controls and operating effectiveness of the relevant key controls with respect to implementation of the new revenue accounting standard. • Challenged the key judgment made by the management relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. • Evaluated the impact of the new standard on a sample basis on continuing and new contracts and comparing the same with the management's evaluation and assessment of the new standard. • Evaluating the adequacy of the financial statement disclosures.
<p>Existence and impairment of Trade Receivables of Sical Logistics Limited, a subsidiary of the Holding Company</p> <p>Trade Receivables are significant to the Company's financial statements. The collectability of trade receivables is a key element of the Company's working capital management, which is managed on an ongoing basis by its management.</p> <p>In few cases trade receivables are overdue as matters are pending with Arbitration Tribunal/ Conciliation Committee. Owing to interpretation in certain contractual terms, the receivables are overdue and are referred for decision by Arbitration Tribunal/Conciliation Committee. However, Management is confident of recovering the dues.</p> <p>Given the magnitude and judgment involved in the impairment assessment of trade receivables, we have identified this as a key audit matter.</p>	<p>In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> • Evaluated the design and implementation of key controls in place around the calculation of loss provisioning including the validation of management estimates. • Reviewed and challenged the information used to determine the impairment allowance by considering cash collection performance against historical trends and the level of impairment allowance over time. • Evaluated management's assumptions in determining the provision for impairment of trade receivables, by analyzing the ageing of receivables, contractual terms, assessing significant overdue trade receivables and specific local risks, combined with the legal documentations, where applicable. • Evaluated the adequacy of the financial statement disclosures made in the consolidated financial statements and found appropriate.

The key audit matter	How the matter was addressed in our audit
Tax litigations – provisions and contingencies of Sical Logistics Limited, a subsidiary of the Holding Company The Company has material uncertain tax positions and litigations including matters under dispute, pending at various forums which involves significant judgment to determine the possible outcome of these disputes.	In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> • Tested the effectiveness of key controls around the recording and assessment of tax provisions and contingent liabilities. • We used our own tax specialists to assess the value of the provisions and contingent liabilities in light of the nature of the exposures, applicable regulations and related correspondences with the authorities. • We assessed the relevant historical and recent judgments passed by the court authorities. • Obtained Management's assessment of the open cases and compared the same to the assessment of our tax specialists to assess the reasonableness of the provision or contingency. • Considered the adequacy of the Company's disclosures made in relation to taxation related provisions and contingencies in the financial statements.
Recognition and measurement of deferred taxes of Sical Logistics Limited, a subsidiary of the Holding Company The recognition and measurement of deferred tax items requires determination of temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Temporary differences may be either taxable temporary differences or deductible temporary differences.	In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence: <ul style="list-style-type: none"> • We tested the effectiveness of key controls around the recognition and measurement of deferred tax. • Assessing the Group's deferred tax models including testing the mathematical accuracy of the Group's calculation, assessment of the items leading to recognition of deferred tax in light of prevailing tax laws and applicable financial reporting standards. • Considered the adequacy of the Company's disclosures made in relation to taxation related provisions and contingencies in the financial statements.

OTHER INFORMATION

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the

requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its associates and

joint ventures are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures is responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant

doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (company and subsidiaries) as well as associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial

statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

We did not audit the financial statements of forty subsidiaries whose financial statements reflect total assets of Rs. 12,140.16 crore as at March 31, 2019, total revenues of Rs. 4,091.71 crore and net cash inflows amounting to Rs. 591.55 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of Rs. 87.82 crore for the year ended March 31, 2019, in respect of two associates and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint ventures and associates is based solely on the audit reports of the other auditors.

Certain of these subsidiaries/associates and joint ventures are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries/associates and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries/associates and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the consolidated 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

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, associates and joint ventures as were audited by other auditors, as noted in the 'Other Matters' paragraph, 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 financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 changes in equity and the consolidated statement of cash flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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 ventures incorporated in India, none of the directors of the Group companies, its associate companies, and joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. 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 and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures, as noted in the 'Other Matters' paragraph:

- i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group, its associates and joint ventures. Refer Note 44 to the consolidated financial statements;
- ii. The Group, its associates and joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended March 31, 2019;
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies, associate companies and joint ventures incorporated in India during the year ended March 31, 2019; and
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have not been made in the financial statements since

they do not pertain to the financial year ended March 31, 2019.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership No.: 217433

Place: Bengaluru

Date: May 24, 2019

Annexure A to the Independent Auditors' report on the consolidated financial statements of Coffee Day Enterprises Limited for the year ended March 31, 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Coffee Day Enterprises Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, its associate companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, its associate companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 the respective 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 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial

statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 auditors of the relevant subsidiary companies, associate companies and joint venture companies incorporated in India 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 internal financial controls with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to consolidated financial statements 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 controls with reference to consolidated

financial statements 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 WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal

financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to twenty-nine subsidiary companies, two associate companies and two joint venture companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership No.: 217433

Place: Bengaluru

Date: May 24, 2019

Consolidated Balance Sheet

₹ (in Crore)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	2,034.12	1,919.28
Capital work-in-progress	4	1,062.56	953.96
Investment property	5	812.06	578.75
Investment property under development	5	157.11	308.30
Goodwill	6	509.10	509.77
Other intangible assets	7	39.60	39.67
Intangible assets under development	7	3.46	2.84
Equity accounted investees	8A	55.02	688.33
Financial assets			
- Investments	8B	9.21	16.00
- Loans	10	113.72	141.77
- Other non-current financial assets	11	50.94	59.07
Deferred tax assets, (net)	12	77.33	54.25
Non-current tax assets, (net)		3.85	8.07
Other non-current assets	13	1,041.46	763.30
Total non-current assets		5,969.54	6,043.36
Current assets			
Inventories	14	112.20	95.60
Financial assets			
- Investments	15	112.40	11.73
- Trade receivables	9	570.59	479.79
- Cash and cash equivalents	16	2,127.47	1,544.60
- Bank balances other than cash and cash equivalents	17	239.43	122.42
- Loans	18	918.69	137.37
- Other current financial assets	19	123.30	146.35
Current tax assets, (net)		78.16	38.79
Other current assets	20	320.28	232.52
		4,602.52	2,809.17
Assets held for sale	46	687.01	-
Total current assets		5,289.53	2,809.17
Total assets		11,259.07	8,852.53
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	211.25	211.25
Other equity	22	2,317.83	2,166.36
Equity attributable to owners of the Company		2,529.08	2,377.61
Non-controlling interests		637.06	637.85
Total equity		3,166.14	3,015.46
Non-current liabilities			
Financial liabilities			
- Borrowings	23	2,657.75	3,192.56
- Other financial liabilities	24	111.32	132.73
Provisions	25	18.44	16.35
Deferred tax liabilities, (net)	26	20.47	12.72
Other non-current liabilities	27	33.90	25.39
Total non-current liabilities		2,841.88	3,379.75
Current liabilities			
Financial liabilities			
- Borrowings	28	3,889.63	810.91
- Trade payables	29	-	-
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		141.94	132.51
- Other financial liabilities	30	1,106.00	1,380.75
Provisions	31	5.36	3.58
Current tax liabilities, (net)	32	55.02	41.09
Other current liabilities	33	53.10	88.48
Total current liabilities		5,251.05	2,457.32
Total equity and liabilities		11,259.07	8,852.53
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 & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership no.: 217433

Place: Bangalore

Date: May 24, 2019

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

Place: Bangalore

Date: May 24, 2019

Sadananda Poojary

Company Secretary

Place: Bangalore

Date: May 24, 2019

Consolidated Statement of Profit and Loss

₹ (in Crore)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	34	4,264.48	3,787.98
Other income	35	202.31	63.13
Total income		4,466.79	3,851.11
Expenses			
Cost of materials consumed	36	764.23	814.23
Cost of integrated logistics services	37	1,166.35	868.15
Purchases of stock-in-trade		235.75	115.88
Changes in inventories of finished goods, stock-in-trade and work-in-progress	38	(4.09)	0.34
Employee benefits expense	39	550.39	487.67
Finance costs	40	456.32	349.13
Depreciation and amortization expense	41	292.03	260.37
Other expenses	42	977.88	882.73
Total expenses		4,438.86	3,778.50
Profit before exceptional item, share of profit of equity accounted investees and tax		27.93	72.61
Exceptional items	57	98.10	53.16
Profit before share of profit of equity accounted investees and tax		126.03	125.77
Share of profit from equity accounted investees (net of income tax)	46	86.96	99.32
Profit before tax		212.99	225.09
Tax expense:	43A		
- Current tax		81.05	81.60
- Deferred tax (including MAT credit entitlement)		(15.29)	(4.78)
Profit for the year		147.23	148.27
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(0.57)	0.83
Net changes in fair value of equity instruments through other comprehensive income		(2.71)	(4.06)
Share of other comprehensive income in associates and joint ventures, to the extent not to be classified into profit or loss		2.39	(0.31)
		(0.89)	(3.54)
Income tax relating to items that will not be reclassified to profit or loss	43B	(0.04)	(1.19)
Items that will be reclassified subsequently to profit or loss:			
Exchange difference in translating financial statements of foreign operations		2.32	(1.09)
Share of other comprehensive income in associates and joint ventures, to the extent will be reclassified into profit or loss		-	2.43
Effective portion of gains and losses on hedging		-	0.04
		2.32	1.38
Income tax relating to items that will be reclassified to profit or loss	43B	-	(0.01)
Other comprehensive income for the year		1.39	(3.36)
Total comprehensive income for the year		148.62	144.91
Profit attributable to:			
- Owners of the company		127.51	106.26
- Non- controlling interests		19.72	42.01
Other comprehensive income attributable to:			
- Owners of the company		0.73	(2.35)
- Non- controlling interests		0.66	(1.01)
Total comprehensive income attributable to:			
- Owners of the company		128.24	103.91
- Non- controlling interests		20.38	41.00
Earnings per equity share:	45		
- Basic		6.03	5.03
- Diluted		6.03	5.03
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 & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership no.: 217433

Place: Bangalore

Date: May 24, 2019

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

Place: Bangalore

Date: May 24, 2019

Sadananda Poojary

Company Secretary

Place: Bangalore

Date: May 24, 2019

Consolidated Statement of Cash Flows

₹ (in Crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Profit for the year	147.23	148.27
Adjustments:		
- Income tax expense recognised in the statement of profit and loss	65.76	76.83
- Gain on fair value of equity instruments	(98.10)	(53.16)
- Share of profit from equity accounted investees in the statement of profit and loss	(86.96)	(99.32)
- Depreciation and amortization expense	292.03	260.37
- Finance cost (including financial liabilities at amortised cost)	456.32	349.13
- Interest income (including financial assets at amortised cost)	(133.47)	(45.81)
- Allowance for expected credit losses	18.05	(6.51)
- Dividend income on financial assets	(1.37)	(6.12)
- (Profit) / loss on sale of property, plant, equipment and intangibles assets	(0.89)	(1.01)
- Stock compensation expense	(0.05)	0.02
- (Profit) / loss on sale of investments	(41.50)	0.47
- Bad debts written off	10.01	8.53
- Advance written off	0.76	-
- Excess provision written back	(10.19)	(5.82)
Operating cash flow before working capital changes	617.63	625.87
Changes in		
- Trade receivables	(108.67)	(67.08)
- Current and non-current loans	36.12	(15.30)
- Other current financial assets	22.42	(29.60)
- Other current and non-current assets	(76.66)	7.64
- Inventories	(16.60)	36.94
- Trade payables	9.43	31.34
- Current and non-current provisions	4.44	4.39
- Other current and non-current liabilities	(26.87)	34.37
- Other current and non-current financial liabilities	94.45	(39.11)
Cash generated from operations	555.69	589.46
Effect of exchange differences on translation of foreign subsidiaries operations	2.32	(1.08)
Income taxes paid	(103.56)	(54.49)
Cash generated from operations [A]	454.45	533.89
Cash flows from investing activities		
Purchase of property, plant, equipment and intangibles assets	(794.54)	(429.59)
Proceeds from sale of property, plant, equipment and intangibles assets	2.11	3.10
Acquisition of investment property	(97.92)	(301.49)
Acquisition of subsidiary, net of cash and cash equivalents	-	(11.13)
Proceeds from sale of equity accounted investees and other investments	56.22	94.06
Loans given to related parties	(789.39)	-
Withdrawal of/(Additional) fixed deposits made	(108.88)	26.40
Interest received	133.34	50.37
Dividends received	23.81	33.82
Net cash used in investing activities [B]	(1,575.25)	(534.46)
Cash flows from financing activities		
Proceeds from long-term and short-term borrowings	7,831.36	3,353.57
Repayments of long-term and short-term borrowings	(5,732.51)	(2,843.59)
Interest paid (including fair value changes on financial liabilities at amortised cost)	(483.41)	(315.26)
Net cash generated from financing activities [C]	1,615.44	194.72

Consolidated Statement of Cash Flows

₹ (in Crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the year	1,424.23	1,230.08
Movement in cash and cash equivalents [A +B +C]	494.64	194.15
Cash and cash equivalents at the end of the year	1,918.87	1,424.23
Components of cash and cash equivalents (refer note 16, 28 and 30)		
Cash in hand	5.55	5.83
Balances with banks		
- in current accounts	1,453.79	1,020.69
- in fixed deposits	666.33	517.12
- in escrow account	1.80	0.96
Less: Book overdraft	(54.66)	(31.97)
Less: Bank overdraft	(153.94)	(88.40)
Total cash and cash equivalents	1,918.87	1,424.23

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 & Associates LLP**
Chartered Accountants
Firm registration number: 116231W/W-100024

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

Aravind Maiya
Partner
Membership no.: 217433
Place: Bangalore
Date: May 24, 2019

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

R Ram Mohan
Chief Financial Officer
Place: Bangalore
Date: May 24, 2019

Sadananda Poojary
Company Secretary
Place: Bangalore
Date: May 24, 2019

Consolidated Statement of Changes in Equity

As at March 31, 2018

Other equity															₹ (in Crore)		
Particulars	Equity share capital	Shares to be issued pursuant to scheme of merger	Reserves and surplus					Other comprehensive income					Equity attributable to owners of the company	Non-controlling interests	Total equity		
			Debt redemption reserve	General reserve	Share options outstanding account	Reserve fund (As per 45IC Bank of India, 1934)	Capital reserve	Non-controlling interest reserve	Securities premium	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income				Cash flow hedges	Other items of other comprehensive income
Balance as at April 01, 2017	206.00	128.68	28.74	-	6.46	0.19	30.99	(134.26)	2,174.54	(173.38)	(0.27)	11.06	(0.80)	(14.25)	2,263.70	584.64	2,848.34
Changes in total comprehensive income:																	
Profit during the year	-	-	-	-	-	-	-	-	-	106.26	-	-	-	-	106.26	42.00	148.26
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-	-	0.46	(0.59)	(4.27)	0.02	2.03	(2.35)	(1.01)	(3.36)
Contributions and distributions:																	
Acquisition through business combination transactions	-	-	-	-	-	-	-	-	-	-	0.50	-	-	-	0.50	4.68	5.18
Transfer to debt redemption reserve	-	-	21.41	-	-	-	-	-	-	(21.41)	-	-	-	-	-	-	-
Transfer to reserve fund	-	-	-	-	-	0.23	-	-	-	(0.23)	-	-	-	-	-	-	-
Share options exercised	-	-	-	-	0.06	-	-	-	-	-	-	-	-	-	0.06	-	0.06
Conversion of compulsorily convertible debentures to equity shares	-	-	-	-	-	-	-	-	16.85	-	-	-	-	-	16.85	-	16.85
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	9.77	-	(9.77)	-	-	-	-	-
Transfer to general reserve	-	-	-	6.40	(6.40)	-	-	-	-	-	-	-	-	-	-	-	-
Changes in ownership interest that do not result in loss of control:																	
Dilution in ownership without change in control	-	-	-	-	-	-	-	(7.41)	-	-	-	-	-	-	(7.41)	7.54	0.13
Shares to be issued pursuant to scheme of merger	5.25	(128.68)	-	-	-	-	-	-	123.43	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	211.25	-	50.15	6.40	0.12	0.42	30.99	(141.67)	2,314.82	(78.53)	(0.36)	(2.98)	(0.78)	(12.22)	2,377.61	637.85	3,015.46

As at March 31, 2019

Consolidated Statement of Changes in Equity

Particulars	Other equity														₹ (in Crore)	
	Reserves and surplus					Other comprehensive income										
	Equity share capital	Debt redemption reserve	General reserve	Share options outstanding account	Reserve fund (As per 451C of Reserve Bank of India, 1934)	Capital reserve	Non-controlling interest reserve	Securities premium	Retained earnings	Foreign currency translation reserve	Equity instruments through other comprehensive income	Cash flow hedges	Other items of other comprehensive income	Equity attributable to owners of the company		Non-controlling interests
Balance as at April 01, 2018	211.25	50.15	6.40	0.12	0.42	30.99	(141.67)	2,314.82	(78.53)	(0.36)	(2.98)	(0.78)	(12.22)	2,377.61	637.85	3,015.46
Changes in total comprehensive income:																
Profit during the year	-	-	-	-	-	-	-	-	127.51	-	-	-	-	127.51	19.72	147.23
Other comprehensive income (net of taxes)	-	-	-	-	-	-	-	-	-	1.58	(2.73)	-	1.88	0.73	0.66	1.39
Contributions and distributions:																
Transfer to debt redemption reserve	-	11.94	-	-	-	-	-	-	(11.94)	-	-	-	-	-	-	-
Transfer to reserve fund	-	-	-	-	0.25	-	-	-	(0.25)	-	-	-	-	-	-	-
Share options forfeited	-	-	0.05	(0.05)	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	(0.78)	-	-	0.78	-	-	-	-
Change in ownership without change in control	-	-	-	-	-	-	23.23	-	-	-	-	-	-	23.23	(21.17)	2.06
Balance as at March 31, 2019	211.25	62.09	6.45	0.07	0.67	30.99	(118.44)	2,314.82	36.01	1.22	(5.71)	-	(10.34)	2,529.08	637.06	3,166.14

Nature and purpose of other equity:

Debt redemption reserve

Debt 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 451C 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.

Consolidated Statement of Changes in Equity

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/(losses) that the Group 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.

Non-controlling interest reserve

The changes in parent's ownership interest without loss of control in the subsidiary 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.

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.

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 & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership no.: 217433

Place: Bangalore

Date: May 24, 2019

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

Place: Bangalore

Date: May 24, 2019

Sadananda Poojary
Company Secretary

Place: Bangalore

Date: May 24, 2019

Notes to the Consolidated Financial Statements

1 GROUP OVERVIEW

Coffee Day Enterprises Limited ('CDEL' or 'the Company') and its subsidiaries (collectively known as 'the Group'), associates and joint ventures was originally incorporated as a private limited Company under the Companies Act, 1956 on June 20, 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 November 02, 2015.

CDEL is the parent Company of the Coffee Day Group. The Company owns and operates a resort and 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 as at March 31, 2019
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	90.69%
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%
Coffee Day Kabini Resorts Limited ('CDKRL')	a subsidiary of the Company incorporated under the laws of India	100.00%
STEP-DOWN SUBSIDIARIES		
Way2Wealth Securities Private Limited ('W2WSPL')	a subsidiary of TDL and CDEL incorporated under the laws of India	85.53%
Tanglin Retail Reality Developments Private Limited ('TRR')	a subsidiary of TDL incorporated under the laws of India	100.00%
A.N Coffee day International Limited ('AN CCD')	a subsidiary of CDGL incorporated under the laws of Cyprus	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 CDGL 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%
Sical Logistics Limited ('SLL')	a subsidiary of TRR incorporated under the laws of India	55.18%
Sical Infra Assets Limited ('SIAL')	a subsidiary of SLL incorporated under the laws of India	53.00%
Sical Iron Ore Terminal Limited	a subsidiary of SLL incorporated under the laws of India	63.00%
Sical Iron Ore Terminal (Mangalore) Limited	a subsidiary of SLL incorporated under the laws of India	100.00%
Norsea Offshore India Limited	a subsidiary of SLL incorporated under the laws of India	100.00%
Sical Mining Limited	a subsidiary of SLL incorporated under the laws of India	100.00%
Sical Washeries limited	a subsidiary of SLL incorporated under the laws of India	51.00%
Sical Saumya Mining Limited	a subsidiary of SLL incorporated under the laws of India	65.00%
Sical Bangalore Logistics Park Limited	a subsidiary of SIAL incorporated under the laws of India	100.00%
Sical Adams Offshore Limited	a subsidiary of SLL incorporated under the laws of India	100.00%
Bergen Offshore Logistics Pte. Limited ('BOFL')	a subsidiary of SLL incorporated under the laws of India	100.00%

Notes to the Consolidated Financial Statements

Name of the entity	Country of incorporation and other particulars	Percentage of holding as at March 31, 2019
Norsea Global Offshore Pte Ltd	a subsidiary of BOFL incorporated under the laws of India	100.00%
Sical Multimodal and Rail Transport Limited ('SMART')	a subsidiary of SIAL incorporated under the laws of India	100.00%
PNX Logistics Private Limited	a subsidiary of SLL incorporated under the laws of India	60.00%
PAT Chems Private Limited	a subsidiary of SLL incorporated under the laws of India	68.00%
Develecto Mining Limited	a subsidiary of SLL incorporated under the laws of India	51.00%
Way2Wealth Capital Private Limited	a subsidiary of W2WSPL incorporated under the laws of India	99.99%
Way2Wealth Enterprises Private Limited	a subsidiary of W2WSPL incorporated under the laws of India	100.00%
Way2Wealth Brokers Private Limited ('W2WBPL')	a subsidiary of W2WSPL incorporated under the laws of India	99.99%
Way2Wealth Insurance Brokers Private Limited (erstwhile Total Insurance Brokers Private Limited)	a subsidiary of W2WSPL incorporated under the laws of India	99.99%
AlphaGrep Securities Private Limited (erstwhile Way2Wealth Illuminati Securities Private Limited)	a subsidiary of W2WSPL incorporated under the laws of India	51.00%
Way2Wealth Commodities Private Limited	a subsidiary of W2WBPL incorporated under the laws of India	99.99%
Alphagrep Commodities Private Limited	a subsidiary of Alphagrep Securities incorporated under the laws of India	100.00%
Alphagrep Pte Limited (erstwhile Way2Wealth Illuminati Pte. Limited ('W2WIP'))	a subsidiary of Alphagrep Securities incorporated under the laws of Singapore	100.00%
AlphaGrep Holding HK Limited ('AHHKL')	a subsidiary of Alphagrep Securities incorporated under the laws of hongkong	100.00%
AlphaGrep UK Limited	a subsidiary of Alphagrep Securities incorporated under the laws of United Kingdom	100.00%
Shanghai Dao Ge International Trading Limited	a subsidiary of Alphagrep Securities incorporated under the laws of China	100.00%
Calculus Traders LLP	a subsidiary of W2WSPL incorporated under the laws of India	99.99%
Girividhyuth 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 (KWRPL)	a subsidiary of WRPL incorporated under the laws of India	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	32.51%
Mindtree Limited	an associate of the Company and CDTL incorporated under the laws of India (Associate up to 7-02-2019)	16.72%
Barefoot Resorts and Leisure India Private Limited	an associate of CDHRPL incorporated under the laws of India	27.69%
Global Edge Software Limited (until September 25, 2017)	an associate of the Company and CDTL incorporated under the laws of India	
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 SLL 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%

Notes to the Consolidated Financial Statements

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.

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.

This is the first set of the Company's annual financial statements in which Ind AS 115 Revenue from Contracts with Customers have been applied. Changes to significant accounting policies pertaining to revenue are described in note 3.a Revenue Recognition.

Details of the Group's other significant accounting policies are included in note 3.

The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on May 24, 2019.

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 (INR), which is Coffee Day Enterprises Limited's functional and presentation currency. All financial information presented in Indian rupee has been rounded to the nearest crore 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

Items	Measurement basis
Net defined benefit (asset)/ liability less present value of defined obligations	Fair value of plan assets less present value of defined benefit plan
Equity instrument and Mutual Funds	Fair value

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

Notes to the Consolidated Financial Statements

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.
- note 54: Determination of significant control and influence over an entity.

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 5: depreciation method and useful life of items of investment property;
- note 6: impairment of goodwill;
- note 44: provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources;
- note 46: determining the fair value less costs to sell of the disposal group
- 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).

Notes to the Consolidated Financial Statements

- 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 April 01, 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 April 01, 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 April 01, 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.

Notes to the Consolidated Financial Statements

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 result 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 as non-controlling interest reserve.

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.

H Changes in significant accounting policies

Except for the changes below, the Group has consistently applied the accounting policies set out in note 3 to all periods presented in these Consolidated financial statements.

The Group has initially applied Ind AS 115 from April 01, 2018. A number of other amendments are also effective from April 01, 2018. These new standards and amendments are as follows:

- Transfers of Investment Property (Amendments to Ind AS 40)
- Inclusion of Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.

Notes to the Consolidated Financial Statements

The new standard and the amendments do not have a material effect on the Group's financial statements.

3 SIGNIFICANT ACCOUNTING POLICIES

a Revenue recognition

The Group has initially applied Ind AS 115 from April 01, 2018. IndAS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced Ind AS 18 Revenue and Ind AS 11 Construction Contracts and Guidance Notes. The Group has adopted IndAS 115 using the cumulative effect method, with the effect of initially applying this standard recognized at the date of the initial application i.e., April 01, 2018. Accordingly, the information presented for the year ended March 31, 2018 is not restated, i.e., it is presented, as previously reported, under IndAS 18, IndAS 11 and related interpretations. Additionally, the disclosure requirements in Ind AS 115 have not generally been applied to comparative information. The effect on adoption of Ind AS 115 was insignificant.

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer.

Sale of products

Revenue is recognised when the goods are delivered and have been accepted by customers. For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of products. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

For customer loyalty programmes, the Group allocates a portion of the consideration received to loyalty points. This allocation is based on the relative stand-alone selling prices. The amount allocated to the loyalty programme is deferred, and is recognised as revenue when loyalty points are redeemed or the likelihood of the customer redeeming the loyalty points becomes remote. The deferred revenue is included in contract liabilities.

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 Group 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

Notes to the Consolidated Financial Statements

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 Tangible and intangible assets

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.

Notes to the Consolidated Financial Statements

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. 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.

3. 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 (SLM) as well as written down value (WDV) 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 equipments	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 and fixtures	10 - 15 years	SLM - WDV
Office equipments	5 years	SLM
Computers	3 - 5 years	SLM - WDV
Plant and machinery including dredger	5 - 14 years	SLM
Vehicles	8 years	SLM
Port handling equipment	20 years	SLM
Electrical installations	10 - 5 years	SLM - WDV
Tender boat	14 years	SLM
Pipes and floaters	20 years	WDV

Notes to the Consolidated Financial Statements

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 equipments	6 years	SLM
Computers	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).

4. 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 depreciation
Computer software	2 - 6 years	SLM
License fees	20 years	SLM
North star software	3 years	SLM

Notes to the Consolidated Financial Statements

5. 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 Group 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 depreciation
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.

Notes to the Consolidated Financial Statements

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:

Notes to the Consolidated Financial Statements

- 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;

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into INR 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.

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

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- 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

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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

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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 profit for the year 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 overdraft and book overdraft 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.

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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 consolidated statement of 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

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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;

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- 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.

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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 consolidated statement of 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 consolidated statement of profit or loss.

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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 Assets classified as held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. The condition for classification of held for sale is met when the non-current asset or the Disposal Group is available for immediate sale and the same is highly probable of being completed within one year from the date of classification as held for sale.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to

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be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

t Recent accounting pronouncements

Notification of 'Ind AS 116 - Leases'

The Group is required to adopt Ind AS 116, Leases from April 01, 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

- i. **Leases in which the Group is a lessee**
The Group will recognise new assets and liabilities for its operating leases of cafe, offices, warehouse and factory facilities. The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

In addition, the Group will no longer recognise provisions for operating leases that it assesses

to be onerous. Instead, the Group will include the payments due under the lease in its lease liability and apply Ind AS 36, Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment.

- ii. **Leases in which the Group is a lessor**
The Group will reassess the classification of sub-leases in which the Group is a lessor. Based on the information currently available, no significant impact is expected for leases in which the Group is a lessor.

- iii. **Transition**
The Group plans to apply Ind AS 116 initially on April 01, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at April 01, 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before April 01, 2019 and identified as leases in accordance with Ind AS 17.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting

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period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 01, 2019. The Group will adopt the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 without adjusting comparatives.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 12 Appendix C on the consolidated financial statements in the period of initial application is not reasonably estimable as at present.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Group does not have any impact on account of this amendment.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financials statements

- Amendments to IND AS 103, Business combinations
- Amendments to IND AS 109, Financial Instruments
- Amendments to IND AS 111, Joint arrangements
- Amendments to IND AS 23, Borrowing costs
- Amendments to IND AS 28, Investments in Associates and Joint Ventures

Notes to the Consolidated Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Owned													Leased		Capital work-in-progress
	Freehold land (refer note i)	Buildings (refer note i)	Leasehold improvements	Plant and equipment	Office equipment and fixtures	Furniture and fixtures	Tender boat	Pipes and floaters	Electrical installation	Port handling equipment	Computers	Vehicles	Coffee vending machine	Plant and equipment (refer note ii)	Leasehold land (refer note ii)	
₹ (in Crore)																
Cost or deemed cost:																
Balance as at April 01, 2017	415.31	316.11	322.03	515.81	24.69	120.65	3.15	1.10	0.04	116.95	25.43	222.88	375.35	4.28	96.81	2,560.59
Additions	1.83	14.41	36.50	26.78	3.50	23.46	0.03	-	-	4.78	5.15	30.62	101.89	1.73	-	250.68
Acquisition through business combination	3.04	-	-	0.01	9.83	0.30	-	-	-	0.02	-	13.69	-	-	-	318.68
Disposals/ capitalisation	-	(0.12)	(0.28)	(0.44)	(0.04)	(1.22)	(0.09)	-	-	-	(0.35)	(3.23)	-	-	-	0.06
Exchange differences on translation of foreign operations (refer note iii)	-	-	(1.12)	(1.65)	(0.24)	(0.82)	-	-	-	-	(0.08)	-	-	-	-	(180.42)
Balance as at March 31, 2018	420.18	330.40	357.13	540.51	37.74	142.37	3.09	1.10	0.04	121.75	30.15	263.96	477.24	6.01	96.81	2,828.48
Balance as at April 01, 2018	420.18	330.40	357.13	540.51	37.74	142.37	3.09	1.10	0.04	121.75	30.15	263.96	477.24	6.01	96.81	2,828.48
Additions	25.06	25.12	59.35	46.81	6.19	23.97	-	-	-	2.54	5.83	39.53	143.51	1.84	-	379.75
Disposals/ capitalisation	-	(1.79)	(0.30)	(3.93)	(0.23)	(1.03)	-	-	-	-	(0.12)	(0.30)	-	(0.29)	-	(227.57)
Exchange differences on translation of foreign operations (refer note iii)	-	-	(0.31)	(0.31)	0.35	(0.14)	-	-	-	-	-	-	-	-	-	(0.41)
Balance as at March 31, 2019	445.24	353.73	415.87	583.08	44.05	165.17	3.09	1.10	0.04	124.29	35.86	303.19	620.75	7.56	96.81	3,199.83
Accumulated depreciation																1,062.56
Balance as at April 01, 2017	-	47.25	123.32	187.40	16.41	50.15	1.04	0.83	0.03	90.37	17.70	47.26	85.10	3.26	-	670.12
Depreciation for the year	-	13.29	55.17	53.20	3.11	19.31	0.20	0.04	-	5.97	2.20	27.75	58.72	0.87	-	239.83
Acquisition through business combination	-	-	-	-	0.69	0.17	-	-	-	-	-	4.77	-	-	-	5.63
Disposals	-	(0.10)	-	(0.10)	(0.02)	(1.19)	-	-	-	-	(0.35)	(2.06)	-	-	-	(3.82)
Exchange differences on translation of foreign operations (refer note iii)	-	-	(1.03)	(0.52)	(0.24)	(0.69)	-	-	-	-	(0.08)	-	-	-	-	(2.56)
Balance as at March 31, 2018	-	60.44	177.46	239.98	19.95	67.75	1.24	0.87	0.03	96.34	19.47	77.72	143.82	4.13	-	909.20
Balance as at April 01, 2018	-	60.44	177.46	239.98	19.95	67.75	1.24	0.87	0.03	96.34	19.47	77.72	143.82	4.13	-	909.20
Depreciation for the year	-	7.03	58.60	55.81	3.62	17.93	-	-	-	5.74	4.08	33.76	68.80	1.23	7.08	263.68
Disposals	-	(1.53)	(0.08)	(3.64)	(0.14)	(0.96)	-	-	-	-	(0.11)	(0.30)	-	(0.01)	-	(6.77)
Exchange differences on translation of foreign operations (refer note iii)	-	-	(0.29)	(0.27)	0.24	(0.08)	-	-	-	-	-	-	-	-	-	(0.40)
Balance as at March 31, 2019	-	65.94	235.69	291.88	23.67	84.64	1.24	0.87	0.03	102.08	23.44	111.18	212.62	5.35	7.08	1,165.71
Carrying amount:																-
As at March 31, 2018	420.18	269.96	179.67	300.53	17.79	74.62	1.85	0.23	0.01	25.41	10.67	186.23	333.42	1.88	96.81	1,919.28
As at March 31, 2019	445.24	287.79	180.18	291.20	20.38	80.53	1.85	0.23	0.01	22.21	12.42	192.01	408.13	2.21	89.73	2,034.12

Notes to the Consolidated Financial Statements

Notes:

i) Includes building constructed on leasehold land.

ii) Finance leases

- The carrying value of land held under finance leases as at March 31, 2019 was ₹89.73 crore (March 31, 2018: ₹96.81 crore). The Group has taken land admeasuring 10.05 acres in Chikmangalur on lease for a period of 99 years on April 01, 1995. The Group has classified the lease 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.

iii) Represents the effect of translation of assets held by foreign subsidiaries.

iv) Security

- Property, plant and equipment amounting to ₹1,621.66 crore as at March 31, 2019 (March 31, 2018: ₹1,689.76 crore) has been pledged as security by the Group against loans taken from banks and financial institutions.

- Vehicles with a carrying amount of ₹1.44 crore as at March 31, 2019 (March 31, 2018: ₹1.61 crore) are subject to vehicles loans from bank.

v) Contractual obligations

As at March 31, 2019, the Group is committed to spend ₹10.17 crore (March 31, 2018: ₹13.37 crore) under a contract to purchase property, plant and equipment.

vi) 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'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. (Refer note 2(E))

Notes to the Consolidated Financial Statements

5 INVESTMENT PROPERTY

₹ (in Crore)

Particulars	Owned					Total	Investment property under development
	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipment		
Cost or deemed cost:							
Balance as at April 01, 2017	70.69	596.14	95.72	19.42	1.06	783.03	320.65
Additions	-	75.96	7.02	0.51	-	83.49	59.87
Deletions / capitalisation	-	-	-	-	-	-	(72.22)
Balance as at March 31, 2018	70.69	672.10	102.74	19.93	1.06	866.52	308.30
Balance as at April 01, 2018	70.69	672.10	102.74	19.93	1.06	866.52	308.30
Additions	-	222.11	24.26	2.44	0.30	249.11	98.47
Deletions / capitalisation	-	-	-	-	-	-	(249.66)
Balance as at March 31, 2019	70.69	894.21	127.00	22.37	1.36	1,115.63	157.11
Accumulated depreciation							
Balance as at April 01, 2017	-	198.89	59.43	18.16	0.96	277.44	-
Depreciation for the year	-	7.10	2.87	0.34	0.02	10.33	-
Balance as at March 31, 2018	-	205.99	62.30	18.50	0.98	287.77	-
Balance as at April 01, 2018	-	205.99	62.30	18.50	0.98	287.77	-
Depreciation for the year	-	9.67	4.33	1.74	0.06	15.80	-
Balance as at March 31, 2019	-	215.66	66.63	20.24	1.04	303.57	-
Carrying amount:							
As at March 31, 2018	70.69	466.11	40.44	1.43	0.08	578.75	308.30
As at March 31, 2019	70.69	678.55	60.37	2.13	0.32	812.06	157.11

A. Notes:

- i) **Borrowing cost capitalised during the year amounts to ₹16.65 crore (March 31, 2018: ₹19.95 crore)**
- ii) **Contractual obligations**
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities amounting to ₹2.39 crore (March 31, 2018: ₹1.08 crore)
- iii) **Security**
The Group has pledged the investment property to secure loans from financial institutions and banks, borrowed by the subsidiary company. Refer note 23

B. Amounts recognised in profit and loss for investment properties

₹ (in Crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Rental income derived from investment properties (refer note 1)	152.16	147.55
Direct operating expenses (including repairs and maintenance)	(24.92)	(14.60)
Profit arising from investment properties before depreciation and indirect expenses	127.24	132.95
Less: Depreciation for the year	(15.80)	(10.33)
Profit arising from investment properties before indirect expenses	111.44	122.62

Note 1: includes rental income from SEZ and IT parks, maintenance income and electricity charges.

Notes to the Consolidated Financial Statements

C. Fair value

The Group obtains independent valuations for its investment properties at least annually. As at March 31, 2019 and March 31, 2018, the fair values of the properties are ₹2,520.80 crore and ₹2,233.60 crore 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.

Valuation technique: 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.

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.

6 GOODWILL

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Carrying amount at the beginning of the year	509.77	500.09
Exchange differences on translation of foreign operations	(0.67)	2.62
Acquisition through business combination	-	7.06
Carrying amount at the end of the year	509.10	509.77

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:-

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Coffee and related business	337.06	337.73
Financial services	86.48	86.48
Hospitality services	40.21	40.21
Integrated multimodal logistics	37.37	37.37
Multiple units without significant goodwill	7.98	7.98
	509.10	509.77

Notes to the Consolidated Financial Statements

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	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 March 31, 2019
EBITDA	Discounted comparable EBITDA multiple
Multiplier of EBITDA	14.17x
Discount rate	40.0%

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. 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 by ₹3,337.00 crore, hence impairment is not triggered.

Management has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount.

Financial services

The key assumptions used in the estimation of the recoverable amount are set out below:

Particulars	As at March 31, 2019
Terminal value growth rate	4.0%
Discount rate	18.0%

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 by ₹25.00 crore, hence impairment is not triggered.

Notes to the Consolidated Financial Statements

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, 2019. The estimated recoverable amount of the CGU exceeded its carrying amount by ₹41.00 crore, 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 this represents a publicly traded group. As of March 31, 2019, the estimated recoverable amount of the CGU exceeded its carrying amount by ₹149.00 crore, hence impairment is not triggered.

7 OTHER INTANGIBLE ASSETS

₹ (in Crore)				
Particulars	License fees	Software	Total	Intangible assets under development
Cost or deemed cost:				
Balance as at April 01, 2017	19.09	45.43	64.52	0.79
Additions	0.05	6.89	6.94	2.05
Acquisition through business combination	1.19	-	1.19	-
Disposals/ capitalisation	-	(1.13)	(1.13)	-
Balance as at March 31, 2018	20.33	51.19	71.52	2.84
Balance as at April 01, 2018	20.33	51.19	71.52	2.84
Additions	-	12.48	12.48	0.62
Effects of movement in exchange rates (refer note i)	-	0.03	0.03	-
Balance as at March 31, 2019	20.33	63.70	84.03	3.46
Accumulated amortisation				
Balance as at April 01, 2017	3.07	18.56	21.63	-
Amortisation for the year	1.49	8.72	10.21	-
Acquisition through business combination	1.00	-	1.00	-
Disposals	-	(0.99)	(0.99)	-
Balance as at March 31, 2018	5.56	26.29	31.85	-
Balance as at April 01, 2018	5.56	26.29	31.85	-
Amortisation for the year	1.50	11.05	12.55	-
Effects of movement in exchange rates (refer note i)	-	0.03	0.03	-
Balance as at March 31, 2019	7.06	37.37	44.43	-
Carrying amount:				
As at March 31, 2018	14.77	24.90	39.67	2.84
As at March 31, 2019	13.27	26.33	39.60	3.46

Note:

i) Represents the effect of translation of assets held by foreign subsidiaries.

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8 NON-CURRENT INVESTMENTS

8A Equity accounted investees

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Investment in Equity instrument:		
Quoted		
- 2.75 crore (March 31, 2018: 2.81 crore) equity shares of Mindtree Limited of ₹10 each fully paid up (Refer note 46)	-	628.95
Unquoted		
- 0.32 crore (March 31, 2018: 0.32 crore) equity shares of Ittiam Systems Private Limited of Re. 1 each fully paid up	20.99	19.47
- 0.002 crore (March 31, 2018: 0.002 crore) equity shares of Barefoot Resorts & Leisure India Private Limited of ₹100 each fully paid up	15.76	15.89
- 0.56 crore (March 31, 2018: 0.56 crore) equity shares of PSA Sical Terminals Limited of ₹10 each fully paid up	17.36	23.06
- 0.173 crore (March 31, 2018: 0.173 crore) equity shares of Sical Sattva Rail Terminal Private Limited of ₹10 each fully paid up	0.91	0.96
- 0.069 crore (March 31, 2018: 0.069 crore) equity shares of Coffee Day Schaerer Technologies Private Limited of ₹10 each fully paid up	-	-
	55.02	688.33

8B Other non-current investments

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Quoted		
(i) Investments carried at fair value through profit and loss		
- Nil (March 31, 2018: 0.005 crore) equity shares of Sicagen India Limited of ₹10 each fully paid-up	-	0.13
(ii) Investments carried at fair value through other comprehensive income		
- 0.094 crore (March 31, 2018: 0.094 crore) equity shares of Lakshmi Vilas Bank Limited of ₹10 each fully paid-up	6.67	9.25
- Investments in equity instruments (fully paid-up) *	0.27	4.68
Unquoted		
(i) Investments carried at fair value through profit and loss		
- Nil (March 31, 2018: 0.001 crore) 0.01% optionally convertible preference shares of Harvest Fintech Private Limited of ₹10 each fully paid-up	-	0.32
(ii) Investments carried at fair value through other comprehensive income		
- 0.013 crore (March 31, 2018: 0.013 crore) equity shares of BGSE Properties & Securities Private Limited of ₹1 each fully paid-up	0.21	0.26
- 0.002 crore (March 31, 2018: 0.002 crore) equity shares of BGSE Financials Limited of ₹10 each fully paid-up	0.05	0.04
- 0.002 crore (March 31, 2018: 0.002 crore) equity shares of Digital Signage Networks India Private Limited of ₹10 each fully paid-up	0.08	0.04
- 0.00004 crore (March 31, 2018: Nil) equity shares of One MobiKwik Systems Private Limited of ₹10 each)	0.39	-
(iii) Other investments, at cost		
- Share application money pending allotment in ONS Ventures SDN. BHD	1.54	1.28
	9.21	16.00

Notes to the Consolidated Financial Statements

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate amount of unquoted investments	57.29	61.33
Aggregate amount of quoted investments	6.94	643.01
Aggregate amount of market value of quoted investments	6.94	2,179.84
Investments carried at fair value through other comprehensive income		
Dividend income recognised during the year	-	0.46
Cumulative gain / (loss) on disposal	-	9.77
Fair value	7.67	14.27

* Since the amount of individual investments are insignificant, further breakup is not provided.

Information about the Group's exposure to credit and market risks and fair value measurement, is included in note 55.

9 TRADE RECEIVABLES

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, considered good	8.84	4.82
Unsecured, considered good	561.75	474.98
Credit impaired	41.58	34.82
	612.17	514.62
Less: Loss allowance for credit impaired receivables	(41.58)	(34.82)
	570.59	479.79
Current	570.59	479.79
Non-current	-	-

Of the above, trade receivables from related parties are as below:

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Total trade receivables from related parties (refer note 51)	1.74	0.82
Net trade receivables	1.74	0.82

The Group's exposure to credit and currency risks, and loss allowances related to trade receivables is disclosed in note 55.

10 NON-CURRENT LOANS

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, considered good *		
- Loans and advance to clients	-	21.71
Unsecured, considered good		
Security deposit		
- Deposits with others	112.94	113.14
- Deposits with stock exchange/ clearing member	0.38	6.43
Other loans		
- Loans and advance to employees	0.40	0.40
- Loans and advance to clients	-	0.09
	113.72	141.77

* Secured against the securities held by the clients.

Notes to the Consolidated Financial Statements

11 OTHER NON-CURRENT FINANCIAL ASSETS

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposit accounts with banks*	50.92	58.17
Margin money deposits with banks	0.02	0.90
	50.94	59.07

* Notes:

- includes ₹45.35 crore (March 31, 2018: ₹57.46 crore) given as security to banks for loans and various credit facilities availed by the subsidiaries.

- includes ₹Nil (March 31, 2018: ₹0.2 crore) marked as lien in favour of Insurance Regulatory Development Authority by the subsidiary.

12 DEFERRED TAX ASSETS, (NET)

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
- Unabsorbed losses	88.56	54.73
- Provision for doubtful debts	7.36	3.85
- Employee benefits	3.21	2.66
- Rent straightlining	4.23	3.10
- Security deposit	1.06	2.32
- Investment carried at fair value through other comprehensive income	0.51	0.44
- Expenditure covered under 40(a)(ia) of Income-tax Act, 1961	8.81	0.09
Deferred tax liability		
- Other disallowance under income tax laws	(7.68)	(9.48)
- Excess of depreciation allowed under Income tax Act, 1961 over depreciation as per books	(70.18)	(36.69)
- Net unrealised gain on open future positions	(0.07)	(0.04)
- Borrowings measured at amortized cost	(1.42)	-
- Net gain on fair valuation of equity or debt instruments	(0.26)	(1.16)
- Investment carried at fair value through profit and loss	(23.70)	-
Minimum Alternate Tax credit entitlement	66.90	34.43
	77.33	54.25

13 OTHER NON-CURRENT ASSETS

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital advances, including advances paid for purchase of land (refer note 51)	978.63	691.97
Advances other than capital advances:		
- Balances with government authorities	2.86	20.81
- Deferred rental expense	25.49	18.62
- Taxes paid under protest	10.45	7.85
- Gratuity fund	4.84	3.55
- Prepaid expenses	1.39	3.30
- Advances for supply of goods and rendering of services	2.11	1.60
- Provident Fund demand deposited under protest	0.27	0.27
- Other advances	15.42	15.33
	1,041.46	763.30

Notes to the Consolidated Financial Statements

14 INVENTORIES

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Raw materials		
- Stock of raw coffee and packing materials	17.69	9.33
- Stock of perishables, consumables and merchandise	56.80	53.81
Work-in-progress	4.16	4.93
Finished goods of clean and roasted coffee	18.76	13.91
Stores and spares	14.64	13.46
Diesel	0.15	0.16
	112.20	95.60

Carrying amount of inventories pledged as securities for borrowings (refer note 23)

15 CURRENT INVESTMENTS

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Investments carried at fair value through profit and loss		
Quoted *		
- Investments in equity instruments (fully paid-up)	3.12	4.74
- Investments in mutual funds	7.03	2.74
- Investments in bonds	0.26	0.36
Unquoted		
- 0.033 crore (March 31, 2018: 0.033 crore) equity shares of M/s. Global Edge Software Limited shares of Re.1 each	101.99	3.89
	112.40	11.73
Aggregate amount of quoted investments and market value thereof	10.41	7.84
Aggregate amount of unquoted investments	101.99	3.89

* Since the amount of individual investments are insignificant, further breakup is not provided.

Information about the Group's exposure to credit and market risks and fair value measurement is included in Note 55.

16 CASH AND CASH EQUIVALENTS

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in current accounts	1,453.79	1,020.69
- in escrow accounts	1.80	0.96
- in fixed deposit accounts with banks (original maturity less than 3 months)	666.33	517.12
Cash in hand	5.55	5.83
	2,127.47	1,544.60

17 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Balances with banks*		
- in margin money deposits with banks	4.83	7.41
- in fixed deposit accounts with banks	234.60	115.01
	239.43	122.42

* Notes:

- includes ₹236.12 crore (March 31, 2018: ₹114.67 crore) given as security to banks for loans and various credit facilities availed by the Group.

Notes to the Consolidated Financial Statements

18 CURRENT LOANS

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Secured, considered good *		
- Loans and advance to clients	19.78	5.89
Unsecured, considered good		
Security deposits		
- Security margin money with stock exchange/ clearing house	62.60	92.85
- Other deposits	17.01	11.07
Loans to related parties (refer note 51)		
- Coffee Day Barefoot Resorts Private Limited	15.40	15.39
- Coffee Day Resorts MSM Private Limited	0.01	0.02
- Coffee Day Natural Resources Pvt Ltd	0.04	-
- Mysore Amalgamated Coffee Estates Limited	789.35	-
Other loans		
- Alphagrep Technologies Private limited	3.17	2.58
- Way2Wealth Realty Private limited	-	0.31
- Ess & Ess HRM Services Private limited	0.38	0.80
- Evolute Trading Pvt Ltd	2.50	-
- Illuminati Software Private Limited	1.35	3.25
- Loans and advance to employees	2.09	2.13
- Loans and advance to clients	4.01	3.08
Others	1.00	-
	918.69	137.37

* Secured against the securities held by the clients.

19 OTHER CURRENT FINANCIAL ASSETS

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
- Interest accrued	4.38	4.25
- Export benefit receivable	4.45	4.41
- Receivable from exchanges	53.89	9.62
- Electricity charges recoverable	4.83	3.53
- Unbilled revenue	14.70	76.78
- Receivable from clients	26.33	37.93
- Other receivables	14.72	9.83
	123.30	146.35
Unsecured, credit impaired		
Receivable from clients	1.09	1.18
Less: Loss allowance for receivable from clients	(1.09)	(1.18)
	123.30	146.35

Notes to the Consolidated Financial Statements

20 OTHER CURRENT ASSETS

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Advances for supply of goods and rendering of services*	175.11	102.62
Prepaid expenses	96.68	95.32
Balances with government authorities	34.03	13.08
Deferred rental expense	7.94	8.13
Other advances	6.52	13.37
	320.28	232.52

* includes advances paid to related parties of ₹64.82 crore (March 31, 2018: ₹3.46 crore)

21 EQUITY SHARE CAPITAL

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Authorised *		
270,834,000 (March 31, 2018: 270,834,000) equity shares of ₹10 each	270.83	270.83
Issued, subscribed and fully paid up		
211,251,719 (March 31, 2018: 211,251,719) equity shares of ₹10 each	211.25	211.25
	211.25	211.25

* The Company also has an authorised share capital of 3,500,000 (March 31, 2018: 3,500,000) compulsorily convertible preference shares of ₹10 each.

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

Particulars	₹ in Crore (except share data)			
	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
Number of shares outstanding at the beginning of the year	211,251,719	211.25	206,001,719	206.00
Add: Shares issued during the year	-	-	5,250,000	5.25
Number of shares outstanding at the end of the year	211,251,719	211.25	211,251,719	211.25

(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 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.

Notes to the Consolidated Financial Statements

- (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 March 31, 2019		As at March 31, 2018	
	% of holding	No of shares	% of holding	No of shares
Equity shares				
Mr. V G Siddhartha	32.75%	69,174,700	32.75%	69,174,700
KKR Mauritius PE Investments II Limited	6.07%	12,826,912	6.07%	12,826,912
NLS Mauritius LLC	10.61%	22,412,992	10.61%	22,412,992
Devadarshini Info Technologies Private Limited	5.87%	12,408,440	5.87%	12,408,440
Coffeeday Consolidations Private Limited	5.81%	12,268,416	5.81%	12,268,416
Gonibedu Coffee Estates Private Limited	5.24%	11,071,104	5.24%	11,071,104

- (d) During the five year period ended March 31, 2019:

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 May 07, 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*

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Reserves and surplus		
- Debenture redemption reserve	62.09	50.15
- General reserve	6.45	6.40
- Share options outstanding account	0.07	0.12
- Reserve fund (As per 45IC of Reserve Bank of India, 1934)	0.67	0.42
- Capital reserve	30.99	30.99
- Non-controlling interest reserve	(118.44)	(141.67)
- Securities premium	2,314.82	2,314.82
- Retained earnings	36.01	(78.53)
Other comprehensive income		
- Foreign currency translation reserve	1.22	(0.36)
- Equity instruments through other comprehensive income	(5.71)	(2.98)
- Cash flow hedges reserve	-	(0.78)
- Other items of other comprehensive income	(10.34)	(12.22)
	2,317.83	2,166.36

*Refer consolidated statement of changes in equity for detailed movement in other equity balances.

Notes to the Consolidated Financial Statements

23 NON-CURRENT BORROWINGS

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured:		
- Debentures	380.53	486.39
- Term loans	2,201.03	2,072.14
- Long-term maturities of finance lease obligations	1.30	1.16
Unsecured:		
- Debentures	-	141.73
- Term loans	74.89	491.14
	2,657.75	3,192.56

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 55.

Reconciliation of movements of liabilities to cash flows arising from financing activities

₹ (in Crore)

Particulars	Amount
Non-current borrowings	3,192.56
Current borrowings	810.91
Other current financial liabilities (current maturities of borrowings)	1,046.43
Less: Bank overdraft included in current borrowings	(88.40)
Balance at April 01, 2018:	4,961.50
Changes from financing cash flows:	
Proceeds from borrowings	7,831.36
Repayment of borrowings	(5,732.51)
Non-current borrowings	2,657.75
Current borrowings	3,889.63
Other current financial liabilities (current maturities of borrowings)	666.91
Less: Bank overdraft included in current borrowings	(153.94)
Balance at March 31, 2019	7,060.35

23A Terms and conditions of outstanding borrowings

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Rabobank International Limited	Secured	Term loan	66.41	91.63	Secured by <ul style="list-style-type: none"> Personal guarantee of V. G. Siddhartha; Charge on specific movable assets of CDGL; and First ranking equitable mortgages on the following immovable properties- <ul style="list-style-type: none"> Land and building located in Hassan, owned by CDGL; and Land located in Palace Road, Bangalore owned by CDGL with a carrying amount of ₹7.9 crore as at March 31, 2019 (March 31, 2018: ₹7.9 crore). Second ranking equitable mortgage on the land and buildings of the Corporate Headquarters of CDGL located at Vittal Mallya Road, Bangalore with a carrying amount of ₹118.17 crore as at March 31, 2019 (March 31, 2018: ₹123.93 crore) <p>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 commencing from February 2017.</p>

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Rabo bank International	Secured	Term loan	173.45		<ul style="list-style-type: none"> - Secured by <ul style="list-style-type: none"> • First ranking pari pasu mortgages on the following immovable properties- <ul style="list-style-type: none"> • Land and buildings of Corporate Headquarters of CDGL located at Vittal Mallya Road, Bangalore with a carrying amount of ₹118.17 crore as at March 31, 2019 (March 31, 2018 123.93 crore) • Land located in Palace Road, Bangalore owned by CDGL with a carrying amount of ₹7.90 crore as at March 31, 2019 (March 31, 2018: ₹7.90 crore). • Land and building located in Hassan, owned by CDGL; • Charge on specific movable assets of CDGL • Personal guarantee of V.G.Siddhartha Loan from Rabobank International, Hong Kong carries a floating interest rate of LIBOR plus 3.85% margin p.a and is repayable in 8 biannual installments commencing from October 2019.
Credit Opportunities II Pte. Ltd	Secured	Debentures	100.27		<ul style="list-style-type: none"> - <ul style="list-style-type: none"> • 0.0001 crore (March 31, 2018: Nil) secured rated redeemable non-convertible debentures of ₹0.1 crore each • As at the year end, the paid up value of these debentures is ₹2,000 [March 31, 2018: Nil secured redeemable non convertible debentures of ₹0.1 crore each] • Security <ul style="list-style-type: none"> - Pledge of shares of CDGL where the aggregate amount shall be 2.5 times the benchmark amount. • Personal guarantee of Mr. V. G. Siddhartha. • 9.5% per year, payable quarterly and interest of 4% compounding quarterly • Initial security cover ratio: 2.25 times from CDGL shares and an additional 0.25 times from CDEL shares within 45 days ("Initial Collateral Package"). Promoter shall have the right to alter the collateral to 1.00 time cover from CDGL shares and an additional 1.00 time cover from CDEL shares. • The amount shall be paid on bullet repayment basis at the end of three year i.e. 31 March 2022."
India Special Situations Scheme I	Secured	Debentures	100.27		<ul style="list-style-type: none"> - <ul style="list-style-type: none"> • 0.0001 crore (March 31, 2018: Nil) secured rated redeemable non-convertible debentures of ₹0.1 crore each • As at the year end, the paid up value of these debentures is ₹2,000 [March 31, 2018: Nil secured redeemable non convertible debentures of ₹0.1 crore each] • Security <ul style="list-style-type: none"> -Pledge of shares of CDGL where the aggregate amount shall be 2.5 times the benchmark amount. • Personal guarantee of Mr. V. G. Siddhartha. • 9.5% per year, payable quarterly and interest of 4% compounding quarterly • Initial security cover ratio: 2.25x from CDGL shares and an additional 0.25x from CDEL shares within 45 days ("Initial Collateral Package"). Promoter shall have the right to alter the collateral to 1.00x cover from CDGL shares and an additional 1.00x cover from CDEL shares. • The amount shall be paid on bullet repayment basis at the end of three year i.e. 31 March 2022.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
ICICI Prudential Asset Management Company	Secured	Debentures	-	100.44	<p>Fully paid secured rated redeemable non-convertible debentures of ₹1,000,000 each issued to ICICI Prudential Asset Management Company -</p> <ul style="list-style-type: none"> • Nil (March 31, 2018: 0.0001 crore) secured rated redeemable non-convertible debentures of ₹0.1 crore each • As at the year end the paid up value of these debentures is Nil (March 31, 2018: ₹1,00.44 crore) • These debentures carry interest @ MIBOR plus 600 base points subject to a minimum of 10.99% and maximum of 11.01% • Security <ul style="list-style-type: none"> - 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 at least 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; 14 March 2019) • Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the cash coupon rate. • The Company has repaid these debentures during the year.
ICICI Prudential Asset Management Company	Secured	Debentures	-	89.48	<ul style="list-style-type: none"> • Nil (March 31, 2018: 0.00085 crore) secured rated redeemable non-convertible debentures of ₹0.1 crore each • As at the year end, the paid up value of these debentures is Nil [March 31, 2018: 850 secured rated redeemable non convertible debentures of ₹0.1 crore each] • Security <ul style="list-style-type: none"> - 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. • M IBOR plus 600 base points subject to a minimum of 10.99% and maximum of 11.01% • Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay. • The amount shall be paid on bullet repayment basis on the expiry of the term of 2 years. • CDEL has an option of voluntary prepayment under certain circumstances as set out in the agreement. • CDEL has prepaid these debentures during the year.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
DSP Blackrock Income opportunities Fund	Secured	Debentures	-	108.29	<ul style="list-style-type: none"> Nil (March 31, 2018:0.0011 crore) secured rated redeemable non-convertible debentures of ₹0.1 crore each As at the year end, the paid up value of these debentures is Nil (March 31, 2018 : ₹1,08.29 crore including current maturities of long-term borrowings) Security <ul style="list-style-type: none"> - 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 fully repaid during the year.
Kotak Mahindra Investments Limited	Secured	Term loan	-	45.77	<p>The loan is secured by:</p> <p>Pledge of shares of Mindtree Limited, Sical Logistics Limited and Coffeeday Global Limited.</p> <p>Personal guarantee of Mr. V G Siddhartha.</p> <p>Loan is repayable within 60 months from date of first disbursement (first disbursement being March 2016)</p> <p>Rate of interest 12.50% p.a. compounded monthly and payable quarterly. Loan carries effective interest rate of 12.81% p.a.</p> <p>The loan was fully repaid during the year.</p>
HDFC Bank Limited	Secured	Loan repayable on demand	44.87	43.04	<ul style="list-style-type: none"> Bank overdraft facility from bank is secured by fixed deposits with the bank, and is repayable on demand. Rate of interest: 1% (March 31, 2018 0.75%-2%) in addition to the rate of interest carried by underlying fixed deposits. Bank overdraft obtained by foreign subsidiary from HDFC Bank as on March 31, 2019 is repayable in 12 months from the date of sanction. Rate of interest is 1 year LIBOR + (1.25% to 2%)(PY 1% to 1.6%). Secured by pledge of fixed deposits."
Bajaj Finance Limited	Secured	Loan repayable on demand	8.52	12.71	Rate of interest Bajaj Finance Limited 10.2% (March 31, 2018 9.5% to 11%).
Edelweiss Finance Limited	Secured	Loan repayable on demand	3.50	2.75	<ul style="list-style-type: none"> Rate of interest: 12% (March 31, 2018: 10%). The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.
HDFC Bank Limited	Secured	Term loan	0.01	0.14	<ul style="list-style-type: none"> Bank loan is secured by the respective vehicles financed, the loan is repayable in 36 EMIs, the loan interest is 9.25 % p.a (March 31, 2018 :9.25%).
Illuminati Trading Pvt Ltd	Unsecured	Loan repayable on demand	9.75	10.00	<ul style="list-style-type: none"> Rate interest at 9% to 12.5% p.a. (March 31, 2018 : 9% to 12.5%) Repayable on demand
DAX Partners	Unsecured	Loan repayable on demand	6.42	5.77	<ul style="list-style-type: none"> Interest rate is 4% p.a. (March 31, 2018: 4%). The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.
Highgrove Management	Unsecured	Loan repayable on demand	12.81	12.23	<ul style="list-style-type: none"> Interest rate is 4% p.a. (March 31, 2018: 4%). The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Lalitha Agarwal	Unsecured	Loan repayable on demand	1.38	1.28	<ul style="list-style-type: none"> Interest rate is 4% p.a. (March 31, 2018: 4%). The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.
Rain Group LLC	Unsecured	Loan repayable on demand	3.46	3.21	<ul style="list-style-type: none"> Interest rate is 4% p.a. (March 31, 2018: 4%). The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.
Rajsree Agarwal	Unsecured	Loan repayable on demand	2.08	1.92	<ul style="list-style-type: none"> Interest rate is 4% p.a. (March 31, 2018: 4%). The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.
HDB Financial Service Limited	Secured	Term loan	0.81	1.06	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 11.00% (March 31, 2018: 11.00%).
Tata Motor Finance Service Limited	Secured	Term loan	3.23	4.22	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 10.28% (March 31, 2018 : 10.28%).
IFCI Limited	Secured	Term loan	26.90		<ul style="list-style-type: none"> The loan is secured by: <ul style="list-style-type: none"> - Pledge of shares of Coffee day Enterprises Limited. - Equitable mortgage over the land at Mangaluru held by the company. - Personal guarantee of Mr.V G Siddhartha, Corporate Guarantee of Coffee Day Global Limited. The loan carries interest rate IFCI Benchmark Rate(IBR) +1.00% p.a payable monthly (Currently IFCI Benchmark Rate(IBR) at 10.75%). The loan is repayable in 8 structured quarterly installments after a moratorium of 12 months from the date of disbursement."
Standard Chartered Bank	Unsecured	Debentures	2,960.12		<ul style="list-style-type: none"> 0.003 crore Non Convertible Debentures of ₹0.1 crore each (Secured and Listed) These debentures carry interest rate of 14.4% p.a. and are redeemable at par. These debentures are secured by - <ul style="list-style-type: none"> - Pledge and Escrow over all shares of Mindtree Limited held by V G Siddhartha, Coffee Day Enterprises and Coffee Day Trading Limited - Pledge of Coffee Day Global Limited Shares held by Coffee Day Enterprises Limited - Corporate guarantee of Coffee Day Global Limited. - Personal guarantee of V G Siddhartha. These debentures are redeemable by way of bullet repayment at the end of one year from the date of issue (i.e., 26 March 2020). In the absence of distributable profit, Debenture redemption reserve is not created.
Standard Chartered Investments and Loans (India) Limited	Secured	Term loan	-	55.00	<ul style="list-style-type: none"> Pledge of a proportion of the shares of Mindtree Limited and SLL held by the TRRDPL , CDTL and TRR ; Mortgage of immovable properties owned by TDL Personal guarantee of Mr V G Siddhartha and Corporate guarantee of certain group companies The loan carries an interest of 11.5% p.a with reset on the relevant interest reset dates payable monthly 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 on or before the termination date i.e. 24 months and 10 days (i.e., April 07, 2020) The loan was fully repaid during the year.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Axis Bank Limited	Secured	Loan repayable on demand	-	0.42	<ul style="list-style-type: none"> Hypothecation of stocks and receivables. Charge over movable fixed assets of the CDGL. The loan was fully repaid during the year.
Birla Sunlife Trustee Company Private Limited	Secured	Debentures	-	120.00	<ul style="list-style-type: none"> Nil (March 31, 2018: 0.00012 crore) secured rated redeemable non-convertible debentures of ₹0.1 crore each As at the year end, the paid up value of these debentures is Nil (March 31, 2018: ₹120.00 crore including current maturities of long-term borrowings) Security <ul style="list-style-type: none"> 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- April 27, 2015- ₹60 crore and May 12, 2015- ₹60.00 crore. 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 have been redeemed by way of bullet repayment on April 16, 2018.
Aditya Birla Finance Limited	Secured	Term loan	25.05	152.88	<p>₹25.05 crore [March 31, 2018: Principal amount of loan amounting to ₹1,52.88 crore including current maturities of long-term borrowings - Secured by</p> <ul style="list-style-type: none"> Security <ul style="list-style-type: none"> 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 repayment of the loan has been extended pursuant to the letter dated June 21, 2018 up to May 24, 2019. This loan has been prepaid on 25 March 2019. During the year, ABFL has sanctioned a similar facility of up to ₹50 crore with rate of interest being 15% p. a with effect from 27 March 2019 of which 25 crore has been withdrawn and outstanding as at March 31, 2019.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Axis Bank Limited	Secured	Term loan	125.97	310.44	<ul style="list-style-type: none"> • Security <ul style="list-style-type: none"> - Pledge of Mindtree shares (55% of total security cover). - Listed shares of Sical Logistics Ltd./ Lakshmi Vilas Bank/ the company/ 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 - 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: <ul style="list-style-type: none"> - 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 installments beginning from 42nd month of first disbursement (i.e., June 28, 2020) • Amounts unpaid on due date will attract overdue interest at 2% p.a.
ICICI Prudential Asset Management Company	Secured	Debentures	-	62.90	<ul style="list-style-type: none"> • As at the year end, the paid up value of these debentures is Nil [March 31, 2018: i.e., 600 secured rated redeemable non convertible debentures of ₹0.1 crore each] • Security <ul style="list-style-type: none"> - 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. • These debentures carry a fixed maturity internal rate of return of 11% p.a • Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay. • The amount shall be paid on bullet repayment basis on the expiry of the term of 2 years. • The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement. The Company has prepaid these debentures on 26 March 2019.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
ICICI Prudential Asset Management Company	Secured	Debentures	-	94.51	<ul style="list-style-type: none"> As at the year end, the paid up value of these debentures is Nil [March 31, 2018: 0.0009 crore secured rated redeemable non convertible debentures of ₹0.1 crore each] Security <ul style="list-style-type: none"> - 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. MIBOR plus 600 basis points subject to a minimum of 10.99% and maximum of 11.01%. Any delay in repayment of interest entails payment of penal interest @ 2% p.a. for the period of delay. The amount shall be paid on bullet repayment basis on the expiry of the term of 2 years. The Company has an option of voluntary prepayment under certain circumstances as set out in the agreement. <p>The Company has prepaid these debentures on 26 March 2019.</p>
IFIN Securities Ltd	Secured	Loan repayable on demand	1.70	-	<ul style="list-style-type: none"> Rate of interest IFIN Securities Finance Limited 13%.(March 31, 2018: Nil)The loan is repayable 12 months from the date of disbursement.
ECL Finance Limited	Secured	Term loan	-	5.31	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Pledge of shares of Sical Logistics Limited held by the company Pledge of shares of Coffee Day Enterprises Limited 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 (i.e. 19/05/2015) Repayment is to be done at the end of 36 months commencing from the first drawdown date or on demand whichever is earlier The loan was repaid fully during the year.
Volkswagen Financial Services India Private Limited	Secured	Term loan	0.04	0.06	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 8.95%.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Kotak Mahindra Investments Limited	Unsecured	Term loan	-	69.44	<ul style="list-style-type: none"> The facility of ₹50 crore carries interest rate of 11.50%p.a compounded monthly, payable on calendar quarterly rests and the loan is secured by: <ul style="list-style-type: none"> Pledge of Mindtree shares Limited held by group entities Pledge of equity shares of Coffee Day Global Limited held by the ultimate holding company Personal guarantee of Mr. V.G. Siddhartha Tenure of Loan - 60 months from the date of first disbursement (28/02/2018) Repayment is to be done at the end of 60 months from the date of first disbursement The facility of ₹39.9 crore carries interest rate of 15.00%p.a compounded monthly, payable quarterly and the loan is secured by: <ul style="list-style-type: none"> Pledge of Mindtree shares Limited Capped at ₹12.50 crore Pledge of 0.11 crore shares of Coffee Day Global Limited Capped at ₹12.50 crore 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 The loan was fully repaid during the year.
Kotak Mahindra Prime Limited	Secured	Term loan	-	20.93	<ul style="list-style-type: none"> The facility of ₹27.3 crore carries interest rate of 12.50% p.a compounded monthly, payable quarterly and the loan is secured by: <ul style="list-style-type: none"> Pledge of shares of Mindtree Limited held by group companies Pledge of shares of Coffee Day Global Limited held by the ultimate holding company Pledge of shares of Sical logistics Limited towards additional security Guarantee of pledge 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 The loan was fully repaid during the year.
Ratnakar Bank Limited	Secured	Loan repayable on demand	124.50	54.05	Secured by <ul style="list-style-type: none"> First pari passu charge on current assets of vending division Personal guarantee of V. G. Siddhartha Pledge of listed shares of Coffee Day Enterprises Ltd held by Mr. V.G. Siddhartha to the extent of 2 times of Facility Receivables with benefits of all securities, interest becoming due and benefits of the same.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Tata Capital Financial Services Limited	Unsecured	Term loan	-	98.71	<ul style="list-style-type: none"> The credit availed carries an interest of 10.80% p.a. payable quarterly and the loan is secured by: Pledge of unencumbered shares of Mindtree Limited held by group entities Pledge of unencumbered shares of Coffee Day Global Limited held by the ultimate holding 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 (24/7/2017) A bullet repayment at the end of 36 months The loan was fully repaid during the year.
HSBC Bank Limited	Secured	Loan repayable on demand	10.00	10.00	Secured by <ul style="list-style-type: none"> Exclusive charge over movable assets, both present and future of the Company's outlets (café's) with asset cover of 1.75 times. carries an interest of 12.15% p.a. Personal Guarantee of Managing Director.
Standard Chartered Investments and Loans (India) Limited	Secured	Term loan	-	94.49	<ul style="list-style-type: none"> The facility carries interest rate of 11.50% 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 TRRDPL Mortgage of property situated at Mangalore held by Tanglin Developments Ltd Personal Guarantee of Mr. V.G. Siddhartha Tenure of Loan - 24 months and 10 days (credit availed on 28/03/2018) The credit availed has to be repaid at the end of 24 months commencing from first utilisation date The loan is repaid during the year.
Oriental Bank of Commerce Limited	Secured	Loan repayable on demand	-	36.36	Secured by <ul style="list-style-type: none"> 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; Carries an interest rate of 10.65% p.a 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.
Yes Bank Limited	Secured	Loan repayable on demand	50.03	0.78	Secured by <ul style="list-style-type: none"> Charge on all current assets of vending division (minimum cover of 1x) carries an interest rate of 3 months MCLR+2.4% p.a Personal guarantee of V. G. Siddhartha.
Yes Bank Limited	Secured	Term loan	16.27	-	Secured by <ul style="list-style-type: none"> Charge on all current assets of Vending Division Charge over Vending Machines installed across India Personal Guarantee of Mr.V.G. Siddhartha The loan carries a floating interest rate of 6 months MCLR plus 2.95% margin p.a. which is repayable in quarterly installments.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Kotak Mahindra Bank Limited	Secured	Loan repayable on demand	13.95	14.30	Secured by <ul style="list-style-type: none"> • Exclusive charge over movable fixed assets of 474 xpress kiosk.
Yes Bank Limited	Secured	Term loan	18.13	18.50	<ul style="list-style-type: none"> • Charge on the property of the company, hypothecation of all current assets and movable fixed assets of the company • Personal guarantee of the Promoter. • The loan carries interest rate of 4.45% over and above the bank's 6 months MCLR, which is repayable in quarterly repayment commencing from FY 2018-19 and ending in FY 2027-28.
Oriental Bank of Commerce Limited	Secured	Term loan	7.00	10.23	<ul style="list-style-type: none"> • 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 installments commencing from September 2013 and ending in June 2020. The maturity date of the loan is 30.06.2020.
Clix Capital Services Private Limited	Secured	Term loan	100.00	100.00	<ul style="list-style-type: none"> • Pledge of shares of CDGL, CDHRPL and SLL aggregating of which shall be equal to 2.5 times the Benchmark amount • Personal guarantee of Mr. V. G. Siddhartha • Irrevocable and unconditional corporate Guarantee of TRR and the company • The Loan carries an interest of carry interest @ 12% p.a payable monthly • The amount shall be paid on bullet repayment basis on the expiry of the term. (i.e. October 31, 2020) • Amounts unpaid on due date will attract overdue interest at 2% p.a over and above the interest rate.
IDFC Bank Limited	Secured	Debentures	100.00	100.00	<ul style="list-style-type: none"> • The Company had raised a sum of ₹100 crore through issue of 0.0001 crore Nos. secured listed 11% Non-convertible debentures of ₹0.1 crore each against the security of dredger and the spares and machinery pertaining to dredger held by the Company 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 June 25, 2021.
Karnataka Bank Limited	Secured	Loan repayable on demand	65.96	71.18	Secured by <ul style="list-style-type: none"> • Hypothecation of stocks of coffee beans located at Chikmagalur and advance paid to planters; • Hypothecation of goods covered under export bills; • Further, the loan is collaterally secured by - <ul style="list-style-type: none"> - 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 CDGL and the Promoter.
ICICI Bank Limited	Secured	Term loan	-	-	<ul style="list-style-type: none"> - 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.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Ratnakar Bank Limited	Unsecured	Loan repayable on demand	100.00		<ul style="list-style-type: none"> - The loan is secured by: <ul style="list-style-type: none"> - Pledge of shares of Coffeeday Enterprises Limited held by Mr.V G Siddhartha. - Pledge of shares of Tanglin Developments Limited held by Coffeeday Enterprises Limited. - ISRA equivalent to 1 month's interest to be hed as cash / FD under lien with RBL Bank Ltd during the tenor of loan. - Personal guarantee of Mr.V G Siddhartha, - Corporate Guarantee of Coffee Day Enterprises Limited. The loan carries interest rate at 1 year MCLR+1.50% p.a payable monthly (Currently 1 year MCLR at 10.25%). The loan is repayable through bullet repayment attend of 12 months. (14th Feb 2020).
Ratnakar Bank Limited	Secured	Debentures	90.00	100.00	<ul style="list-style-type: none"> • Sical Logistics Limited has raised a sum of ₹100 crore through issue of 0.0001 crore Nos. Secured listed 11% Non-convertible debentures of ₹0.1 crore each against the security of - <ul style="list-style-type: none"> (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 & 1,030 Containers) and (e) Unconditional and irrevocable Corporate Guarantee of SICAL Logistics Limited. • The NCDs are listed in NSE. The IDBI Trusteeship Services Ltd has been appointed as the debenture trustees. • The debentures are redeemable in 10 semi-annual step-up tranches with a moratorium of 18 months with a total maturity period of 72 months. Interest on NCDs is payable semi-annually.
Canara Bank Limited	Secured	Term loan	84.38	112.51	<ul style="list-style-type: none"> • Sical Logistics Limited has taken a secured term loan of ₹40 crore during FY 2013-14, ₹10 crore in FY 2014-15, ₹50 crore in FY 2016-17 and ₹50 crore during FY 2017-18 during the year against <ul style="list-style-type: none"> (1) security of pari passu second charge over current assets and movable fixed assets of SLL (2) office building at Kolkata and Mumbai as collateral security with a moratorium period of 12 months. Loan is repayable in 16 equal quarterly installments. • The interest rate as on March 31, 2019 is 11.50% (Previous year: 11.55%) which is linked to MCLR.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Indusind Bank Limited	Secured	Term loan	53.51	68.50	<ul style="list-style-type: none"> Sical Logistics Limited has taken a term loan of ₹27 crore during the FY 2013-14 against security of pari-passu charge on the Ennore Project Assets. Loan is repayable in 84 equal monthly installments. The interest rate as on March 31, 2019 is 10.85% (Previous year: 10.98%) which is linked to the MCLR. Sical Logistics Limited had taken a term loan of ₹7 crore during FY 2016-17 for general corporate purposes. Loan is repayable in 45 equal monthly installments. The Group Company had also availed ₹52.1 crore of term loan during FY 2016-17. Loan is repayable in 59 step-up monthly installments including 3 months of moratorium. The interest rate as on March 31, 2019 is 10.85% (Previous year: 10.98%) which is linked to the base rate. The securities offered for these loans are as below. <ul style="list-style-type: none"> a) charge on receivables from Ennore project; b) pari-passu charge on the Ennore project assets and c) exclusive charge on the office building located at 11, 12, 13, 14 and 15 Rajgiri Chambers, Mumbai. The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 11.00% (Previous year: 11.00%). Sical Logistics Limited has availed a term loan of ₹13 crore during the current financial year for general corporate purposes. Loan is repayable in 55 monthly step-up installments. The interest rate as on March 31, 2019 is 10.56% (Previous year: 10.56%) which is linked to the MCLR. The securities offered for these loans are same as term loan above.
Bank of Baroda Limited	Secured	Term loan	73.59	101.07	<ul style="list-style-type: none"> Sical Logistic Limited had taken term Loan of ₹75 crore during the FY 2014-15 against security of certain Immoveable properties (Land) for carrying out CAPEX and other expenditure for work orders awarded from Neyveli Lignite Corporation Limited and Mahanadi Coal fields Limited, with a moratorium period of 12 months. Loan is repayable in step up 16 quarterly installments. The interest rate as on March 31, 2019 is 11.25% (Previous year: 11.25%) which is linked to the MCLR. Sical Logistics Limited has taken term loan of ₹94.10 crore 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 installments. The interest rate as on March 31, 2019 is 11.40% (Previous year: 11.40%) which is linked to MCLR. This credit facility is availed by subsidiary - SMART.
Cholamandalam Finance Limited	Secured	Term loan	8.21	10.76	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 10.39% (Previous year: 10.39%).
South India Bank Limited	Secured	Term loan	16.66	33.33	<ul style="list-style-type: none"> Sical Logistics Limited had taken a term loan of ₹50 crore during the FY 2015-16 to meet its capital expenditure requirements against <ul style="list-style-type: none"> (1) security of movable fixed assets to be funded out of the loan amount (2) land at Kilacherry and Satharai, Tamilnadu, with a moratorium period of 24 months. Loan is repayable in 12 equal quarterly installments. The interest rate as on March 31, 2019 is 11.00% (Previous year: 11.00%) which is linked to the MCLR.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Yes Bank Limited	Secured	Term loan	328.74	218.59	<ul style="list-style-type: none"> Sical Logistics Limited had taken a term loan of ₹130 crore 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 installments. The interest rate as on March 31, 2019 is 12.50% (Previous year: 10.40%) which is linked to the MCLR. The Group Company has taken a term loan of ₹15.5 crore to meet its capital expenditure requirements against security of subservient charge over fixed and current assets. Loan is repayable in 10 step-up quarterly installments, including moratorium of 6 months. The interest rate as on March 31, 2019 is 12.50% (Previous year: 10.40%) which is linked to the MCLR. The Company had obtained ₹80 crore term loan facility 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. The interest rate as on March 31, 2019 is 11.70% (Previous year: 10.70%) which is linked to the MCLR. Sical Logistics Limited has a got a sanctioned limit of ₹500 crore (Term loan 1 - ₹210 crore and Term loan 2 - ₹290 crore). The term loan is repayable over 20 years including 2 years moratorium and structured quarterly installments over 18 years. The interest rate as on March 31, 2019 is 12.10% and 12.00% respectively for Term loan 1 and Term loan 2 (Previous year: Nil) which is linked to MCLR. This credit facility is availed by subsidiary - SIOTL. The facility is secured by below: <ul style="list-style-type: none"> (i) all the movable and immovable properties (excluding land and waterfront) and fixed assets of the Project; (ii) all intangible assets of the Project; (iii) all bank accounts of including, without limitation, the Trust and Retention Account and the Debt Service Reserve Account; (iv) all the receivables / claims / revenues of the Company from the Project; (v) assignment/charge/Security Interest of the Company under the Project Documents (including License Agreement, contracts (including guarantees) and all licenses, permits, approvals, consents and insurances policies obtained in respect of the Project; (vi) Unconditional & irrevocable Corporate Guarantee from SICAL Logistics Ltd; (vii) Pledge of 63% (sixty-three per cent) of paid up and voting share capital of the Company held by SICAL Logistics Ltd; Equipment loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 10.75% (Previous year: 10.75%).
Axis Bank Limited	Secured	Term loan	46.03	19.11	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 9.78% (Previous year: 9.52%). During the year the Group company has obtained a sanctioned credit limit of ₹55 crore against the security of the assets purchased out of the loan for its mining projects. The loan is repayable in 6 years with a moratorium of 1.5 yrs and 18 quarterly step-up repayment thereafter. The interest rate as on March 31, 2019 is 9.78% (Previous year: 9.43%).

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Kotak Mahindra Bank Limited	Secured	Term loan	3.97	5.15	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 10.01% (Previous year: 10.01%).
DCB Bank Limited	Secured	Term loan	11.60	15.60	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 11.05% (Previous year: 9.72%) which is linked to the MCLR.
Ratnakar Bank Limited	Secured	Term loan	133.66	62.75	<ul style="list-style-type: none"> Sical Logistics Limited had availed a term loan of ₹100 crore. The loan from bank is secured by exclusive charge on current assets of the Company, both present and future and an unconditional and irrevocable corporate guarantee of Sical Logistics Limited. Loan of ₹40 crore is repayable over 32 months including 2 months moratorium in equated monthly installments. Loan of ₹36 crore is repayable over 60 months including 2 months moratorium in equated monthly installments. Loan of ₹24 crore is repayable over 54 months in equated monthly installments. The interest rate as on March 31, 2019 is 11.95% (Previous year: 11.70%). This credit facility is availed by subsidiary - SSML. The loan from bank is secured by (1) exclusive charge on current assets of Sical Logistics Limited (2) an unconditional and irrevocable corporate guarantee of Sical Logistics Limited and (3) Pledge of shares to the extent of 30% shareholding of Sical Logistics Limited. The loan is repayable over 60 equal monthly installments. The interest rate as on March 31, 2019 is 12.25% (Previous year: 11.70%). This credit facility is availed by subsidiary - PNX. The Company has availed a term loan of ₹100 crore during FY 2018-19 against security of 1.37 acre of land at Madhavaram and subservient charge over current assets, both present and future. Loan is repayable in 48 monthly installments. The interest rate as on March 31, 2019 is 12.00% (Previous year: Nil) which is linked to the MCLR.
Standard Chartered Bank Limited	Secured	Term loan	62.95	91.20	<ul style="list-style-type: none"> Sical Logistics Limited has availed a term loan of ₹100 crore during the current year towards pre-operative expenses and payments of fees, costs and expenses in relation to specific mining projects. ₹45 crore loan is repayable in 32 monthly step-up installments and ₹55 crore loan is repayable in 48 monthly step-up installments. The interest rate as on March 31, 2019 is 11.30% (Previous year: 10.70%) which is linked to the MCLR. The securities offered for the credit facilities are as below - <ol style="list-style-type: none"> first ranking exclusive security interest over the Accounts and/or any other operating account established in relation to the specific mining projects, cash flows and distributions and agreements in relation to the specific mining projects and all monies, securities, instruments and/or cash equivalents deposited or required to be deposited in the Collection Account and/or any other operating account established in relation to the specific mining projects a first ranking security interest over all receivables in relation to the specific mining projects) a second ranking security interest over the dredger.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Corporation Bank Limited	Secured	Term loan	18.96	8.83	The loan is secured by a charge on the assets purchased out of the loan with a moratorium of 2 years and 12 half yearly step-up repayment. The interest rate as on March 31, 2019 is 10.30% which is linked to the MCLR. (Previous year: 10.00%).
SREI Infrastructure Finance Limited	Secured	Term loan	24.40	34.81	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 9.47% (Previous year: 9.47%).
Sundaram Finance Limited	Secured	Term loan	8.30	14.01	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 10.34% (Previous year: 10.34%). The loan is secured by a charge on the purchased assets - trailers. The interest rate as on March 31, 2019 is 10.75% (Previous year: 10.75%).
Tata Motor Finance Limited	Secured	Term loan	8.12	9.68	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 10.79% (Previous year: 10.79%).
Daimler Financial Services India Private Limited	Secured	Term loan	11.31	21.78	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 10.66% (Previous year: 10.66%).
Reliance Commercial Finance Limited	Secured	Term loan	1.34	2.41	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 13.50% (Previous year: 13.50%).
Siemens Financial Services Private Limited	Secured	Term loan	4.23	5.36	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 9.60% (Previous year: 9.60%).
Volvo Financial Services India Private Limited	Secured	Term loan	14.49	18.55	<ul style="list-style-type: none"> The loan is secured by a charge on the assets purchased out of the loan. The interest rate as on March 31, 2019 is 8.95% (Previous year: 8.95%).
Bank of Baroda Limited	Secured	Loan repayable on demand	246.64	206.55	<ul style="list-style-type: none"> Facility 1: 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 March 31, 2019 is 10.00% (Previous year: 10.00%) which is linked to the MCLR. Facility 2: 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. The interest rate as on March 31, 2019 is 11.40% (Previous year: 11.40%) linked to MCLR.
DCB Bank Limited	Secured	Loan repayable on demand	5.00	5.00	<ul style="list-style-type: none"> Sical Logistics Limited has availed a short-term loan ('STL') facility amounting to ₹5 crore with a tenure of 12 months. The STL is secured by (1) subservient charge on current assets of the Company and (2) securities offered. The interest rate as on March 31, 2019 is 11.05% (Previous year: 9.72%) which is linked to the MCLR.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Ratnakar Bank Limited	Secured	Loan repayable on demand	53.54	59.10	<ul style="list-style-type: none"> Sical Logistics Limited has availed a short-term revolving loan ('STL') facility amounting to ₹24.5 crore with a tenure of 4 months. The STL is secured by subservient charge on current assets including stock and book debts of the Company, both present and future. The interest rate as on March 31, 2019 is 12.45% (Previous year: 12.00%) which is linked to the MCLR. Sical Logistics Limited has availed a revolving working capital demand loan loan ('WCDL') facility amounting to ₹25 crore with a tenure of 6 months. The WCDL is secured by exclusive charge on entire current assets of the Company, both present and future. The interest rate as on March 31, 2019 is 12.30% (Previous year: 11.50%) which is linked to the base rate. Working capital facility is secured by (1) first exclusive charge on the entire current assets (including stock, receivables etc.) of the company, both present & future (2) first exclusive charge on the movable and immovable fixed assets of the company, both present & future (3) an unconditional and irrevocable corporate guarantee of Sical Logistics Limited, holding company and (4) pledge of shares to the extent of 30% shareholding of Sical Logistics Limited in the Company. The interest rate as on March 31, 2019 is 12.40% (Previous year: 11.50%) which is linked to the base rate. This credit facility is availed by subsidiary - PNx.
Hewlett Packard Financial Services India Private Limited	Secured	Term loan	0.55	0.10	<ul style="list-style-type: none"> Charge on movable fixed assets of the Magnasoft Consulting India Private Limited with WDV of ₹0.52 crore as on March 31, 2019 The loan carries a interest rate of 12% to 16% p.a. which is repayable in equal monthly installments with effect from August 2015 payable.
Hewlett Packard Financial Services India Private Limited	Secured	Long-term maturities of finance lease obligations	2.63	2.10	<ul style="list-style-type: none"> Charge on movable fixed assets of the Magnasoft Consulting India Private Limited with WDV of ₹1.93 crore as on March 31, 2019; The loan carries a interest rate of 12% to 16% p.a. which is repayable in equal monthly installments with effect from July 2015 payable.
Ratnakar Bank Limited	Secured	Loan repayable on demand	6.98	-	<ul style="list-style-type: none"> Primary Security: First charge on the entire current assets of the company including of Stock and Book Debts, both present & future. First Charge on entire movable Fixed Assets of the company (excluding specifically financed by Term Load/Financial Lease) Lien in favor of RBL on fixed deposit of ₹0.27 crore by the Magnasoft Consulting India Private Limited. Personal Guarantee: Mr. V.G.Siddhartha and Mr. Bobbie H Karla, Corporate gurantee by the holding company Coffee Day Trading Limited (formerly known as Global Technology Ventures Limited). Rate of Interest: For cash cerdit 12M MCLR plus 1%.

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
ICICI Bank Limited	Secured	Loan repayable on demand	-	2.18	<ul style="list-style-type: none"> • Exclusive charge on the entire current assets of Magnasoft Consulting Indai Private Limited. • Exclusive Charge on the movable fixed asset of Magnasoft Consulting India Private Limited and the assets funded by the bank. • Collaterally Secured by lien on Fixed Deposit of the company to the extent of ₹0.3 crore 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 ₹1.563 crore. • Personal Guarantee: Mr. Bobbie H Karla, Director and Member (Personal Guarantee is not less than ₹10 crore), Corporate guarantee by the holding company. • Rate of Interest: For cash credit I MCLR 6 Months plus 2.15% • The Same was repaid during the year."
Axis Bank Limited	Secured	Loan repayable on demand	-	4.10	<ul style="list-style-type: none"> • Collaterally Secured by lien on Fixed Deposit of Tanglin Developments Limited to the extent of ₹0.021 crore and lien on fixed deposit held by the holding company Ms. Coffee Day Trading Limited (formerly known as Global Technology Ventures Limited) to the extent of ₹0.9513 crore. • Personal Guarantee: Mr.Harmit Karla, Director and Member • Rate of Interest: For cash credit - 2.15% above axis bank's MCLR 3 months (the MCLR 3M rate applicable at present being 8% p.a.) i.e., with present applicable rate of 10.15% per annum • The loan was repaid during the year.
Ratnakar Bank Limited	Secured	Debentures	-	49.51	<ul style="list-style-type: none"> • Nil (March 31, 2018: 0.00005 crore!) Non-Convertible Debentures of ₹0.1 crore each. • (Secured)These debentures carry interest rate of 10.00% p.a. payable quarterly. • These debentures are secured by - <ul style="list-style-type: none"> - Pledge of share of Mindtree Ltd. and Coffee Day Global Limited held by V.G.Siddhartha, Coffeeday Enterprises Limited and Coffeeday Trading Limited. - Exclusive charges of land (5.042 acres), charge over the reaches in the name Tanglin Developments Limited - Personal guarantee of VG Siddhartha • These debentures are redeemable by way of bullet repayment at the end of 24 months from the allotment date (i.e., August 03, 2019). • These debentures are prepaid during the year.
ICICI Prudential Regular Income Fund	Unsecured	Debentures	-	75.00	<ul style="list-style-type: none"> • Nil (March 31, 2018: 0.000075 crore) Non-Convertible Debentures of ₹0.1 crore each • These debentures carry interest rate of 11.00% p.a payable annually. • These debentures are secured by - <ul style="list-style-type: none"> - Pledge of share of Mindtree Ltd. and Coffee Day Global Limited held by V.G.Siddhartha, Coffeeday Enterprises Limited and Coffeeday Trading Limited. - Pledge of shares of Coffee Day Global Limited held by Coffee Day Enterprises Limited - Personal guarantee of VG Siddhartha and corporate guarantee of Coffeeday Enterprises Limited and Coffeeday Trading Limited • These debentures are redeemable by way of bullet repayment at the end of 24 months from the allotment date (i.e., July 26, 2019). • These debentures are prepaid during the year.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Indiabulls Mutual Fund	Unsecured	Debentures	33.24	29.20	<ul style="list-style-type: none"> 0.00025 crore Non Convertible Debentures of ₹0.1 crore each 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 - <ul style="list-style-type: none"> Pledge of SLL 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., November 22, 2019).
A.K Capital Finance Private Limited	Unsecured	Debentures	32.92	29.03	<ul style="list-style-type: none"> 0.00025 crore Non-Convertible Debentures of ₹0.1 crore each 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 - <ul style="list-style-type: none"> 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).
ICICI Bank Limited	Secured	Term loan	1.01	1.20	<ul style="list-style-type: none"> Secured by hypothecation of vehicles. The vehicle loans carry an interest rate ranging from 8.24% to 9.00%. The loans are repayable by way of 60 EMI ending on various dates. The loans are secured against the vehicles for which the loans are granted.
Axis Bank Limited	Unsecured	Term loan	-	50.04	<p>The loan is secured by:</p> <p>Pledge of Shares of Mindtree Limited held by Coffeeday Enterprises Limited ,Coffee Day Trading Limited and VG Siddhartha.</p> <p>Pledge of shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited.</p> <p>Pledge of shares of Lakshmi Vilas Bank held by Sivan Securities Limited.</p> <p>Pledge of shares of Coffee Day Global Limited held by Coffee Day Enterprise Limited.</p> <p>Personal Guarantee of Mr.V G Siddhartha and Corporate Guarantee of Sivan Securities Limited and Tanglin Retail Reality Private Limited.</p> <p>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) .</p> <p>The loan was fully repaid during the year."</p>

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Common Rupee Loan	Secured	Term loan	898.67		<ul style="list-style-type: none"> - Original lenders : <ol style="list-style-type: none"> a) Axis Bank Limited b) Standard chartered Bank - The loan is secured by: <ul style="list-style-type: none"> - A Demand Promisory Note for the amount of facility along with interest payable thereon. - Equitable mortgage over the land and Building at Mylasandra Village, Bengaluru held by the Tanglin Developments Limited. - Pledge of shares of Tanglin Developments Limited held by Coffee Day Enterprises Limited. - Personal guarantee of Mr.V G Siddhartha, Corporate Guarantee of Coffee Day Enterprises Limited. - Facility A: The loan carries interest rate at 10.55% .The loan is repayable in 156 monthly installments starting from the following month from the date of disbursement (i.e. 22nd Jan 2019). - Facility B: The loan carries interest rate at 12.05% .The loan is repayable in 147 monthly installments after a moratorium of 10 months from the date of disbursement(i.e., 22nd Jan 2019)."
Yes Bank Limited	Secured	Term loan	100.77		<ul style="list-style-type: none"> - The loan is secured by: <ul style="list-style-type: none"> - Equitable mortgage over Tower C in Global Village which is the property held by the Tanglin Developments Limited. - Exclusive charge on lease rent receivable from customers. - Personal Guarantee of Mr.V G Siddhartha. - The loan carries interest rate at 1 year MCLR+3.15% p.a payable monthly (on sanction 1 year MCLR was 9.85%). - The loan is repayable in 120 monthly installments starting from the following month from the date of disbursement (i.e. 21st Dec 2018).
HDFC Bank Limited	Secured	Term loan	0.14	0.26	<ul style="list-style-type: none"> • Secured by hypothecation of vehicles. • The vehicle loan carries an interest rate of 9.51%. The loan is repayable by way of 60 EMI ending on May 2021. The loan is secured against the vehicle for which the loan is granted.
Bajaj Finance Limited	Unsecured	Loan repayable on demand	-	113.85	<ul style="list-style-type: none"> • The loan is a group loan with total sanction limit of ₹175 crore for the entire group. • The loan carries an interest rate of 9.50% p.a. payable monthly. • The Loan is fully repaid during the year.
Aditya Birla Finance Limited	Unsecured	Loan repayable on demand	20.60	125.00	<ul style="list-style-type: none"> • The loan is secured by: <ol style="list-style-type: none"> a) Pledge of shares of Coffee Day Global Limited, Mindtree Limited held by group entities and 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. payable quarterly.
Tata Capital Financial Services Limited	Unsecured	Loan repayable on demand	-	15.00	<ul style="list-style-type: none"> • The loan is secured by: <ul style="list-style-type: none"> - Pledge of shares of Mindtree Limited held by Coffeeday Enterprises Limited, Coffee Day Trading Limited and V.G. Siddhartha. - Personal Guarantee of Mr.V G Siddhartha • The loan carries interest rate of 12% p.a • The loan is repaid during the year."

Notes to the Consolidated Financial Statements

Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
STCI Finance Limited	Unsecured	Term loan	74.89	49.90	<ul style="list-style-type: none"> • The loan is secured by: <ul style="list-style-type: none"> - Pledge of shares of Tanglin Developments Ltd. held by group entities - Pledge of shares of Mindtree Limited held group entities. - Pledge of shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited. - Pledge of shares of Coffee Day Enterprises Limited held by group entities. - Personal Guarantee of Mr.V G Siddhartha and Corporate Guarantee of Coffee Day Enterprises Limited. • The loan carries interest rate at 15.00 % p.a payable quarterly • The Loan is repayable through bullet repayment at the end of 36 months from the date of disbursement (i.e. 26 the March 2021).
Tata Capital Financial Services Limited	Unsecured	Term loan	-	49.32	<ul style="list-style-type: none"> • The loan is secured by: <ul style="list-style-type: none"> - Pledge of shares of Mindtree Limited, Coffee Day Enterprises Limited and Coffee Day Global Limited held by group entities. - Personal Guarantee of Mr.V G Siddhartha • The loan carries interest rate at LTTLR less 7.45% i.e. 10.80% p.a. floating interest rate payable quarterly. • The loan is repayable through bullet repayment at the end of 36 months from the date of disbursement. • The loan was fully repaid during the year.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Housing Development Finance Corporation Limited	Secured	Term loan	-	802.00	<ul style="list-style-type: none"> • ₹400 crore loan is to be repaid in 4 equal installments 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., 134 crore at end of 4th year, 133 crore each at the end of 5th and 6th year based on average RBI rate for USD for the one week prior to conversion). 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 INR Terms, the interest rate shall be the HDFC Corporate Prime Lending Rate (HDFC CPLR) minus 450 basis points. • ₹120 crore loan is to be repaid in 4 equal installments 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 INR Terms, the interest rate shall be the HDFC Corporate Prime Lending Rate (HDFC CPLR). • ₹50 crore loan is to be repaid in 16 quarterly installments; installments consisting of 16 equal quarterly installments of ₹3.1 crore 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. • ₹85 crore (availed to the extent of ₹80 crore) loan is to be repaid in 29 quarterly installments; installments consisting of 18 equal quarterly installments of ₹3.50 crore each and 11 equal quarterly installments of ₹2 crore 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. • The loan amount repaid during the year.
Mysore Amalgamated Coffee Estates Limited	Unsecured	Loan repayable on demand	11.68	-	<ul style="list-style-type: none"> • Interest free loan • The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.
Bajaj Finance Limited	Secured	Term loan	100.00	100.00	<ul style="list-style-type: none"> • The loan is secured by: <ul style="list-style-type: none"> - 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.

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Clix Finance India Private Limited	Secured	Term loan	-	49.50	<ul style="list-style-type: none"> The loan is secured by: <ul style="list-style-type: none"> - Pledge of shares of Mindtree Limited held by Coffeeday Enterprises Limited, Coffee Day Trading Limited and V.G. Siddhartha. - Pledge of shares of Coffee Day Global Limited held by Coffee Day Enterprise Limited and V.G. Siddhartha. - Pledge of shares of Coffee Day Enterprises Limited held by V.G. Siddhartha and Coffee Day Consolidations Private Limited - Personal Guarantee of Mr.V G Siddhartha and Corporate Guarantee of Coffeeday Enterprises Limited, Coffee Day Trading Limited and Coffee Day Consolidations Private Limited. The loan carries interest rate at 12.25% p.a payable monthly. The loan is repayable through bullet repayment at the end of 36 months from the date of disbursement (i.e. 22nd March 2021) The loan was repaid fully during the year.
Shapoorji Pallonji Finance Private Limited	Unsecured	Term loan	-	24.75	<p>Loan of ₹15 crore</p> <ul style="list-style-type: none"> The loan is secured by: <ul style="list-style-type: none"> - Exclusive ranking pledge of unlisted equity shares of Coffee Day Global Limited held by group entities. - Personal Guarantee of Mr.V G Siddhartha and Corporate Guarantee of Coffee day Enterprises Limited. - Demand promissory note for the amount The loan carries interest rate at 12.50 % p.a Compounded Monthly payable quarterly The Loan is repayable through bullet repayment at the end of 36 months from the date of disbursement(i.e. 20 th March 2021). <p>Loan of ₹10 crore</p> <ul style="list-style-type: none"> The loan is secured by: <ul style="list-style-type: none"> - Exclusive ranking pledge of listed equity shares of Mindtree Limited and Coffee Day Enterprises Limited held by group entities. - Personal Guarantee of Mr.V G Siddhartha and Corporate Guarantee of Coffee day Enterprises Limited. - Demand promissory note for the amount The loan carries interest rate at 12.50 % p.a Compounded Monthly payable quarterly The Loan is repayable through bullet repayment at the end of 36 months from the date of disbursement(i.e. 19 the March 2021). The loan was fully repaid during the year.
Ratnakar Bank Limited	Unsecured	Term loan	49.77	49.53	<ul style="list-style-type: none"> The loan is secured by: <ul style="list-style-type: none"> - Pledge of shares of Mindtree Limited held by Coffeeday Enterprises Limited. - Pledge of shares of Sical Logistics Limited held by Tanglin Retail Reality Developments Private Limited. - Personal guarantee of Mr.V G Siddhartha, Corporate Guarantee of Coffee Day Enterprises Limited and Tanglin Retail Reality Developments Private Limited. The loan carries interest rate at 1 year MCLR+1.50% p.a payable monthly (Currently 1 year MCLR at 10.25%). The loan is repayable through bullet repayment at the end of 24 months from the date of disbursement.(i.e. 14th Feb 2020).

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Institution	Nature	Type	As at 31 March 2019	As at 31 March 2018	Terms and conditions
Nederland's Financierings-Maatschappij Voor Ontwikkelingslanden N.V. ("FMO")	Unsecured	Debentures	26.61	27.66	<ul style="list-style-type: none"> 0.26 crore (March 31, 2018: 0.26 crore) Compulsorily convertible debentures 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: <ul style="list-style-type: none"> 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 Nil (March 31, 2018: 1,697,572) Compulsorily Convertible Debentures (CCDs) to the promoter V.G. Siddhartha, subsequent to which the CCDs were converted to Nil (March 31, 2018: 1,230,910) equity shares of CDGL Re 1 each as per the original terms of agreement.
Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG')	Secured	Term loan	136.66	141.60	<p>Secured by</p> <ul style="list-style-type: none"> Personal guarantee of the V. G. Siddhartha; First ranking mortgage on the following immovable properties- <ul style="list-style-type: none"> Land located in Hassan, owned by Ganga Coffee Curing Works; Land located in Palace Road, Bangalore owned by the Company; and Charge on all movable assets of the Company. Loan from DEG carries a floating interest rate of 6 months EURIBOR plus 2.95% margin p.a and is repayable in 12 biannual installments with effect from November 2019.
Indusind Bank Limited	Secured	Loan repayable on demand	118.11		<p>- Secured by</p> <ul style="list-style-type: none"> Exclusive charge on identified coffee estates of about 300 acres valued not less than ₹60 crore Pledge of shares of Mindtree limited worth of ₹115 crore Hypothication of Certain earmarked assets of the cafes and stock of Coffee at Hassan earmarked for export and advance paid to planters Charge on all current assets of vending division (minimum cover of 1x) Personal guarantee of V. G. Siddhartha.
Evolute Trading Private Limited	Unsecured	Loan repayable on demand	5.50		<p>-</p> <ul style="list-style-type: none"> Interest rate is 10% p.a.. The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.
VAP Trading Private Limited	Unsecured	Loan repayable on demand	1.00		<p>-</p> <ul style="list-style-type: none"> Interest rate is 11% p.a.. The loan is repayable 12 months from the date of disbursement/ renewal or mutually agreed terms.

Notes to the Consolidated Financial Statements

24 OTHER NON-CURRENT FINANCIAL LIABILITIES

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Rental deposits	32.52	89.27
Deposits from customers	62.47	41.96
Liabilities measured at fair value through profit and loss:		
Derivative liability	16.33	1.50
	111.32	132.73

25 NON-CURRENT PROVISIONS

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity (refer note 49)	16.90	14.73
- Compensated absence	1.48	1.51
- National Pension Scheme	-	0.03
Others		
- Contingent provisions against standard assets*	0.06	0.08
	18.44	16.35

*A contingent provision against standard assets of NBFC arm of the group has been created at 0.25% of the outstanding standard assets in terms of the RBI Master Direction - Non - Banking Financial Company - Non- Systemically Important Non - Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016.

26 DEFERRED TAX LIABILITIES (NET)

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Deferred tax liability		
- Excess of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	106.24	100.30
- Net unrealised gain on open future positions	0.15	0.18
- Net gain on fair valuation of equity or debt instruments	0.04	-
- Others	-	1.23
Deferred tax assets		
- Unabsorbed losses	(42.99)	(56.20)
- Expenditure covered under 43 B of Income-tax Act, 1961	(2.58)	(2.29)
- Employee benefits	(0.12)	(0.13)
- Loss allowance for credit impairment trade receivables	(7.13)	(6.97)
MAT Credit entitlement	(33.14)	(23.40)
	20.47	12.72

Notes to the Consolidated Financial Statements

27 OTHER NON-CURRENT LIABILITIES

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Advance from customers	23.60	17.13
Rent equalisation reserve	10.30	8.26
	33.90	25.39

28 CURRENT BORROWINGS

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Secured:		
Debentures*	2,960.12	-
Loan repayable on demand *	541.86	433.74
Unsecured:		
Loan repayable on demand *	179.63	254.36
Loan from related parties		
- Mysore Amalgamated Coffee Estates Limited*	11.68	-
Loans from parties other than related parties*		
-Evolute Trading Private Limited	5.50	-
-VAP Trading Private Limited	1.00	-
- Illuminati Trading Private Limited	9.75	10.00
- DAX Partners	6.42	5.77
- Highgrove Management	12.81	12.23
- Rain Group LLC	3.46	3.21
- Rajsree Agarwal	2.08	1.92
- Lalitha Agarwal	1.38	1.28
Bank overdraft *	153.94	88.40
	3,889.63	810.91

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 55.

* Refer 23A for detailed terms and conditions

29 TRADE PAYABLES

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding dues of micro enterprises and small enterprises	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	141.94	132.51
	141.94	132.51

All trade payables are 'current'.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 55.

Notes to the Consolidated Financial Statements

30 OTHER CURRENT FINANCIAL LIABILITIES

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt *		
- Debentures	102.77	357.90
- Term loans	562.81	687.46
Current maturity of finance lease obligation *	1.33	1.07
Interest accrued but not due on borrowings	16.26	43.35
Others		
- Security deposits (refer note 51)	66.86	6.50
- Accrued salaries and benefits	41.08	28.66
- Payable to clients	88.87	65.44
- Creditors for capital goods (refer note 51)	11.36	17.79
- Employee dues	1.22	2.12
- Deposits from customers	35.53	39.82
- Book overdraft	54.66	31.97
- Creditors for expenses	115.30	88.04
- Other payables**	7.95	10.63
	1,106.00	1,380.75

** Other payable includes an amount of ₹6.53 crore (March 31, 2018: ₹6.59 crore) payable to clients on receipt of back to back amount from National Spot Exchange Limited.

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in note 55.

* Refer 23A for detailed terms and conditions

31 CURRENT PROVISIONS

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Gratuity (refer note 49)	1.21	0.70
- Compensated absence	4.15	2.88
	5.36	3.58

32 CURRENT TAX LIABILITIES

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Opening balance	41.09	23.65
Add: Current tax payable for the year	81.05	81.60
Less: Taxes paid during the year	(67.12)	(64.16)
	55.02	41.09

Notes to the Consolidated Financial Statements

33 OTHER CURRENT LIABILITIES

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Advance from customers	6.13	56.85
Statutory dues	37.12	27.69
Others	6.05	1.62
Rent equalisation reserve	1.80	0.70
Advance payments towards unexpired gift vouchers	1.75	1.27
Government subsidy received in advance (refer note 48)	0.22	0.35
Unearned revenue	0.03	-
	53.10	88.48

34 REVENUE FROM OPERATIONS

A Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Sale of coffee beans	627.57	586.25
Sale of food, beverages and other items	1,364.01	1,310.62
Sale of merchandise items	69.48	62.99
Sale of traded goods	-	0.19
Sale of services		
Rental income from SEZ and IT parks	122.80	117.89
Income from integrated logistics services	1,659.90	1,292.63
Service income from coffee vending machines	113.67	97.37
Income from software development and related services	50.81	50.58
Income from operations of resort	26.76	23.61
Maintenance income	16.93	18.59
Income from financial services		
Consultancy services	44.33	37.11
Trading income - securities	398.68	333.57
Brokerage income	51.20	78.04
Transaction charges	21.84	107.63
Delayed payment charges	3.72	5.63
Depository charges	2.45	2.14
Portfolio management fees	0.41	1.27
Interest income	4.13	4.13
Other operating revenue		
Sale of import entitlements	14.33	16.01
Advertisement income	57.67	66.70
Interest income under effective interest method	-	4.43
Gain / (loss) from commodity futures	(6.10)	(1.28)
Electricity charges	12.43	11.06
Dividend income	8.42	-
Others	0.74	1.12
Less: quality claims	(0.69)	(1.16)
Less: Service tax and GST	(322.49)	(353.84)
Less: trade discounts	(78.52)	(85.30)
	4,264.48	3,787.98

Notes to the Consolidated Financial Statements

B Disaggregation of revenue from contracts with customers

Revenue from customers is disaggregated by primary geographical market, major products and services.

₹ (in Crore)

For the year ended March 31, 2019	Coffee and related business	Integrated multimodal logistics	Financial services	Leasing commercial space	Hospitality services	Investment and other corporate operations	Total
Primary Geographical Markets	2,043.30	1,452.92	527.27	152.16	29.64	59.19	4,264.48
India	1,765.30	1,452.92	436.27	152.16	29.64	8.19	3,844.48
Europe	258.00	-	-	-	-	23.00	281.00
Other foreign countries	20.00	-	91.00	-	-	28.00	139.00
	2,043.30	1,452.92	527.27	152.16	29.64	59.19	4,264.48

C Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

₹ (in Crore)

Particulars	As at March 31, 2019
Contract assets	14.70
Contract liabilities	0.03

35 OTHER INCOME

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income under effective interest method	133.47	42.16
Excess provision written back	10.19	5.82
Interest on income tax refund	1.10	3.65
Net change in fair value of financial assets at fair value through profit and loss	-	3.62
Dividend income		
- Investments carried at fair value through profit and loss	1.37	2.04
- Investments carried at fair value through other comprehensive income	-	0.46
Profit on sale of property, plant and equipment	0.89	1.01
Profit on sale of investment	41.97	-
Rental income	0.31	0.69
Foreign exchange gain, net	7.46	-
Miscellaneous income	5.55	3.68
	202.31	63.13

36 COST OF MATERIALS CONSUMED

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock of raw coffee, packing materials, perishables, consumables and merchandise	63.14	99.76
Purchase of raw materials and packing materials		
- Purchase of coffee beans	430.03	431.34
- Purchase of perishables, consumables and packing materials	320.91	324.76
- Purchase of merchandise items	24.64	21.51
Closing stock of raw coffee, packing materials, perishables, consumables and merchandise	(74.49)	(63.14)
	764.23	814.23

Notes to the Consolidated Financial Statements

37 COST OF INTEGRATED LOGISTICS SERVICES

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Handling and transportation	741.49	519.76
Freight	222.17	187.97
Other cost of integrated logistics services	202.69	160.42
	1,166.35	868.15

38 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Opening stock		
Finished goods	13.91	11.23
Work-in-progress	4.92	7.94
(b) Closing stock		
Finished goods	(18.76)	(13.91)
Work-in-progress	(4.16)	(4.92)
	(4.09)	0.34

39 EMPLOYEE BENEFITS EXPENSE

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	498.45	438.28
Contribution to provident and other funds	37.05	34.63
Share based payments to employees	(0.05)	0.02
Staff welfare expenses	14.94	14.74
	550.39	487.67

40 FINANCE COSTS

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	429.56	330.80
Other borrowing costs	26.76	9.03
Foreign exchange loss to the extent considered as finance cost	-	9.30
	456.32	349.13

41 DEPRECIATION AND AMORTIZATION EXPENSE

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (refer note 4)	263.68	239.83
Depreciation on investment properties (refer note 5)	15.80	10.33
Amortization of intangible assets (refer note 7)	12.55	10.21
	292.03	260.37

Notes to the Consolidated Financial Statements

42 OTHER EXPENSES

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	268.96	231.78
Securities transaction tax	169.82	156.42
Exchange charges	86.40	142.34
Legal, professional and consultancy	87.31	55.32
Brokerage and commission	43.77	45.62
Power and fuel	37.91	34.62
Transportation, travelling and conveyance	27.70	29.67
Repairs and maintenance		
- plant and machinery	15.54	12.34
- buildings	1.77	2.19
- vehicles	0.39	0.37
- others	13.66	13.30
Communication expenses	37.73	25.31
Sub contracting charges	18.56	17.12
Café housekeeping and maintenance	18.95	16.86
Rates and taxes	29.00	13.46
Advertising and business promotion expenses	7.39	9.19
Bad debts written off	10.01	8.53
Advance written off	0.76	-
Foreign exchange loss, net	0.07	7.55
Grinding and curing charges	7.18	7.45
Security charges	7.68	7.39
Membership and subscription	11.11	6.79
Insurance	5.48	5.74
Freight and handling charges	5.22	4.40
Office maintenance and utilities	6.02	2.81
Food, beverages and other consumables	2.74	2.64
Recruitment charges	2.65	2.54
Corporate social responsibility	2.70	1.65
Donation	0.30	-
Donation to political party	3.00	-
Printing and stationery	2.39	1.44
License fee	-	1.39
Net loss on sale of investments	0.47	0.55
Director's fees	0.82	0.52
Commission to directors	0.39	0.45
Allowance for expected credit loss	18.05	(6.51)
Miscellaneous expenses	25.98	21.49
	977.88	882.73

Notes to the Consolidated Financial Statements

43 INCOME TAX

A. Amounts recognised in statement of profit and loss

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax:		
Income tax charge	82.45	80.15
Adjustments in respect of income tax of previous year	(1.40)	1.45
	81.05	81.60
Deferred tax:		
Relating to origination and reversal of temporary differences	26.63	8.33
Increase/ (reduction) of tax rate	0.30	0.30
Minimum alternative tax (MAT) credit entitlement	(42.64)	(13.00)
Minimum alternative tax credit entitlement of earlier years	0.42	(0.41)
	(15.29)	(4.78)
Income tax expense reported in the statement of profit or loss	65.76	76.82

B. Amounts recognised in other comprehensive income

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
(Loss) on financial assets measured at fair value through other comprehensive income, net of tax	0.08	(0.88)
Effective portion of gains and losses on hedging	-	(0.01)
Net (gain) on remeasurement of defined benefit liability/ (assets)	(0.12)	(0.31)
Income tax charged to other comprehensive income	(0.04)	(1.20)

C. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before share of profit of equity accounted investees	126.03	125.77
Loss from entities in the Group before taxes	62.27	89.63
Adjusted profit before tax	188.30	215.40
Tax at the Indian tax rate of 34.61% (March 31, 2018: 34.61%)	65.17	74.55
Effect of:		
Non deductible expenses	15.03	14.01
Adjustments in respect of income tax of previous years	(1.40)	1.45
Income taxed at special rates	(10.49)	(9.20)
Increase in tax rate	(0.34)	(3.29)
Others	(2.21)	(0.70)
Income tax expense	65.76	76.82

Notes to the Consolidated Financial Statements

D. Movement in deferred tax balances

Particulars	Balance as on April 01, 2018	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax assets as at March 31, 2019	Deferred tax liabilities as at March 31, 2019
Property, Plant and Equipment	(136.99)	(39.43)	-	(176.42)	(70.18)	106.24
Trade and other receivables	10.82	3.67	-	14.49	7.36	(7.13)
Investments	(0.72)	(22.69)	(0.08)	(23.49)	(23.45)	0.04
Loans and Borrowings	-	(1.42)	-	(1.42)	(1.42)	-
Security deposits	2.32	(1.26)	-	1.06	1.06	-
Employee benefits	2.79	0.42	0.12	3.33	3.21	(0.12)
Rent straight lining	3.10	1.13	-	4.23	4.23	-
Provisions	(8.55)	12.04	-	3.49	1.06	(2.43)
Tax loss Carried forward	110.93	20.62	-	131.55	88.56	(42.99)
MAT credit entitlement	57.83	42.21	-	100.04	66.90	(33.14)
	41.53	15.29	0.04	56.86	77.33	20.47

E. Unrecognised deferred tax assets

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.

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Unused tax losses	643.67	512.39
Potential tax benefit @ 34.94%	224.90	177.34
Carry forward of unabsorbed depreciation	39.93	37.07
Potential tax benefit @ 34.94%	13.95	12.25
Others		
Temporary differences on account of fair value of instruments through other comprehensive income	16.97	-
Deductible temporary differences	35.36	-
Potential tax benefit @ 34.94%	18.28	-

44 CONTINGENT LIABILITIES AND COMMITMENTS

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Contingent liabilities:		
Claims against the Group not acknowledged as debt (includes tax demands)	478.51	463.60
Guarantees excluding financial guarantees	231.39	181.49
Other financial guarantees	3.20	3.20
Commitments:		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	12.56	14.45
	725.66	662.74

Notes:

- Income tax department conducted search/survey under Section 132/132A of the Income Tax Act, 1961 on the Company and its subsidiary Companies from September 21, 2017 to September 24, 2017. As at March 31, 2018, the Company received a demand for ₹46.37 million. During the current year, the Company received a favourable order from the office of the CIT (Appeals), Bengaluru dated April 12, 2018. The Company has received a notice from the Income Tax

Notes to the Consolidated Financial Statements

Appellate Tribunal (ITAT) dated February 11, 2019 due to a further appeal by the Income tax department to the ITAT. The Company does not envisage any material impact on its financials statements.

- b) On April 30, 2019, Way2wealth Brokers Private Limited ('Subsidiary' or 'W2W') received an Order from Securities Exchange Board of India ("SEBI") ("the Order") with a demand of ₹15.34 crore and interest and penalty thereon of ₹6.80 crore for the period May 28, 2015 to September 09, 2015 towards the matter of dark fiber/ leased line connectivity allowed to the Subsidiary by National Stock Exchange from May 28, 2015 to September 09, 2015. The Order also directed the Subsidiary not to accept/ enroll any new customers for a period of one year from the date of the Order and discontinue proprietary trades for a period of two years from the date of Order. The Subsidiary has filed an appeal before the Securities Appellate Tribunal ("SAT") on May 03, 2019 and obtained an interim stay of the Order on May 06, 2019. The SAT ruling required the Subsidiary to deposit a sum of ₹7.5 crore before May 20, 2019 in an interest bearing account with SEBI. Accordingly, the Subsidiary has deposited the same on May 20, 2019. The Subsidiary has obtained an opinion from its legal advisors and based on the independent opinion obtained, the Subsidiary has strong grounds of appeal against the Order. Accordingly, the Subsidiary has not made any provision towards the above demand in its financial statements for the year ended March 31, 2019, however it has disclosed the above demand as a contingent liability in its financial statements for the year ended March 31, 2019.
- c) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. However, considering that there are numerous interpretative issues relating to this judgement and in the absence of reliable measurement of the provision for the earlier periods, the Group will evaluate its position and update its provision, if required, on receiving further clarity on the subject. The Group does not expect any material impact of the same.
- d) 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 judgments/decisions pending with various forums/authorities.
- e) 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.

Notes to the Consolidated Financial Statements

45 EARNINGS PER SHARE

(i) Reconciliation of earnings for calculation of earnings per share:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit for the year attributable to the equity shareholders	127.51	106.26
Net profit for basic / diluted earnings per share	127.51	106.26

(ii) Reconciliation of number of equity shares for computation of basic earnings per share is set out below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of equity shares at the beginning of the year (refer note 21)	211,251,719	211,251,719
Add: Weighted average number of equity shares issued during the year	-	-
Weighted average number of equity shares for calculation of earnings per share	211,251,719	211,251,719

(iii) Earnings per share:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
From continuing operations		
- Basic	6.03	5.03
- Diluted *	6.03	5.03
* No dilutive shares outstanding as at balance sheet date		

46 ASSETS CLASSIFIED AS HELD FOR SALE

On February 07, 2019, the Board of Directors provided an in principal approved to sell the shares of Mindtree Limited held by the Company and its subsidiary. Subsequently, on 18 March 2019, the Company has entered into an agreement to sell the shares of Mindtree Limited held by the Company, its subsidiary as well as directly by the Promoter to Larsen and Toubro Limited at an agreed price of ₹980 per share subject to certain terms and conditions as per the agreement. Accordingly, the Company has classified its shares held in Mindtree Limited as at March 31, 2019 as "Assets held for Sale" as required under Ind-AS 105 – "Non Current Assets Held for Sale and Discontinued Operations". Subsequent to the balance sheet date on April 30, 2019, the transaction for sale of Mindtree Limited has been completed and the Company along with its subsidiary has received the entire agreed consideration.

A Impairment losses relating to assets held for sale

There is no impairment loss of the disposal of the shares to have been applied to reduce the lower of its carrying amount and fair value less cost to sell.

B Assets held for sale

As at March 31, 2019 disposal shares were stated at lower of its carrying amount and fair value less cost to sell.

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Investment in equity shares		
<i>Quoted</i>		
- 2.75 crore equity shares of Mind tree Limited of ₹10 each fully paid up	687.01	-
	687.01	-

Notes to the Consolidated Financial Statements

C Cumulative income or expense included in OCI

There cumulative income or expense included in OCI relating to the asset held for sale is ₹8.6 crore.

D Measurement

Consideration as agreed with Larsen & Toubro Limited for these assets held for sale is considered as fair value.

E Subsequent event

Subsequent to the balance sheet date on April 30, 2019, the transaction for sale of Mindtree Limited has been consummated and the Company along with its subsidiary has received the entire agreed consideration.

47 SHARE-BASED PAYMENTS

A. Description of share-based payment arrangements:

Certain employees of the subsidiary, Magnasoft Consulting India Private Limited (MCIPL) have received employee stock options ('ESOP') on the shares granted by a trust sponsored by the promoters of the Group. The subsidiary have reserved 0.134 crore equity shares 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 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
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. No options were granted during the year ended March 31, 2019 and previous year ended March 31, 2018.

C. Reconciliation of outstanding share option

The movement in the options under the plans during the year ended March 31, 2019 and March 31, 2018 is set out below:

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	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	134,000	1.00	180,400
Granted during the year	-	-	-	-
Forfeitures during the year	-	(83,000)	1.00	(46,400)
Outstanding at the end of the year	1.00	51,000	1.00	134,000
Exercisable at the end of the year	1.00	51,000	1.00	129,000

₹ except per share data

The trust has granted 1,399,000 shares during the year ended March 31, 2016 at an exercise price of ₹1. The weighted average fair value of the above mentioned options estimated on the grant dates using the Black-Scholes-Merton model is ₹5.86.

Notes to the Consolidated Financial Statements

Share options outstanding at the end of the year have the following expiry date and exercise price:

₹ in Crore (except share data)

Type of arrangement	Exercise price	Fair value as at March 31, 2019	Number of options (outstanding as at the year end)	Forfeited during the year	Expense recognized during the year	Outstanding liability as at the year end
ESOP Plan	1.00	-	0.01	0.01	(0.05)	0.07
Total				0.01	(0.05)	0.07

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 March 31, 2019, the Company has received cumulatively, total grant of ₹13.16 crore (March 31, 2018: ₹9.63 crore).

The Group has incurred a cost of ₹6.06 crore for the year (Previous year: ₹2.30 crore) under various expense heads. However, grant for expenses amounting to ₹3.54 crore (Previous year ₹0.96 crore) have not yet been received. The remaining expenses has been reduced from the proceeds of this grant.

The unutilised amount of of the total grant received as at March 31, 2019 is ₹0.22 crore (March 31, 2018: 0.35 crore).

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rates & taxes	0.84	0.81
Rent	3.14	0.79
Staff welfare expenses	1.88	0.54
Printing and stationery	-	0.08
Transportation, travelling and conveyance	0.01	0.04
Power and fuel	0.05	0.04
Legal and professional	0.03	0.01
Repairs and maintenance - buildings	0.06	-
Others	0.05	-
	6.06	2.31
Less: Expenditure from internally generated funds	2.96	0.88
Service charges and tax deducted at source on grant sanctioned	0.58	0.08
	3.54	0.96
	2.52	1.35

49 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.

Notes to the Consolidated Financial Statements

B. Reconciliation of the projected benefit obligations

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Change in projected benefit obligation:		
Obligations at the beginning of the year	27.17	23.03
Included in profit and loss:		
- Service cost	5.64	5.29
- Interest cost	2.11	1.32
Included in other comprehensive income:		
- Actuarial (gains)/ losses arising from changes in financial assumptions	(0.71)	1.53
- Actuarial (gains)/ losses arising from experience adjustments	(0.12)	(2.04)
- (Return)/ loss on plan assets excluding interest income	-	0.04
Benefits settled	(2.75)	(1.94)
Loss of control in subsidiary	-	(0.06)
Acquisition	(0.15)	-
Obligations at year end	31.19	27.17
Change in plan assets:		
Plans assets at the beginning of the year, at fair value	15.29	13.52
Included in profit and loss:		
- Interest income	-	-
Expected return on plan assets	1.36	0.47
Actuarial (loss)/gain	(0.26)	0.27
Contributions	4.28	2.97
Benefits settled	(2.75)	(1.94)
Plans assets at year end, at fair value	17.92	15.29

Liability recognised in the balance sheet

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Fair value of plan assets:	17.92	15.29
Present value of defined benefit obligation at the end of the year	31.19	27.17
Total employee benefit liabilities	13.27	11.88
<i>Net liability:</i>		
- Current	1.21	0.70
- Non current	16.90	14.73
- Prepaid gratuity	(4.84)	(3.55)

C. (i) Expense recognised in profit or loss:

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Cost for the year</i>		
Service cost	5.64	5.29
Interest cost	2.11	1.32
Interest income	(1.36)	(0.47)
Net gratuity cost	6.39	6.14

Notes to the Consolidated Financial Statements

(ii) Remeasurements recognised in other comprehensive income:

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Actuarial (gains)/ losses arising from changes in financial assumptions	(0.71)	1.53
Actuarial (gains)/ losses arising from experience adjustments	(0.12)	(2.04)
(Return)/ loss on plan assets excluding interest income	0.26	(0.32)
Net gratuity cost	(0.57)	(0.83)

D. Plan Assets comprise of the funds amounting to ₹17.92 crore (March 2018: ₹15.29 crore).

E. Defined benefit obligation

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	As at March 31, 2019	As at March 31, 2018
Interest rate	6.85% - 7.8%	7.00% - 7.82%
Salary increase	3.00% - 10.00%	3.00% - 10.00%
Retirement age	58- 60 years	60 years
Attrition rate	2.00% -20.00%	2.00% - 25.00%
Mortality table	IALM (2012-14)	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.

₹ (in Crore)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	28.17	34.27	23.89	27.82
Future salary growth (100 basis points movement)	34.11	28.32	27.62	24.00
Attrition rate (100 basis points movement)	6.65	6.67	5.34	4.32

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 / 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:

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Cancellable	101.71	92.67
Non-cancellable	21.09	25.22
	122.80	117.89

Notes to the Consolidated Financial Statements

The future minimum lease receivables under non-cancellable operating leases in aggregate are as follows:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	42.48	17.79
Later than 1 year and not later than 5 years	124.01	24.25
More than 5 years	26.33	26.16

Assets taken on operating lease:

The Group leases office premises, café outlets, residential facilities, resorts and warehouses 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 ₹268.96 crore and ₹231.78 crore for the year ended March 31, 2019 and March 31, 2018 respectively.

The future minimum lease payments under non-cancellable operating leases in aggregate are as follows:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	44.85	54.71
Later than 1 year and not later than 5 years	116.54	135.10
More than 5 years	52.70	57.00

(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. The lease period is three years. Reconciliation between the total of minimum lease payments and their present value is as follows:

Particulars	₹ (in Crore)			
	As at March 31, 2019		As at March 31, 2018	
	Minimum lease payments	Net present value	Minimum lease payments	Net present value
Not later than 1 year	1.58	1.33	1.23	1.07
Later than 1 year and not later than 5 years	1.40	1.30	1.27	1.16

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 and with whom transactions have taken place:

Sical Sattva Rail Terminal Private Limited
 Dark Forest Furniture Company Private Limited
 Mysore Amalgamated Coffee Estates Limited
 Coffee Day Barefoot Resorts Private Limited
 Coffee Day Resorts (MSM) Private Limited
 Coffee Day Schaerer Technologies Private Limited
 Sampigehutty Estates
 Kathlekhan Estates Private Limited
 Mindtree Limited
 Smt. Vasanthi Hegde
 Kesar Marble & Granite Limited
 Sivan Securities Private Limited

Notes to the Consolidated Financial Statements

Global Edge Software Limited #

Global Edge Software Limited ceased to be an associate due to loss of control by divestment of stake during the previous year ended March 31, 2018.

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. S.V. Ranganath
Dr. Albert Hieronimus
Mrs. Sulakshana Raghavan (Appointed w.e.f - 5 March 2019)

D. Related party transactions other than those with key management personnel

I. The following is a summary of transactions :

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<i>Cost of services</i>		
Sical Sattva Rail Terminal Private Limited	0.01	0.36
<i>Loan / advance given</i>		
Coffee Day Resorts (MSM) Private Limited	0.04	0.02
Dark Forest Furniture Company Private Limited	25.41	41.06
Mysore Amalgamated Coffee Estates Limited	2,226.80	724.63
Coffee Day Barefoot Resorts Private Limited	0.01	0.05
Coffee Day Natural Resources Private Ltd	0.04	-
<i>Advance towards purchase of cofee</i>		
Mysore Amalgamated Coffee Estates Limited	394.21	365.01
<i>Loans / advance recovered</i>		
Mysore Amalgamated Coffee Estates Limited	1,449.13	724.63
Coffee Day Resorts (MSM) Private Limited	0.05	-
<i>Interest received</i>		
Mysore Amalgamated Coffee Estates Limited	98.06	11.87
Reimbursement of expenses paid		
Coffee Day Schaerer Technologies Private Limited	1.17	0.95
<i>Purchase of fixed assets</i>		
Dark Forest Furniture Company Private Limited	31.46	20.93

Notes to the Consolidated Financial Statements

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<i>Purchase of clean and raw coffee</i>		
Mysore Amalgamated Coffee Estates Limited	70.90	39.23
Sampigehutty Estates	69.13	-
Kathlekhan Estates Private Limited	159.85	-
<i>Purchases of coffee vending machines</i>		
Coffee Day Schaerer Technologies Private Limited	2.38	2.65
<i>Sale of clean and raw coffee</i>		
Kathlekhan Estates Private Limited	69.19	35.28
Sampigehutty Estates Pvt Ltd	0.51	-
Sivan Securities Pvt.Ltd	0.51	-
<i>Sale of coffee and service income</i>		
Mindtree Limited	2.40	2.87
<i>Rent received</i>		
Global Edge Software Private Limited	-	2.15
Mindtree Limited	41.62	39.93
<i>Refundable deposit received</i>		
Mindtree Limited	1.06	14.08
<i>Deposits refunded</i>		
Mindtree Limited	0.28	1.06
<i>Discount provided</i>		
Mindtree Limited	-	0.90
<i>Purchase of capital goods</i>		
Kesar Marble and Granite Ltd.	0.14	0.66
<i>Purchase of software</i>		
Mindtree Limited	3.52	2.56

II. The following is a summary of balances receivable from and payable:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
<i>Advance given for purchase of land *</i>	415.00	415.00
<i>Creditors for capital goods</i>		
Mindtree Limited	3.22	3.05
Coffee Day Schaerer Technologies Private Limited	0.02	3.14
<i>Deposits payable</i>		
Mindtree Limited	46.32	47.10
Global Edge Software Private Limited	-	2.69
<i>Trade payables</i>		
Sical Sattva Rail Terminal Private Limited	2.25	2.37
Dark Forest Furniture Company Private Limited	-	0.34
<i>Capital advances</i>		
Dark Forest Furniture Company Private Limited	24.54	30.59
Coffee Day Schaerer Technologies Private Limited	-	2.47
<i>Current loans **</i>		
Coffee Day Barefoot Resorts Private Limited	15.40	15.39
Coffee Day Resorts (MSM) Private Limited	0.01	0.02
Coffee Day Natural Resources Private Limited	0.04	-
Mysore Amalgamated Coffee Estates Limited	789.35	-

Notes to the Consolidated Financial Statements

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
<i>Advances for supply of goods & rendering of services</i>		
Mysore Amalgamated Coffee Estates Limited	64.82	3.46
<i>Current borrowings</i>		
Mysore Amalgamated Coffee Estates Limited	11.68	-
<i>Reimbursement of expenses</i>		
Coffee Day Schaerer Technologies Private Limited	0.24	-
<i>Trade receivables</i>		
Mindtree Limited	1.74	0.82

* Balances includes advances made to Sivan Securities Private Limited and Smt. Vasanthi Hegde for ₹140 crore and ₹275 crore respectively.

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

Party name	Nature of relationship	Interest rate	Repayment terms	Purpose
Coffee Day Resorts MSM Private Limited	Enterprise where significant influence exist	0%*	On demand	General
Coffee Day Barefoot Resorts Private Limited	Enterprise where significant influence exist	0%*	On demand	General
Coffee Day Natural Resources Private Limited	Enterprise where significant influence exist	0%*	On demand	General
Mysore Amalgamated Coffee Estates Limited	Enterprise where significant influence exist	11%	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 subsidiary Coffee Day Hotels & Resorts Private Limited is in the business of operating resorts, it has obtained an opinion that it is exempt from the provisions of Section 186 of the Act. Accordingly, the subsidiaries has not charged interest in relation to loan provided.

(b) Reconciliation of inter-company loans and advances given as at the beginning and as at the end of the year:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
<i>Coffee Day Resorts MSM Private Limited</i>		
Opening balance	0.02	-
Add: Given during the year	0.04	0.02
Less: Repaid during the year	(0.05)	-
Closing balance	0.01	0.02
<i>Coffee Day Barefoot Resorts Private Limited</i>		
Opening balance	15.39	15.34
Add: Given during the year	0.01	0.05
Less: Repaid during the year	-	-
Closing balance	15.40	15.39
<i>Coffee Day Natural Resources Private Limited</i>		
Opening balance	-	-
Add: Given during the year	0.04	-
Less: Repaid during the year	-	-
Closing balance	0.04	-

Notes to the Consolidated Financial Statements

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
<i>Mysore Amalgamated Coffee Estates Limited</i>		
Opening balance	-	-
Add: Given during the year	2,226.80	724.63
Less: Repaid during the year	(1,449.13)	(724.63)
Closing balance	777.67	-

E. Related party transactions with key management personnel

I. The following is a summary of transactions:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Compensation		
- Short-term employee benefits*	9.11	11.09
Guarantee given/ (closed)	2,098.85	509.98

* 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 to KMP

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Loans and advances	-	0.28
Corporate guarantee received	6,341.56	4,205.43

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. Further, it also includes exceptional gain on account of sale of equity stake in Global Edge Software Limited.

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.

Notes to the Consolidated Financial Statements

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:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from external customers:		
Coffee and related business	2,043.30	1,886.58
Integrated multimodal logistics	1,452.92	1,131.41
Financial services	527.07	545.61
Leasing of commercial office space	152.16	143.90
Hospitality services	29.64	27.43
Investment and other corporate operations	59.39	53.05
Inter-segment revenue:		
Coffee and related business	0.16	35.09
Integrated multimodal logistics	72.02	62.83
Financial services	-	0.13
Leasing of commercial office space	3.35	1.84
Hospitality services	2.75	2.34
Total segment revenue	4,342.76	3,890.21
Reconciling items:		
- inter-segment revenue	(78.28)	(102.23)
Total revenue as per statement of profit and loss	4,264.48	3,787.98

(ii) Segment Results

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Coffee and related business	335.45	307.12
Integrated multimodal logistics	172.75	181.26
Financial services	33.97	54.70
Leasing of commercial office space	199.61	124.71
Hospitality services	4.14	4.55
Investment and other corporate operations	215.42	162.25
Total segment results	961.34	834.59
Reconciling items:		
- depreciation	(292.03)	(260.37)
- finance cost	(456.32)	(349.13)
Profit before tax as per statement of profit and loss	212.99	225.09
Income tax expense	(65.76)	(76.82)
Profit after tax as per statement of profit and loss	147.23	148.27

Notes to the Consolidated Financial Statements

(iii) Geographical information

(a) Segment Revenue:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from external customers:		
India	3,844.48	3,269.55
Europe	281.00	360.37
Africa	-	0.20
Americas	21.00	20.22
Asia Pacific	5.00	11.00
Middle East	1.00	0.73
Oceania	1.00	1.45
- Other foreign countries	111.00	124.46
Inter-segment revenue:	78.28	102.23
Total segment revenue	4,342.76	3,890.21

(b) Segment non-current assets

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
- India	5,695.21	5,764.84
- Europe	3.04	3.28
- Other foreign countries	20.09	4.15
Total	5,718.34	5,772.27
Reconciling items:		
- deferred tax assets	77.33	54.25
- non-current financial assets	173.87	216.84
Total non-current assets	5,969.54	6,043.36

(iv) Revenue from major products and services

The Group's revenue from continuing operations from its major products or services are as follows:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of food, beverages and coffee beans	2,043.30	1,886.58
Income from integrated logistics services	1,452.92	1,131.41
Securities trading, brokerage and consultancy services	527.07	545.61
License fee and maintenance income from SEZ and IT parks	152.16	143.90
Income from software development and related services	29.64	27.43
Income from operations of resort	59.39	53.05

(v) Information about major customers

Revenue from top three customers of the Group's leasing of commercial office space segment is ₹97.30 crore (March 31, 2018: ₹70.9 crore) which is more than 10% of the segment's total revenue.

Revenue from one customer of the Group's investment and other corporate operation segment is ₹10.45 crore (March 31, 2018: ₹7.78 crore) which is more than 10% of the segment's total revenue.

The Group does not derive more than 10% of its revenues in other segments from a single customer.

Notes to the Consolidated Financial Statements

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 March 31, 2019 is as follows:

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	60.4%	1,911.54	-67.1%	(98.82)	4.3%	0.06	-66.5%	(98.76)
Indian subsidiaries								
Coffee Day Global Limited*	4.3%	137.44	24.4%	35.90	50.4%	0.70	24.6%	36.60
Sical Logistics Limited*	2.6%	82.61	7.6%	11.12	0.0%	-	7.5%	11.12
Way2Wealth Securities Private Limited*	1.8%	56.08	2.3%	3.42	-167.6%	(2.33)	0.7%	1.09
Tanglin Development Limited	0.8%	25.69	18.3%	26.88	0.0%	-	18.1%	26.88
Coffee Day Trading Limited	-0.2%	(7.38)	68.0%	100.05	-10.1%	(0.14)	67.2%	99.91
Magnasoft Consulting India Private Limited*	0.4%	12.13	-9.5%	(14.02)	0.7%	0.01	-9.4%	(14.01)
Coffee Day Hotels And Resorts Private Limited	-2.7%	(84.84)	-13.5%	(19.91)	2.9%	0.04	-13.4%	(19.87)
Wilderness Resorts Private Limited	-0.7%	(20.71)	-4.8%	(7.08)	0.0%	-	-4.8%	(7.08)
Karnataka Wildlife Resorts Private Limited	-0.7%	(21.75)	-0.9%	(1.32)	0.0%	-	-0.9%	(1.32)
Tanglin Retail Reality Developments Private Limited	-1.6%	(51.54)	-0.7%	(1.06)	0.0%	-	-0.7%	(1.06)
Girividyuth India Limited	0.0%	(0.36)	-0.2%	(0.36)	0.0%	-	-0.2%	(0.36)
Associates (investment as per the equity method)								
Mindtree Limited*	15.2%	482.29	61.3%	90.24	248.9%	3.46	63.0%	93.70
Ittiam Systems Private Limited*	0.3%	8.12	1.8%	2.61	-77.7%	(1.08)	1.0%	1.53
Barefoot Resorts & Leisure India Private Limited*	0.0%	(0.24)	-0.1%	(0.14)	0.7%	0.01	-0.1%	(0.13)
Non-controlling Interest								
Coffee Day Global Limited*	2.9%	90.35	2.6%	3.87	5.8%	0.08	2.7%	3.95
Sical Logistics Limited*	13.7%	432.47	4.8%	7.14	0.0%	-	4.8%	7.14
Way2Wealth Securities Private Limited*	1.7%	54.03	-0.6%	(0.86)	30.9%	0.43	-0.3%	(0.43)
Coffee Day Trading Limited	1.9%	58.87	10.1%	14.91	10.8%	0.15	10.1%	15.06
Magnasoft Consulting India Private Limited*	0.0%	1.34	-3.6%	(5.34)	0.0%	-	-3.6%	(5.34)
Total	100%	3,166.14	100%	147.23	100%	1.39	100%	148.62
Attributable to: Owners of the Group	79.9%	2,529.08	86.6%	127.51	52.5%	0.73	86.3%	128.24
Attributable to: Non-controlling interests	20.1%	637.06	13.4%	19.72	47.5%	0.66	13.7%	20.38

* 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.

- Further, adjusted for inter company transactions and balances arising on account of acquisition.

Notes to the Consolidated Financial Statements

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 (%)	
			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Coffee Day Global Limited	India	Integrated coffee business	90.69%	89.62%	9.31%	10.38%
Sical Logistics Limited	India	Integrated logistics provider	55.18%	52.83%	44.82%	47.17%
Way2Wealth Securities Private Limited	India	Financial intermediary services	85.53%	85.53%	14.47%	14.47%
Coffee Day Trading Limited	India	Investments in IT/ITeS	88.77%	88.77%	11.23%	11.23%
Magnasoft Consulting India Private Limited	India	Geospatial services	77.88%	77.88%	22.12%	22.12%
Tanglin Development Limited	India	Development of Tech Parks / SEZs	100.00%	100.00%	-	-
Tanglin Retail Reality Developments Private Limited	India	Property developers	100.00%	100.00%	-	-
Girividyuth India Limited	India	Power generation	100.00%	100.00%	-	-
Coffee Day Hotels And Resorts Private Limited	India	Operation of holiday resorts	100.00%	100.00%	-	-
Wilderness Resorts Private Limited	India	Operation of holiday resorts	100.00%	100.00%	-	-
Karnataka Wildlife Resorts Private Limited	India	Operation of holiday resorts	100.00%	100.00%	-	-
Coffee Day Kabini Resorts Limited	India	Operation of holiday resorts	100.00%	-	-	-

(b) Summarized financial information of the material subsidiaries that have non-controlling interest before inter company eliminations:

₹ (in Crore)

Summarised balance sheet	Coffee Day Global Limited		Sical Logistics Limited		Way2Wealth Securities Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Current assets	910.66	775.84	738.45	512.13	397.42	430.27
Non-current assets	1,453.69	1,242.92	2,255.04	1,938.94	183.83	81.38
Current liabilities	568.56	417.71	1,364.31	942.82	361.89	249.73
Non-current liabilities	420.32	264.86	834.10	786.71	7.23	51.31
Accumulated balance of NCI	90.35	96.03	432.47	439.58	54.03	52.55

₹ (in Crore)

Summarised statement of profit and loss	Coffee Day Global Limited		Sical Logistics Limited		Way2Wealth Securities Private Limited	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue	1,813.92	1,777.05	1,524.94	1,194.24	527.07	545.74
Profit for the year	40.62	36.97	18.26	34.10	2.55	26.73
Other comprehensive income	0.77	0.29	-	-	(1.89)	(5.88)
Total comprehensive income	41.39	37.26	18.26	34.10	0.66	20.85
Total comprehensive income allocated to NCI	3.95	3.75	7.14	18.20	(0.43)	7.56
Dividend allocated to NCI	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

₹ (in Crore)

Summarised cash flows	Coffee Day Global Limited		Sical Logistics Limited		Way2Wealth Securities Private Limited	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities	179.47	261.90	54.16	119.87	(35.51)	15.22
Cash flow from investing activities	(369.50)	(189.67)	(217.32)	(184.48)	(33.10)	(21.26)
Cash flow from financing activities	244.39	44.33	167.70	31.77	(1.82)	14.37
Net increase/ (decrease) in cash and cash equivalents	54.36	116.56	4.54	(32.84)	(70.43)	8.33

(ii) Associates and joint ventures

- (a) The associates and joint ventures of the Group as at March 31, 2019 which in the opinion of the directors, are material to the Group are listed below:

₹ (in Crore)

Name of the entity	Principal activities	Country of incorporation	% of ownership interest	Relationship	Accounting method	March 31, 2019 Quoted fair value	March 31, 2018
Mindtree Limited	IT consulting and software development	India	17.12%	Associate	Equity method upto February 07, 2019	2,690.69	2,165.78
Carrying value							
Other immaterial associates		India	-	Associate	Equity method	36.75	35.36
Other immaterial joint ventures		India	-	Joint ventures	Equity method	18.27	24.02

- (b) Summarised financial information about the joint venture or associate:

₹ (in Crore)

Summarised balance sheet	Mindtree Limited	
	As at December 31, 2018	As at March 31, 2018
Current assets		
- Cash and cash equivalents	162.60	328.90
- Other current assets	2,553.00	2,174.20
Total	2,715.60	2,503.10
Non-current assets	1,286.10	1,233.40
Current liabilities		
- Financial liabilities (excluding trade payables)	239.50	481.20
- Trade payables	213.40	171.00
- Provisions	148.00	121.80
- Other current liabilities	225.20	211.70
Total	826.10	985.70
Non-current liabilities		
- Financial liabilities (excluding trade payables)	0.50	0.90
- Other non-current liabilities	10.10	8.50
Total	10.60	9.40
Net assets	3,165.00	2,741.40

Notes to the Consolidated Financial Statements

Reconciliation to carrying amount:

Summarised balance sheet	Mindtree Limited	
	As at	As at
	December 31, 2018	March 31, 2018
Opening net assets	2,741.40	2,577.10
Profit for the year	555.70	570.10
Other comprehensive income	20.20	12.80
Dividend paid	-	(174.20)
Changes in other equity	(152.30)	(244.40)
Closing net assets	3,165.00	2,741.40
Group's share in %	17.12%	17.12%
Group's share in INR	541.85	469.33
Goodwill	134.66	134.66
Other reconciling items	10.50	24.96
Carrying amount	687.01	628.95

Summarised statement of profit and loss	Mindtree Limited	
	For the nine months ended	For the year ended
	December 31, 2018	March 31, 2018
Revenue	5,182.10	5,462.80
Depreciation and amortization	121.30	171.50
Finance costs	2.00	16.90
Tax expense	164.60	172.20
Profit for the year	555.70	570.10
Other comprehensive income	20.20	12.80
Total comprehensive income	575.90	582.90

(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.

Particulars	Associates		Joint venture	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Carrying amount of interests in all individually immaterial associates/ joint ventures	36.75	35.36	18.27	24.02
Aggregate amount of Group's share of:				
- profit or loss from continuing operations.	2.46	3.16	(5.75)	3.69
- other comprehensive income	(1.07)	(0.02)	-	-
Total comprehensive income	1.39	3.14	(5.75)	3.69

Notes to the Consolidated Financial Statements

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.

₹ (in Crore)

As at March 31, 2019	Carrying amount				Fair value			
Particulars	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
- Non-current investments	-	7.67	1.54	9.21	6.94	-	0.73	7.67
- Non-current loans								
Security deposits	-	-	113.32	113.32	-	-	-	-
Others	-	-	0.40	0.40	-	-	-	-
- Other non-current financial assets	-	-	50.94	50.94	-	-	-	-
- Current investments	112.40	-	-	112.40	10.41	-	101.99	112.40
- Trade receivables	-	-	570.59	570.59	-	-	-	-
- Cash and cash equivalents	-	-	2,127.47	2,127.47	-	-	-	-
- Bank balances other than cash and cash equivalents	-	-	239.43	239.43	-	-	-	-
- Current loans								
Security deposits	-	-	79.61	79.61	-	-	-	-
Others	-	-	839.08	839.08	-	-	-	-
- Other current financial assets	-	-	123.30	123.30	-	-	-	-
Total	112.40	7.67	4,145.68	4,265.75	17.35	-	102.72	120.07
Financial liabilities:								
- Non-current borrowings (including current maturities)								
Fixed rate instruments	-	-	2,060.94	2,060.94	-	2,112.03	-	2,112.03
Variable rate instruments	-	-	1,263.72	1,263.72	-	-	-	-
- Other non-current financial liabilities								
Derivative liability	16.33	-	-	16.33	-	16.33	-	16.33
Others	-	-	94.99	94.99	-	-	-	-
- Current borrowings								
Fixed rate instruments	-	-	3,477.39	3,477.39	-	3,477.39	-	3,477.39
Variable rate instruments	-	-	412.24	412.24	-	-	-	-
- Trade payables	-	-	141.94	141.94	-	-	-	-
- Other current financial liabilities (excluding current maturities)	-	-	439.09	439.09	-	-	-	-
Total	16.33	-	7,890.31	7,906.64	-	5,605.75	-	5,605.75

Notes to the Consolidated Financial Statements

₹ (in Crore)

As at March 31, 2018	Carrying amount				Fair value			
Particulars	FVTPL	FVOCI	Amortised cost	Total	Level 1	Level 2	Level 3	Total
Financial assets:								
- Non-current investments	0.45	14.27	1.29	16.01	14.06	-	1.94	16.00
- Non-current loans								
Security deposits	-	-	119.57	119.57	-	-	-	-
Others	-	-	22.20	22.20	-	-	-	-
- Other non-current financial assets	-	-	59.07	59.07	-	-	-	-
- Current investments	11.73	-	-	11.73	7.84	-	3.89	11.73
- Trade receivables	-	-	479.79	479.79	-	-	-	-
- Cash and cash equivalents	-	-	1,544.60	1,544.60	-	-	-	-
- Bank balances other than cash and cash equivalents	-	-	122.42	122.42	-	-	-	-
- Current loans								
Security deposits	-	-	103.92	103.92	-	-	-	-
Others	-	-	33.45	33.45	-	-	-	-
- Other current financial assets	-	-	146.35	146.35	-	-	-	-
Total	12.18	14.27	2,632.66	2,659.11	21.90	-	5.83	27.73
Financial liabilities:								
- Non-current borrowings (including current maturities)								
Fixed rate instruments	-	-	2,279.16	2,279.16	-	2,292.96	-	2,292.96
Variable rate instruments	-	-	1,959.83	1,959.83	-	-	-	-
- Other non-current financial liabilities								
Derivative liability	1.50	-	-	1.50	-	1.50	-	1.50
Others	-	-	131.23	131.23	-	-	-	-
- Current borrowings								
Fixed rate instruments	-	-	347.27	347.27	-	-	-	-
Variable rate instruments	-	-	463.64	463.64	-	-	-	-
- Trade payables	-	-	132.51	132.51	-	-	-	-
- Other current financial liabilities (excluding current maturities)	-	-	334.32	334.32	-	-	-	-
Total	1.50	-	5,647.96	5,649.46	-	2,294.46	-	2,294.46

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, 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:

- recognised and measured at fair value
- measured at amortised cost and for which fair values are disclosed in the consolidated 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

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).

Financial instruments measurement	Type	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
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 at fixed interest rate	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.

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.

Notes to the Consolidated Financial Statements

(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.

Expected credit loss (ECL) assessment for customers as at March 31, 2019 and March 31, 2018:

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:

	₹ (in Crore)			
	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Provision amount	Carrying amount	Provision amount
Up to 180 days	589.35	18.75	213.08	-
180 days - 1 year	5.40	5.40	231.04	4.00
1 - 2 years	9.60	9.60	42.76	3.09
More than 2 years	7.82	7.83	27.74	27.73
	612.17	41.58	514.62	34.82

The gross carrying amount of trade receivables is ₹612.16 crore as at March 31, 2019 (March 31, 2018: ₹514.61 crore)

Notes to the Consolidated Financial Statements

Loans and other financial asset:

Expected credit loss for loans and other financial asset 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 31-Mar-19 which credit risk has not increased significantly since initial recognition	Security deposits	192.92	0.0%	-	192.92
		Other financial asset	175.34	0.6%	1.09	174.25
		Loans	839.49	0.0%	-	839.49
Loss allowance measured at 12 month expected credit loss	Financial assets for 31-Mar-18 which credit risk has not increased significantly since initial recognition	Security deposits	223.49	0.0%	-	223.49
		Other financial asset	206.60	0.6%	1.18	205.42
		Loans	55.65	0.0%	-	55.65

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:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Loss allowance in the beginning of the year	36.00	45.70
Excess provision written back	(10.19)	(5.82)
Allowance for expected credit loss	18.05	(6.51)
Provision for receivable from clients	1.09	1.18
Exchange differences on translation of foreign operations	(2.28)	1.45
Loss allowance at the end of the year	42.67	36.00

(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.

Notes to the Consolidated Financial Statements

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.

₹ (in Crore)						
As at March 31, 2019	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
<i>Non-derivative financial liabilities</i>						
- Non-current borrowings (including current maturities)	3,324.66	4,676.02	938.27	748.37	1,570.70	1,418.68
- Current borrowings	3,889.63	3,935.63	3,935.63	-	-	-
- Trade payables	141.94	141.94	141.94	-	-	-
- Other financial liabilities (current and non-current excluding current maturities)	534.08	534.08	534.08	-	-	-
	7,890.31	9,287.67	5,549.92	748.37	1,570.70	1,418.68

₹ (in Crore)						
As at March 31, 2018	Carrying amount	Total	Less than 1 year	1-2 years	2-5 years	More than 5 years
<i>Non-derivative financial liabilities</i>						
- Non-current borrowings (including current maturities)	4,238.98	5,113.67	1,653.47	1,264.17	2,163.21	32.82
- Current borrowings	810.91	810.91	810.91	-	-	-
- Trade payables	132.51	132.51	132.51	-	-	-
- Other financial liabilities (current and non-current excluding current maturities)	465.55	465.55	334.32	131.23	-	-
	5,647.95	6,522.64	2,931.21	1,395.40	2,163.21	32.82

The outflows disclosed in the above table represent the contractual undiscounted cash flows relating to non-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 INR. The currencies in which these transactions are primarily denominated are Euro and US dollars, etc.

Notes to the Consolidated Financial Statements

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:

Particulars	₹ (in Crore)	
	Foreign Currency Amount	
	As at March 31, 2019	As at March 31, 2018
<i>Financial assets</i>		
Trade receivables		
AUD	0.01	0.01
BRL	-	-
CAD	0.01	0.02
CHF	-	-
EURO	0.04	0.05
GBP	0.03	0.02
SGD	-	-
USD	1.34	1.37
NZD	-	-
Advances recoverable/(payable) in cash or in kind		
USD	(0.03)	0.15
<i>Financial liabilities</i>		
Bank loan		
USD	(3.45)	(12.41)
EURO	0.65	(4.40)
Other current liabilities		
USD	0.02	(0.16)
EURO	(0.04)	-
Net statement of financial position exposure	(1.42)	(15.35)
Less: Forward exchange contracts (USD)	-	0.23
Net exposure	(1.42)	(15.12)

The following significant exchange rates have been applied:

INR	₹ (in Crore)	
	Year-end spot rate	
	March 31, 2019	March 31, 2018
AUD	49.02	49.90
BRL	17.66	19.64
CAD	51.54	50.36
CHF	69.43	68.03
EURO	77.67	81.32
GBP	90.53	91.09
SGD	51.04	49.51
USD	69.17	64.64
ZAR	4.79	5.49
NZD	46.96	42.47

Notes to the Consolidated Financial Statements

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.

Particulars	Percentage movement	Profit or loss	
		Strengthening	Weakening
March 31, 2019			
AUD	-2%	(0.01)	0.01
BRL	-10%	-	-
CAD	2%	0.01	(0.01)
CHF	2%	-	-
EURO	-4%	(2.14)	2.14
GBP	-1%	(0.03)	0.03
SGD	3%	-	-
USD	7%	(10.26)	10.26
ZAR	-13%	(0.40)	0.40
NZD	11%	(7.34)	7.34
March 31, 2018			
AUD	1%	-	-
BRL	-5%	-	-
CAD	4%	0.03	(0.03)
CHF	5%	-	-
EURO	17%	(60.13)	60.13
GBP	13%	0.20	(0.20)
SGD	7%	0.01	(0.01)
USD	1%	(7.15)	7.15

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 :

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Financial asset	(1.32)	0.80
Net exposure	(1.32)	0.80

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.

Notes to the Consolidated Financial Statements

Particulars	₹ (in Crore)	
	Profit or loss	
	Strengthening	Weakening
March 31, 2019		
Coffee (20% movement)	0.26	(0.26)
March 31, 2018		
Coffee (20% movement)	(0.16)	0.16

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 :

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Fixed rate instruments:		
Financial assets	956.70	698.61
Financial borrowings	(5,538.33)	(2,626.43)
Effect of interest rate swaps	-	200.00
Fixed rate instruments exposed to interest rate risks	(4,581.63)	(1,727.82)
Variable rate instruments:		
Financial borrowings	(1,675.96)	(2,423.47)
Effect of interest rate swaps	-	(200.00)
Variable rate instruments exposed to interest rate risks	(1,675.96)	(2,623.47)

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.

Particulars	₹ (in Crore)	
	Profit or loss	
	1% increase	1% decrease
March 31, 2019		
Variable rate instruments	(16.76)	16.76
March 31, 2018		
Variable rate instruments	(26.23)	26.23

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.

Notes to the Consolidated Financial Statements

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 :

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
<i>Quoted investments:</i>		
Fair value through profit and loss	10.41	7.84
Fair value through other comprehensive income	6.94	14.06

Sensitivity analysis

The table below summarises the impact of increase/decrease of the market price of the listed instruments on the Group's equity and profit for the period. The analysis is based on the assumption that the market price had increased by 2% or decreased by 2%.

₹ (in Crore)

Particulars	Impact on profit or loss		Impact on other comprehensive income		Impact on equity, net of tax	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Market price increases by 2%	0.21	0.16	0.14	0.28	0.23	0.29
Market price decreases by 2%	(0.21)	(0.16)	(0.14)	(0.28)	(0.23)	(0.29)

Hedge accounting

The Group holds the following instruments to hedge exposures to changes in interest rates:

₹ (in Crore)

Particulars	March 31, 2019		March 31, 2018	
	Maturity in less than 1 year	Maturity in more than 1 year	Maturity in less than 1 year	Maturity in more than 1 year
<i>Interest rate risk</i>				
Interest rate swaps:				
Net exposure	-	-	-	-
Average fixed interest rate (LIBOR)	-	-	-	-

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

As at March 31, 2019:

₹ (in Crore)

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
<i>Interest rate risk</i>								
- Interest rate swap	-	-	Other financial assets	-	-	Nil	0.78	Nil

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As at March 31, 2018:

₹ (in Crore)

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
<i>Cash flow hedge:</i>								
- Interest rate swap	-	-	Other financial assets	0.04	(0.40)	Nil	-	Nil

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:

₹ (in Crore)

Particulars	March 31, 2019	March 31, 2018
	Equity head 'Effective portion of cash flow hedges'	Equity head 'Effective portion of cash flow hedges'
<i>Opening balance for the period</i>	(0.78)	(0.80)
<i>Cash flow hedges : Interest rate risk</i>		
Changes in fair value	-	0.04
Amount reclassified to profit or loss	0.78	
Tax on movements in relevant items of OCI during the year	-	(0.01)
Non-controlling interest	-	-
Closing balance for the period	-	(0.78)

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 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, 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 Group's adjusted net debt to equity ratio at March 31, 2019 was as follows:

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Total borrowings	7,214.29	5,049.90
Less: cash and cash equivalents including deposits	2,417.84	1,726.09
Adjusted net debt	4,796.45	3,323.81
Equity	3,166.14	3,015.46
Adjusted net debt to equity ratio	1.51	1.10

Notes to the Consolidated Financial Statements

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.

57 SALE OF EQUITY STAKE IN "GLOBAL EDGE SOFTWARE LIMITED"

During the year ended March 31, 2019, the Group has recorded a gain of ₹98.10 crore with respect to fair valuation of its remaining stake in Global Edge Software Limited. The fair valuation gain has been computed in accordance with the sale agreement entered into with Altran Technologies Private Limited and the same has been recorded as an exceptional gain for the year. The Group expects to complete the sale by June 30, 2019.

58 SPECIFIED BANK NOTES

The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8

November 2016 to December 30, 2016 have not been made in these consolidated financial statements since they do not pertain to the financial year ended March 31, 2019.

59 EVENTS AFTER THE REPORTING PERIOD

The Group, through CDGL, operates Fresh N Ground division ('FNG') which is in the business of selling coffee powder and its variants through retail outlets and franchisees. On April 03, 2019, the Group has entered into Business Transfer Agreement with Coffee Day Econ Private Limited (CDEPL), a subsidiary of Coffee Day Consultancy Services Private Limited (CDCSPL) to transfer the business of FNG division to CDEPL, primarily to expand the business activities of FNG division. On April 05, 2019, CDEL and CDGL has made investment by way of 100% subscription of equity shares of CDCSPL. The transfer of FNG division was completed on April 08, 2019. Further, on April 08, 2019 CDEL, CDGL and CDCSPL have entered into share subscription agreement with Impact HD Inc., (IHD) for subscription to equity shares of CDCSPL by IHD for a consideration of Rupee equivalent of USD 15 million towards 49% stake in the CDCSPL. Post subscription of equity shares by IHD, CDEL and CDGL will hold 51% of the paid up equity capital of CDCSPL.

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 & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/W-100024

Aravind Maiya

Partner

Membership no.: 217433

Place: Bangalore

Date: May 24, 2019

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

Place: Bangalore

Date: May 24, 2019

Sadananda Poojary

Company Secretary

Place: Bangalore

Date: May 24, 2019

Independent Auditors' Report

To
The Members of
M/s.COFFEE DAY GLOBAL LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

OPINION

We have audited the Consolidated Ind AS Financial Statements of M/s.COFFEE DAY GLOBAL LIMITED (hereinafter referred to as the 'Holding Company') its subsidiaries and a joint venture (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, and the Consolidated Statement of Profit and Loss (Including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and notes to the Consolidated Ind AS Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, the consolidated profit and consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the consolidated Ind AS financial statements, standalone Ind AS financial statements and our auditor's report thereon.
- Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR CONSOLIDATED IND AS FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS and other accounting principles generally accepted in India. 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; 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have

been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED IND AS FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

OTHER MATTER

We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs.226.32 Crores as at 31st March, 2019, total revenues of Rs.20.33 Crores, total comprehensive loss of Rs.6.04 Crores and net cash out flows amounting to Rs.0.92 Crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. We further did not audit the financial statement of one Joint Venture whose share of profit of Rs.Nil, 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 subsidiaries & joint venture and our report in terms of sub-sections (3) of

Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries & joint venture incorporated in India is based solely on the reports of the other auditors. The above subsidiaries include, financial statements of three subsidiary companies incorporated outside India, which 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 respective countries. For the purpose of preparation of Consolidated Ind AS financial statements, the aforesaid local GAAP financial statements have been restated by the management so that they conform to the generally accepted accounting principles in India.

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 matter with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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 Changes in Equity and the Consolidated Cash Flow Statement, 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 Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary and joint venture companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 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 and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act;

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Holding Company, its subsidiary and joint venture companies incorporated in India to their respective directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the holding company, its subsidiary and joint venture companies incorporated in India, is not in excess of the limit laid down under Section 197 of the Act.

- h) 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 the consolidated Ind AS financial statements;
 - ii. The group did not have any long term Contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which are required to be transferred to the Investor Education and Protection fund by the Holding Company, its subsidiary and joint venture companies incorporated in India.

for **ASRMP & CO,**
Chartered Accountants
Firm Registration No.0183505

A.S.SUNDARESHA
Partner
Membership No.019728

Place: Bangalore
Date : May 24, 2019

Annexure A 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')

OPINION

In conjunction with our audit of the consolidated Ind AS financial statements of the group as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Coffee Day Global Limited ('the Holding Company') and its subsidiary company incorporated in India, as of that date.

In our opinion, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note ICAI.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to financial statements 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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 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 with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTER

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary company which

is incorporated in India, is based on the corresponding reports of the auditors of such company. One Joint Venture company, which is incorporated in India, is exempted from the requirement of its auditor reporting on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls, accordingly we do not express any opinion on the adequacy and operating effectiveness of internal financial control of the joint venture company.

for **ASRMP & CO,**
Chartered Accountants
Firm Registration No.0183505

A.S.SUNDARESHA
Partner
Membership No.019728

Place: Bangalore
Date : May 24, 2019

Consolidated Balance Sheet

₹ (in Crore)

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4-A	1,063.14	949.13
Capital work-in-progress	4-B	37.98	78.19
Goodwill	5	17.90	18.57
Other Intangible assets	6	15.11	10.49
Investments	7	1.54	1.28
Financial assets			
- Loans	8-A	86.30	86.07
- Other financial assets	9-A	0.02	0.90
Deferred tax assets (net)	32-D	14.86	12.43
Other tax assets		0.71	4.49
Other assets	10-A	207.42	84.55
Total non-current assets		1,444.98	1,246.10
Current assets			
Inventories	11	97.41	81.65
Financial assets			
- Trade receivables	12	195.95	213.90
- Cash and cash equivalents	13	461.42	384.69
- Bank balances other than cash and cash equivalent	14	7.04	7.41
- Loans	8-B	3.15	2.67
- Other financial assets	9-B	10.16	8.88
Other assets	10-B	141.80	72.15
Total current assets		916.93	771.35
Total assets		2,361.91	2,017.45
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	19.09	17.11
Compulsorily convertible debentures	16	-	410.00
Other equity	17	1,356.70	907.77
Total equity attributable to owners of the Company		1,375.79	1,334.88
Non-current liabilities			
Financial liabilities			
- Borrowings	18-A	328.85	211.45
- Other financial liabilities	19-A	62.47	41.96
Provisions	20-A	2.80	3.19
Other liabilities	21-A	10.46	8.26
Total non-current liabilities		404.58	264.86
Current liabilities			
Financial liabilities			
- Borrowings	18-B	384.00	186.67
- Trade payables	22	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		9.91	30.84
- Other financial liabilities	19-B	166.82	139.48
Provisions	20-B	2.86	1.86
Current tax liabilities (net)	23	4.72	17.28
Other current liabilities	21-B	13.23	41.58
Total current liabilities		581.54	417.71
Total equity and liabilities		2,361.91	2,017.45
Significant accounting policies and notes	1 to 47		

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

As per our report of even date attached

For ASRMP & CO

Chartered Accountants

Firm Registration No.018350S

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

A S Sundaresha

Partner

Membership No.019728

V. G. Siddhartha

Managing Director

DIN: 00063987

Malavika Hegde

Director

DIN: 00136524

Place: Bangalore

Date: May 24, 2019

Jayraj C Hubli

CFO/ Director

DIN: 00073670

Sadananda Poojary

Company Secretary

M.No.5223

Consolidated Statement of Profit and Loss

₹ (in Crore)

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	24	1,813.92	1,777.04
Other income	25	35.10	21.74
Total income		1,849.02	1,798.78
Expenses			
Cost of materials consumed	26	764.73	809.33
Purchase of traded goods		2.75	3.89
Changes in inventories of finished goods, work-in-progress and traded goods	27	(4.21)	5.31
Employee benefits expense	28	259.42	243.26
Finance costs	29	81.13	68.28
Depreciation and amortization expense	30	189.37	174.28
Other expenses	31	490.84	429.71
Total expenses		1,784.03	1,734.06
Profit before tax		64.99	64.72
Current tax		26.79	30.91
Deferred tax		(2.42)	(3.32)
Income tax expense	32	24.37	27.59
Profit for the year before loss from joint venture		40.62	37.13
Share of loss of joint venture		-	(0.17)
Profit for the year		40.62	36.96
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plan actuarial gains/ (losses)		(0.06)	0.60
Income tax relating to items that will not be reclassified to profit or loss		-	(0.21)
		(0.06)	0.39
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation reserve		0.83	(0.13)
Effective portion of gains and losses on hedging		-	0.04
Income tax relating to items that will be reclassified to profit or loss		-	(0.01)
		0.83	(0.10)
Other comprehensive income for the year, net of tax		0.77	0.29
Total comprehensive income for the year, net of tax		41.39	37.25
Profit attributable to:			
- Owners of the company		40.62	36.96
- Non-controlling interests		-	-
Other comprehensive income attributable to:			
- Owners of the company		0.77	0.29
- Non-controlling interests		-	-
Total comprehensive income attributable to:			
- Owners of the company		41.39	37.25
- Non-controlling interests		-	-
Earnings per equity share	34		
- Basic		2.17	2.17
- Diluted		2.17	1.94
Significant accounting policies and notes	1 to 47		

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

As per our report of even date attached

For ASRMP & CO
Chartered Accountants
Firm Registration No.0183505

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

A S Sundaresha
Partner
Membership No.019728

V. G. Siddhartha
Managing Director
DIN: 00063987

Malavika Hegde
Director
DIN: 00136524

Place: Bangalore
Date: May 24, 2019

Jayraj C Hubli
CFO/ Director
DIN: 00073670

Sadananda Poojary
Company Secretary
M.No.5223

Consolidated Statement of Cash Flows

₹ (in Crore)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from operating activities		
Profit before tax	64.99	64.72
Adjustments:		
- Interest income (including fair value change in financial instruments)	(24.66)	(18.62)
- Provision for doubtful debts, net	1.40	-
- Provision for doubtful advances	3.50	-
- Interest expense (financial instruments under amortized cost)	81.13	68.28
- Depreciation and amortization expense	189.37	174.28
- Gain from forex hedging	(4.09)	-
- Commission income on guarantees given to group companies	(0.82)	(0.38)
- Effect of foreign currency translation of subsidiaries	1.50	(2.75)
- Foreign exchange loss, net	-	4.99
- Rent (financial instruments under amortized cost)	11.69	7.36
Operating cash flow before working capital changes	324.01	297.88
Changes in		
- Trade receivables	16.53	(59.32)
- Current and non-current loans	(1.76)	(3.01)
- Current and non-current financial assets	(0.03)	2.63
- Other current and non-current assets	(71.39)	6.08
- Inventories	(15.76)	37.03
- Trade payables	(20.93)	2.22
- Current and non-current liabilities	(28.35)	11.46
- Current and non-current financial liabilities	15.95	1.10
- Current and non-current provisions	0.55	1.74
Cash generated from operations	218.82	297.81
Income taxes paid (net)	(39.35)	(35.91)
Cash generated from operations (A)	179.47	261.90
Cash flows from investing activities		
(Purchase) of/ Proceeds from sale property, plant and equipment, net	(385.31)	(214.91)
Withdrawal of fixed deposits, net	0.37	12.76
Investment	(0.26)	(1.28)
Interest received	15.70	13.76
Net cash used in investing activities (B)	(369.50)	(189.67)
Cash flows from financing activities		
Proceeds from / (Repayment) of long-term and short-term borrowings	312.21	122.17
Interest paid	(67.82)	(70.56)
(Investment in)/ redemption of deposit placed as security for loans availed, net	-	(7.31)
Net cash generated from/(used in) financing activities (C)	244.39	44.30
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	54.36	116.53
Cash and cash equivalents at the beginning of the year	300.50	183.97
Cash and cash equivalents at the end of the year	354.86	300.50

Consolidated Statement of Cash Flows

₹ (in Crore)

	As at March 31, 2019	As at March 31, 2018
Components of cash and cash equivalents (refer note 13, 18-B and 19-B)		
Balances with banks:		
- in current accounts	39.45	33.57
- in escrow accounts	1.80	0.96
- in fixed deposit accounts (original maturity less than 3 months)	415.13	345.00
Cash on hand	5.04	5.16
Book overdraft	(0.69)	(5.06)
Bank overdraft	(105.87)	(79.13)
Cash and cash equivalents at the end of the year	354.86	300.50

Reconciliation of movements of liabilities to cash flows arising from financing activities

₹ (in Crore)

Particulars	Total
Balance at April 01, 2017	254.99
Changes from financing cash flows	
Proceeds from/ (repayment) of loans and borrowings, net	122.17
Interest expense	65.06
Interest paid	(73.79)
Balance at March 31, 2018	368.43
Balance at April 01, 2018	368.43
Changes from financing cash flows	
Proceeds from/ (repayment) of loans and borrowings, net	312.21
Foreign exchange (gain)/ loss	12.23
Interest expense excluding Foreign exchange loss	71.03
Interest paid	(67.82)
Balance at March 31, 2019	696.08

As per our report of even date attached

For ASRMP & CO

Chartered Accountants
Firm Registration No.018350S

A S Sundaresha
Partner
Membership No.019728

Place: Bangalore
Date: May 24, 2019

For and on behalf of the Board of Directors of
Coffee Day Global Limited
V. G. Siddhartha
Managing Director
DIN: 00063987

Jayraj C Hubli
CFO/ Director
DIN: 00073670

Malavika Hegde
Director
DIN: 00136524

Sadananda Poojary
Company Secretary
M.No.5223

Consolidated Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

₹ (in Crore)	
Particulars	Amount
Equity shares of Re 1 each issued, subscribed and fully paid	
Balance as at the April 01, 2017	16.99
Changes in equity share capital during 2017-18	0.12
Balance as at the March 31, 2018	17.11
Changes in equity share capital during 2018-19	1.98
Balance as at March 31, 2019	19.09

B. INSTRUMENTS ENTIRELY EQUITY IN NATURE

Compulsorily convertible debentures

₹ (in Crore)	
Particulars	Amount
Compulsorily convertible debentures of ₹100 each	
Balance as at the April 01, 2017	410.00
Changes during 2017-18	-
Balance as at the March 31, 2018	410.00
Converted to Equity shares during 2018-19	(410.00)
Balance as at March 31, 2019	-

C. OTHER EQUITY

₹ (in Crore)								
Particulars	Reserves and Surplus					Other comprehensive income		Equity attributable to owners of the company
	Capital reserve	Shares options outstanding account	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedge	
Balance as at April 01, 2017	(0.04)	6.40	763.71	10.65	70.22	2.76	(0.03)	853.67
Total comprehensive income for the year ended March 31, 2018:								
Net Profit during the year	-	-	-	-	36.96	-	-	36.96
Effective portion of gains and losses on hedging	-	-	-	-	-	-	0.03	0.03
Actuarial gain/ (losses)	-	-	-	-	0.39	-	-	0.39
Exchange difference arising on translating the foreign operations, net of tax	-	-	-	-	-	(0.13)	-	(0.13)
Total comprehensive income	(0.04)	6.40	763.71	10.65	107.57	2.63	-	890.92
Contributions by and distributions to owners								
Conversion of compulsorily convertible debentures to equity shares	-	-	16.85	-	-	-	-	16.85
Share-based payment	-	(6.40)	-	6.40	-	-	-	-
Balance as at March 31, 2018	(0.04)	-	780.56	17.05	107.57	2.63	-	907.77

Consolidated Statement of Changes in Equity

₹ (in Crore)

Particulars	Reserves and Surplus					Other comprehensive income		Equity attributable to owners of the company
	Capital reserve	Shares options outstanding account	Securities premium	General reserve	Retained earnings	Foreign currency translation reserve	Effective portion of cash flow hedge	
Balance as at April 01, 2018	(0.04)	-	780.56	17.05	107.57	2.63	-	907.77
Total comprehensive income for the year ended March 31, 2019:								
Profit during the year	-	-	-	-	40.62	-	-	40.62
Effective portion of gains and losses on hedging	-	-	-	-	-	-	-	-
Actuarial gain/ (losses)	-	-	-	-	(0.06)	-	-	(0.06)
Guarantee charge during the year	-	-	-	-	0.50	-	-	0.50
Exchange difference arising on translating the foreign operations, net of tax	-	-	-	-	-	0.83	-	0.83
Total comprehensive income	(0.04)	-	780.56	17.05	148.63	3.46	-	949.66
Contributions and distributions:								
Dividends	-	-	-	-	(0.98)	-	-	(0.98)
Conversion of compulsorily convertible debentures to equity shares	-	-	408.02	-	-	-	-	408.02
Balance as at March 31, 2019	(0.04)	-	1,188.58	17.05	147.65	3.46	-	1,356.70

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

As per our report of even date attached

For ASRMP & CO
Chartered Accountants
Firm Registration No.0183505

A S Sundaresha
Partner
Membership No.019728

Place: Bangalore
Date: May 24, 2019

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Jayraj C Hubli
CFO/ Director
DIN: 00073670

Malavika Hegde
Director
DIN: 00136524

Sadananda Poojary
Company Secretary
M.No.5223

Notes to the Consolidated Financial Statements

1 COMPANY BACKGROUND

Coffee Day Global Limited ('CDGL' or 'the Company') was originally incorporated as "Amalgamated Bean Coffee Trading Company Private Limited" on December 06, 1993 under the Companies Act, 1956. On February 03, 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 entities 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 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 May 24, 2019.

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.

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 (INR), which is Coffee Day Global Limited's functional and presentation currency. All financial information presented in Indian rupee has been rounded to the nearest crore unless otherwise indicated.

C Basis of measurement

The consolidated financial statements have been prepared on a historical cost / deemed 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 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

Notes to the Consolidated Financial Statements

- 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 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 (v): 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 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 3(b), 4, 6 : depreciation method and useful life of items of property, plant and equipment & Other Intangible assets;

- note 3(o), 5: impairment of goodwill;
- note 3(h), 7: impairment of investments;
- note 3(g), 33: provisions and contingencies; key assumptions about the likelihood and magnitude of an outflow of resources;
- note 3(d), 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, 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

Notes to the Consolidated Financial Statements

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 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 summarizes 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)

G Basis of Consolidation

Business combinations

Business combinations (other than common control business combinations) on or after April 01, 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 April 01, 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 5). 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 April 01, 2015:
In respect of such business combinations, goodwill represents the amount recognised under the Group's

Notes to the Consolidated Financial Statements

previous accounting framework under Indian GAAP adjusted for the reclassification of certain intangibles.

The acquisition method of accounting is used to account for business combinations by the Group.

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 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 unrealized 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.

Foreign subsidiaries

Financial statements of three subsidiary companies 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 respective countries. For the purpose of preparation of Consolidated Ind AS financial statements, the aforesaid local GAAP financial statements have been restated by the management so that they conform to the generally accepted accounting principles in India.

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 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 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 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) 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

Notes to the Consolidated Financial Statements

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 from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Services Tax. Transaction price is recognised based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

The specific recognition criteria described below must also be met before revenue is recognised

Sale of products

Revenue from sale of goods is recognised as and when the customer obtains control of the goods.

Sale of services

Revenue from sale of services is recognised as and when the performance obligation is satisfied.

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 when control in goods is transferred. 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.

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 realization, we rely on historic trends as well as economic and other indicators to estimate the recorded revenue for import entitlements.

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.

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.

Notes to the Consolidated Financial Statements

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

i. Recognition and measurement

Items of property, plant and equipment are measured at cost / deemed 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 recognised 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 derecognised

ii. 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.

iii. 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 amortized 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

Notes to the Consolidated Financial Statements

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).

iv. 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 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 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.

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.

Notes to the Consolidated Financial Statements

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;

Notes to the Consolidated Financial Statements

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 March 31, 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 INR 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 April 01, 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 (April 01, 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:

Notes to the Consolidated Financial Statements

- 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 amortized cost; and
- financial assets measured at FVOCI-debt investments.

At each reporting date, the Group assesses whether financial assets carried at amortized 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.

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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 amortized 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

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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 amortization, 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

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outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

I Leases

i. 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.

ii. 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

Notes to the Consolidated Financial Statements

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

- amortized 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 amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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 amortized 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 amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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ii. Classification and subsequent measurement

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.

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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 amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are 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 amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. See note 43 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.

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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 amortized 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 Recent accounting pronouncements

i. Ind AS 116 Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

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The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The standard permits two possible methods of transition:

- * Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- * Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- * Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- * An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

The Company is currently evaluating the effect of this amendment on the financial statements.

ii. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount

or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 01, 2019. The Company will adopt the standard on April 01, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 01, 2019 without adjusting comparatives.

The Company is currently evaluating the effect of this amendment on the financial statements.

Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019.

The Company does not have a history of dividends and accordingly there is no impact of the amendment on the Company.

iii. Amendment to Ind AS 19 – plan amendment, curtailment or settlement :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan

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amendments, curtailments and settlements.

The amendments require an entity:

* to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

* to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Company does not have any material impact on account of this amendment.

iv. Amendment to Ind AS 23 – Borrowing Costs

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 23, 'Borrowing Costs', in connection with borrowing cost capitalization rate. The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or

sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019.

The Company is currently evaluating the effect of this amendment on the financial statements.

v. Amendment to Ind AS 28 – Long-term Interests in Associates and Joint Ventures

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 28, 'Investment in Associates and Joint Ventures', in connection with long-term Interests in Associates and Joint Ventures.

The amendments clarify that an entity applies IndAS109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

Amendment does not have a material impact on the Company.

Notes to the Consolidated Financial Statements

4 PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN-PROGRESS

Particulars	Owned							Leased	Capital work-in-progress (refer note iii) (B)	Total (A + B)			
	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)
Balance as at April 01, 2017	21.74	158.70	318.34	218.98	3.07	106.80	3.73	0.45	375.35	96.81	1,303.97	53.51	1,357.48
Additions	0.04	0.05	35.35	18.64	0.07	21.18	1.38	-	101.89	-	178.60	204.28	382.88
Exchange differences on translation of foreign operations (refer note vi)	-	-	1.11	1.12	0.19	0.82	0.07	-	-	-	3.31	-	3.31
Disposals/ capitalisation	-	-	-	-	-	(1.11)	-	-	-	-	(1.11)	(179.60)	(180.71)
Balance as at March 31, 2018	21.78	158.75	354.80	238.74	3.33	127.69	5.18	0.45	477.24	96.81	1,484.77	78.19	1,562.96
Balance as at April 01, 2018	21.78	158.75	354.80	238.74	3.33	127.69	5.18	0.45	477.24	96.81	1,484.77	78.19	1,562.96
Additions	12.71	18.98	59.25	36.73	0.30	23.00	2.22	-	143.51	-	296.70	187.34	484.04
Adjustment (refer note ii(a))	1.13	-	-	-	-	-	-	-	(1.13)	-	-	-	-
Exchange differences on translation of foreign operations (refer note vi)	-	-	(0.31)	(0.31)	(0.03)	(0.14)	(0.02)	-	-	-	(0.81)	-	(0.81)
Disposals/ capitalisation	-	-	-	(1.25)	-	(0.94)	-	-	-	-	(2.19)	(227.55)	(229.74)
Balance as at March 31, 2019	35.62	177.73	413.74	273.91	3.60	149.61	7.38	0.45	620.75	95.68	1,778.47	37.98	1,816.45
Accumulated depreciation:													
Balance as at April 01, 2017	-	19.40	121.28	94.42	2.87	38.47	3.33	0.26	85.10	-	365.13	-	365.13
Depreciation for the year	-	8.22	54.96	29.48	0.09	18.58	0.32	0.04	58.62	-	170.31	-	170.31
Exchange differences on translation of foreign operations (refer note vi)	-	-	1.03	0.62	0.21	(0.63)	0.08	-	-	-	1.31	-	1.31
Disposals	-	-	-	-	-	(1.11)	-	-	-	-	(1.11)	-	(1.11)
Balance as at March 31, 2018	-	27.62	177.27	124.52	3.17	55.31	3.73	0.30	143.72	-	535.64	-	535.64
Balance as at April 01, 2018	-	27.62	177.27	124.52	3.17	55.31	3.73	0.30	143.72	-	535.64	-	535.64
Adjustment (refer note ii(b))	(3.58)	-	-	-	-	-	-	-	-	3.58	-	-	-
Depreciation for the year	-	7.10	58.62	28.76	0.19	16.73	1.01	0.04	68.80	1.20	182.45	-	182.45
Exchange differences on translation of foreign operations (refer note vi)	-	-	(0.29)	(0.27)	(0.02)	(0.08)	(0.02)	-	-	-	(0.68)	-	(0.68)
Disposals	-	-	-	(1.14)	-	(0.94)	-	-	-	-	(2.08)	-	(2.08)
Balance as at March 31, 2019	-	31.14	235.60	151.87	3.34	71.02	4.72	0.34	212.52	4.78	715.33	-	715.33
Carrying amount:													
As at March 31, 2018	21.78	131.13	177.53	114.22	0.16	72.38	1.45	0.15	333.52	96.81	949.13	78.19	1,027.32
As at March 31, 2019	35.62	146.59	178.14	122.04	0.26	78.59	2.66	0.11	408.23	90.90	1,063.14	37.98	1,101.12

Notes:

- Includes building constructed on leasehold land.
- a) Freehold Land costing ₹1.13 crore was earlier inadvertently classified under Leasehold Land and now reclassified to Freehold Land

Notes to the Consolidated Financial Statements

- b) Amortisation of Leasehold land earlier inadvertently clubbed under buildings to the extent of ₹3.58 crore now reclassified to lease hold land
- iii) Capital work in progress
Capital work in progress mainly comprises of upcoming cafes, tea bagging unit under construction. Roasting unit under construction has been completed and capitalised during the year.
- iv) Finance leases
The carrying value of land held under finance leases as at March 31, 2019 was ₹94.8 Crores (March 31, 2018: ₹94.8 Crores). The Company has taken land admeasuring 10.05 acres in Chickamangalur on lease for a period of 99 years on April 01, 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) Security
Property, plant and equipment have been pledged as security by the company against loans taken from banks and financial institutions, as detailed under the notes under "Borrowings".
- vi) Represents the effect of translation of assets held by foreign subsidiary companies.
- vii) 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 anticipation of future events, which may impact their life, such as changes in technology.

5 GOODWILL

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Carrying amount at the beginning of the year	18.57	15.94
Exchange differences on translation of foreign operations	(0.67)	2.63
Provision for impairment of goodwill	-	-
Carrying amount at the end of the year	17.90	18.57

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 :-

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Retail operation:		
- Café retail	16.86	17.53
- Coffee curing	1.04	1.04
- Coffee testing	-	-
Less: impairment of goodwill in coffee testing	-	-
	17.90	18.57

Café retail:

The recoverable amount of this Cash Generating Unit (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

Notes to the Consolidated Financial Statements

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 March 31, 2019	As at March 31, 2018
Terminal value growth rate of revenue	2.00%	2.00%
Terminal EBITDA as a % of revenue	28.00%	24.90%
Pre tax discount rate	15.60%	20.30%

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.
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.
Pre-tax discount rate	Reflect specific risks relating to the relevant segments and the countries in which they operate.

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.

Coffee testing:

During earlier years entire amount of goodwill related to coffee testing ₹0.77 crore was impaired.

6 OTHER INTANGIBLE ASSETS

₹ (in Crore)

Particulars	License fees	Software
Cost or deemed cost:		
Balance as at April 01, 2017	9.06	9.06
Additions	5.93	5.93
Balance as at March 31, 2018	14.99	14.99
Balance as at April 01, 2018	14.99	14.99
Additions	11.54	11.54
Balance as at March 31, 2019	26.53	26.53
Accumulated amortization:		
Balance as at April 01, 2017	0.53	0.53
Amortization for the year	3.97	3.97
Balance as at March 31, 2018	4.50	4.50
Balance as at April 01, 2018	4.50	4.50
Amortization for the year	6.92	6.92
Balance as at March 31, 2019	11.42	11.42
Carrying amount:		
As at March 31, 2018	10.49	10.49
As at March 31, 2019	15.11	15.11

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7 NON-CURRENT INVESTMENTS

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted		
(i) <i>Investment in Equity instruments:</i>		
(a) <i>Investment in Joint venture company measured under equity method (fully paid up):</i>		
6,86,000 (March 31, 2018: 6,86,000) equity shares of Coffee Day Schaerer Technologies Private Limited of ₹10 each	-	-
(ii) <i>Other investments, at cost</i>		
Share application money pending allotment in ONS Ventures SDN. BHD*	1.54	1.28
	1.54	1.28
Aggregate value of unquoted investments	1.54	1.28
Aggregate value of quoted investments and market value thereof	-	-
Aggregate amount of impairment in value of investments	-	-

*During the earlier years, the Company had approved the acquisition of ONS Ventures SDN. BHD, an entity which operates in the retail trading industry in Malaysia. The Company is under process to obtain the necessary regulatory approvals for the acquisition.

8 LOANS

A. Non-current loans

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security deposit	86.30	86.07
	86.30	86.07

B. Current loans

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Security deposit	1.07	0.58
Staff advances	2.08	2.09
	3.15	2.67

9 OTHER FINANCIAL ASSETS

A. Other non-current financial assets

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Margin money deposits with banks	0.02	0.90
	0.02	0.90

Notes to the Consolidated Financial Statements

B. Other current financial assets

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Export benefit receivable	4.45	4.41
Other advances	5.24	4.37
Interest accrued but not due	0.47	0.10
	10.16	8.88

10 OTHER ASSETS

A. Other non-current assets

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Capital advances	176.80	56.45
Advances other than capital advances:		
- deposit with government authorities	0.07	0.08
- taxes paid under protest	10.25	7.80
- supplier advance	2.11	1.60
- deferred rent expense	21.69	18.62
	210.92	84.55
Less: Provision for doubtful advances	(3.50)	-
	207.42	84.55

B. Other current assets

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Supplier advance	134.10	59.03
Balances with government authorities	0.54	6.64
Deferred rent expense	5.92	5.15
Prepaid expenses	1.17	0.92
Others	0.07	0.41
	141.80	72.15

11 INVENTORIES

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Stock of raw coffee and packing material	17.38	9.33
Stock of perishables, consumables and merchandise	56.80	53.30
Finished goods of clean and roasted coffee	19.07	14.28
Work-in-progress	4.16	4.74
	97.41	81.65
Carrying amount of inventories (included in above) pledged as securities for borrowings (refer note 18)	97.10	27.61

Notes to the Consolidated Financial Statements

12 TRADE RECEIVABLES

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Unsecured, considered good	195.95	213.90
Credit impaired	5.40	4.00
	201.35	217.90
Loss allowance		
Unsecured, considered good	-	-
Credit impaired	(5.40)	(4.00)
	(5.40)	(4.00)
	195.95	213.90

All trade receivables are 'current'.

Of the above, trade receivables from related parties are as below:

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Total trade receivables from related parties	0.45	0.92
Loss allowance	-	-
Net trade receivables	0.45	0.92

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

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in current accounts	39.45	33.57
- in escrow accounts	1.80	0.96
- in fixed deposit accounts (original maturity less than 3 months)	415.13	345.00
Cash on hand	5.04	5.16
	461.42	384.69

14 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in fixed deposit accounts with banks*	4.43	-
- in margin money deposits with banks	2.61	7.41
	7.04	7.41

*includes ₹4.43 crore (March 31, 2018: ₹Nil) given as security for loan and overdraft facility availed by the Company and having a maturity of less than 12 months from the balance sheet date.

Notes to the Consolidated Financial Statements

15 SHARE CAPITAL

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Authorised		
2,354,860,635 (March 31, 2018: 2,354,860,635) equity shares of Re 1 each	235.49	235.49
	235.49	235.49
Issued, subscribed and fully paid up		
190,893,389 (March 31, 2018: 171,137,567) equity shares of Re 1 each	19.09	17.11
	19.09	17.11

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

Particulars	₹ in Crore (except share data)			
	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the year	17,11,37,567	17.11	16,99,06,657	16.99
Add: Shares issued against convertible debentures	1,97,55,822	1.98	12,30,910	0.12
Number of shares outstanding at the end of the year	19,08,93,389	19.09	17,11,37,567	17.11

- (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 Group 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 Group 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 is as given below:

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	% of holding	No of shares	% of holding	No of shares
Coffee Day Enterprises Limited (holding company)	90.69%	17,31,27,164	89.62%	15,33,71,342
V.G Siddhartha	5.00%	95,39,371	5.57%	95,39,371

- (d) The Group 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:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Coffee Day Enterprises Limited (holding company)	17.31	15.33

Notes to the Consolidated Financial Statements

(f) Shares reserved for issue under options and contracts/ commitments for sale of shares:

₹ in Crore (except share data)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
For compulsorily convertible debentures of ₹100 each*	-	-	1,97,55,822	1.98

* Refer note 16 (b)

16 COMPULSORILY CONVERTIBLE DEBENTURES

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Nil (March 31, 2018: 41,000,000) compulsorily convertible debentures of ₹100 each fully paid up	-	410.00
	-	410.00

(a) Reconciliation of the number of compulsorily convertible debentures outstanding at the beginning and at the end of the reporting year:

₹ in Crore (except share data)

Particulars	As at March 31, 2019		As at March 31, 2018	
	No of debentures	Amount	No of debentures	Amount
Number of compulsorily convertible debentures outstanding				
At the beginning of the year	4,10,00,000	410.00	4,10,00,000	410.00
Less: Converted to equity shares during the year	4,10,00,000	410.00	-	-
As at the end of the year	-	-	4,10,00,000	410.00

(b) The rights, preferences and restrictions attaching to compulsorily convertible debentures issued to Coffee Day Enterprises Limited, holding company including restrictions if any:

The Group had one class of compulsorily convertible debentures of ₹100 per debenture. These debentures were unsecured and carried an interest rate of 0.01% p.a. payable annually. The same were converted into 19,755,822 equity shares of par value of Re 1 during the year at a premium of ₹206.53 per share.

(c) Particulars of convertible debentures held by holding, ultimate holding, subsidiaries or associates of the holding company or the ultimate holding company:

₹ (in Crore)

Particulars	As at March 31, 2019	As at March 31, 2018
Coffee Day Enterprises Limited (holding company)	-	410.00

(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:

₹ in Crore (except share data)

Name of the debenture holder	As at March 31, 2019		As at March 31, 2018	
	% of holding	No of debentures	% of holding	No of debentures
Coffee Day Enterprises Limited (holding company)	-	-	100%	4,10,00,000

Notes to the Consolidated Financial Statements

17 OTHER EQUITY

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Capital reserve		
At the commencement of the year	(0.04)	(0.04)
Add: Movement during the year	-	-
At the end of the year	(0.04)	(0.04)
Shares options outstanding account		
At the commencement of the year	-	6.40
Add: Additions during the year on account of share-based payments	-	-
Less: Transferred to general reserve	-	(6.40)
At the end of the year	-	-
Securities premium		
At the commencement of the year	780.56	763.71
Add: Additions on conversion of compulsorily convertible debentures to equity shares	408.02	16.85
At the end of the year	1,188.58	780.56
General reserve		
At the commencement of the year	17.05	10.65
Add: Transfer from Share options outstanding account	-	6.40
At the end of the year	17.05	17.05
Retained earnings		
At the commencement of the year	107.57	70.22
Add: Net profit for the year	40.62	36.96
Add: Transfer from debenture redemption reserve	-	-
Add: Remeasurements of defined benefit plan actuarial gains/ (losses)	(0.06)	0.39
Add: Guarantees received during the year	0.50	-
Less : Dividend	(0.98)	-
At the end of the year	147.65	107.57
Other comprehensive income:		
Foreign currency translation reserve		
At the commencement of the year	2.63	2.76
Add/ (less): Exchange difference arising on translating the foreign operations, net of tax	0.83	(0.13)
At the end of the year	3.46	2.63
Effective portion of cash flow hedge		
At the commencement of the year	-	(0.03)
Add: Movement during the year	-	0.03
At the end of the year	-	-
	1,356.70	907.77

Nature and purpose of other reserves:

Capital reserve:

Capital reserve of a corporate enterprise is not available for distribution as dividend.

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.

Notes to the Consolidated Financial Statements

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 Section 52(2) of Companies Act, 2013.

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 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.

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

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Secured:		
<i>Term loans</i>		
- from banks		
- Rabobank International [refer note 18 (ii)]	24.14	61.36
- Rabobank International [refer note 18 (iii)]	165.80	-
- Yes Bank Term Loan [refer note 18 (iii)]	14.67	-
- from other parties		
- Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG') [refer note 18 (iv)]	124.24	141.60
Unsecured:		
25,46,355 (March 31, 2018:25,46,355) Compulsorily convertible debentures issued to FMO [refer note 18 (v)]	-	8.49
	328.85	211.45

B. Current borrowings

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Secured:		
<i>Loan repayable on demand</i>		
- from banks		
- bank overdraft		
- Karnataka Bank Limited [refer note 18 (viii)]	0.57	-
- HSBC [refer note 18 (xi)]	10.00	10.00
- Kotak Mahindra Bank Ltd [refer note 18 (xii)]	13.95	14.30

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Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
- Rathnakar Bank Limited [refer note 18 (xiii)]	29.87	54.05
- Yes Bank Limited [refer note 18 (xiv)]	51.48	0.78
- packing credit loan from banks		
- Karnataka Bank Limited [refer note 18 (viii)]	47.46	34.14
- IndusInd Bank [refer note (x)]	24.15	-
- bill discounting facility from banks		
- Karnataka Bank Limited [refer note 18 (viii)]	17.93	37.04
- Oriental Bank of Commerce [refer note 18 (ix)]	-	36.36
- IndusInd Bank [refer note (x)]	8.96	-
<i>Short Term Loans</i>		
- from banks		
- Rathnakar Bank Limited [refer note 18 (xiii)]	94.63	-
- IndusInd Bank [refer note (x)]	85.00	-
	384.00	186.67

Information about Group's exposure to interest rate, foreign currency and liquidity risks is included in note 44.

- (i) **From Rabobank International, Hong Kong - amounting to: ₹66.41 crore (March 31, 2018: ₹91.63 crore) - including current maturities of non-current borrowings**

Secured by

- Personal guarantee of Mr. V. G. Siddhartha;
- Charge on specific movable assets of the Company; and
- First ranking equitable mortgages on the following immovable properties-
 - Land and building located in Hassan, owned by the Company with a carrying amount of ₹1.97 crore (March 31, 2018 : ₹1.96 crore); and
 - Land located in Palace Road, Bangalore owned by the Company with a carrying amount of ₹7.9 crore as at March 31, 2019 (March 31, 2018: ₹7.9 crore).
- 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 ₹118.17 crore as at March 31, 2019 (March 31, 2018: ₹123.93 crore)

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 commencing from February 2017.

- (ii) **From Rabobank International, Hong Kong - amounting to: ₹173.45 crore (March 31, 2018: ₹Nil) - including current maturities of non-current borrowings**

Secured by

- First ranking pari pasu mortgages on the following immovable properties-
 - Land and buildings of Corporate Headquarters of the company located at Vittal Mallya Road, Bangalore with a carrying amount of ₹118.17 crore as at March 31, 2019 (March 31, 2018 123.93 crore)
 - Land located in Palace Road, Bangalore owned by the Company with a carrying amount of ₹7.9 crore as at March 31, 2019 (March 31, 2018: ₹7.9 crore).
 - Land and building located in Hassan, owned by the Company;
- Charge on specific movable assets of the Company
- Personal guarantee of Mr. V.G.Siddhartha

Loan from Rabobank International, Hong Kong carries a floating interest rate of LIBOR plus 3.85% margin p.a and is repayable in 8 biannual installments commencing from October 2019.

Notes to the Consolidated Financial Statements

(iii) From Yes Bank amounting to: ₹16.27 crore (March 31, 2018: Nil)

Secured by

- Charge on all current assets of Vending Division
- Charge over Vending Machines installed across India
- Personal Guarantee of Mr.V.G. Siddhartha

The loan carries a floating interest rate of 6 months MCLR plus 2.95% margin p.a. which is repayable in 40 quarterly installments with repayment dates to be April 01, July 01, October 01 and Jan 01 of every year starting from July 01, 2018

(iv) From Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG') - amounting to: ₹135.12 crore (March 31, 2018: 141.60 crore)

Secured by

- Personal guarantee of Mr. V. G. Siddhartha;
- First ranking mortgage on the following immovable properties–
 - Land located in Hassan, owned by the Company with carrying amount of ₹1.13 crore (March 31, 2018 : ₹1.13 crore) ;
 - Land located in Palace Road, Bangalore owned by the Company with carrying amount of ₹7.9 crore (March 31, 2018 ₹7.9 crore) ; and
 - Charge on all movable assets of the Company. Loan from DEG carries a floating interest rate of 6 months EURIBOR plus 2.97% margin p.a and is repayable in 12 biannual installments with effect from November 2019.

(v) Compulsorily convertible debentures issued to FMO - amounting to: ₹26.61 crore (March 31, 2018: ₹27.66 crore) - 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 Nil (March 31, 2018: 1,697,572) Compulsorily Convertible Debentures (CCDs) to the promoter V.G. Siddhartha, subsequent to which the CCDs were converted to Nil (March 31, 2018: 1,230,910) equity shares of Re 1 each as per the original terms of agreement.

(vi) Compulsorily convertible debentures in descending order of conversion/ redemption:

Particulars	Convertible into	Conversion/ maturity	Earliest date of conversion/ redemption
Compulsorily convertible debentures issued to FMO	Equity shares	Conversion	Refer 18 (v)

(vii) The aggregate amount of long-term borrowings including current maturities secured by personal guarantee of Managing Director and relatives of Managing Director amounts to ₹417.95 crore as at March 31, 2019 (March 31, 2018: 260.89 crore)

(viii) 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 and advance paid to planters;
- Hypothecation of goods covered under export bills;
- Hypothecation of machineries acquired under LC and 10% Cash margin
- Hypothecation of Stock of Cafes
- 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

Notes to the Consolidated Financial Statements

- Promissory note provided by the Company and the Promoter.

(ix) 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.

The said facility is closed during the year.

(x) From IndusInd Bank (includes Short term Loan, bills discounting and packing credit loan account)

Secured by

- Exclusive charge on identified coffee estates of about 322 acres valued not less than ₹64 crore
- NDU/POA of shares of Coffee Day Enterprises Ltd worth of ₹40 crore (0.35x of the facility amount outstanding) to transfer of shares to IBL's DP account and create pledge of CDEL Shares
- Hypothecation of Certain earmarked assets of the cafes and stock of Coffee at Hassan earmarked for export and advance paid to planters
- Personal guarantee of Mr. V G Siddhartha.

The Short term loan is repayable in 6 equal monthly installments of ₹19.17 crore each beginning at the end of 6th month from the date of first drawdown.

(xi) From HSBC (bank overdraft)

Secured by

- Exclusive charge over movable assets, both present and future of the Company's outlets (café's) with asset cover of 1.75x.
- Personal Guarantee of Managing Director.

(xii) From Kotak Mahindra Bank Limited (bank overdraft)

Secured by

- Exclusive charge over movable fixed assets xpress kiosk.
- Personal Guarantee of Mr. V.G.Siddhartha

(xiii) From Rathnakar Bank Limited (Includes Bank Overdraft and Short term loan)

Secured by

- Charge on Current assets including Stock and Book debts of the Coffee Day FNG and Xpress division
- Personal guarantee of Mr. V. G. Siddhartha
- Pledge of listed shares of Coffee Day Enterprises Ltd held by Mr. V.G. Siddhartha to the extent of 2x times of Facility
- Receivables with benefits of all securities, interest becoming due and benefits of the same

Short term loan is repayable in three months from the date of drawdown.

(xiv) From Yes Bank Limited (includes Bank overdraft)

Secured by

- Charge on all current assets of vending division (minimum cover of 1x)
- Personal guarantee of Mr.V. G. Siddhartha

(xv) The aggregate amount of current borrowings secured by personal guarantee of Managing Director and relatives of Managing Director amounts to ₹384 crore as at March 31, 2019 (March 31, 2018: 187 crore).

(xvi) There are no default in the repayment of the principal and interest amounts with respect to these loans as on balance sheet date.

Notes to the Consolidated Financial Statements

19 OTHER FINANCIAL LIABILITIES

A. Other non-current financial liabilities

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Deposits from customers	62.47	41.96
	62.47	41.96

B. Other current financial liabilities

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt		
- debentures		
- Compulsorily convertible debentures issued to FMO [refer note 18 (v)]	26.61	19.17
- from banks		
- Rabobank International [refer note 18(i)]	42.27	30.27
- Rabobank International [refer note 18(i)]	7.65	-
- Yes Bank Limited (Refer Note 18(iii))	0.15	-
- from other parties		
- Deutsche Investitions-Und Entwicklungsgesellschaft MBH ('DEG')	12.42	-
Others:		
- accrued salaries and benefits	16.92	15.83
- creditors for expenses	17.41	18.77
- creditors for capital goods	7.17	10.56
- book overdraft	0.69	5.06
- deposits from customers	35.53	39.82
	166.82	139.48

20 PROVISIONS

A. Non-current provisions

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- gratuity (refer note 43)	2.80	3.19
	2.80	3.19

B. Current provisions

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- compensated absence	2.86	1.86
	2.86	1.86

Notes to the Consolidated Financial Statements

(i) Movements in provision:

Particulars	₹ (in Crore)	
	Gratuity	Compensated absences
Balance at April 01, 2017	2.35	1.56
Additional provision recognised	1.96	0.30
Reduction arising from payments	(1.12)	-
Balance at March 31, 2018	3.19	1.86
Balance at April 01, 2018	3.19	1.86
Additional provision recognised	3.72	1.00
Reduction arising from payments	(4.11)	-
Balance at March 31, 2019	2.80	2.86

21 OTHER LIABILITIES

A. Other non-current liabilities

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Rent equalisation reserve	10.30	8.25
Financial guarantee obligation	0.16	0.01
	10.46	8.26

B. Other current liabilities

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Statutory dues	9.29	7.24
Rent equalisation reserve	1.80	0.70
Others		
- advance payments towards unexpired gift points	1.75	1.26
- advance from customers	0.18	32.03
- subsidy advance (refer note 37)	0.21	0.35
	13.23	41.58

22 TRADE PAYABLES

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	9.91	30.84
	9.91	30.84

All trade payables are 'current'.

Information about Group's exposure to interest rate, foreign currency and liquidity risks is included in note 44.

Notes to the Consolidated Financial Statements

Dues to Micro, small and medium enterprises

The Management has identified enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2019 (March 31, 2018: 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.

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
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

₹ (in Crore)		
Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	17.28	22.28
Add: Current tax payable for the year	26.79	30.91
Less: Tax paid during the year	(39.35)	(35.91)
Closing balance	4.72	17.28

24 REVENUE FROM OPERATIONS

₹ (in Crore)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
- Sale of coffee beans	398.01	476.65
- Sale of food, beverages and other items	1,353.24	1,299.69
- Sale of merchandise items	69.51	62.95
Service income	113.78	97.43

Notes to the Consolidated Financial Statements

₹ (in Crore)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Other operating revenue		
- Advertisement income	57.68	64.63
- Sale of import entitlements	14.33	16.02
- (Loss)/ Gain from commodity futures, net	(6.10)	(1.28)
Less: quality claims	(0.69)	(1.16)
Less: sales tax / service tax / GST	(107.32)	(152.59)
Less: trade discounts	(78.52)	(85.30)
	1,813.92	1,777.04

25 OTHER INCOME

₹ (in Crore)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income (including fair value change in financial instruments)	24.66	18.62
Interest on income tax refund	0.96	-
Rental income	0.37	0.86
Forex exchange gain, net	4.09	-
Commission income	0.82	0.38
Others	4.20	1.88
	35.10	21.74

26 COST OF MATERIALS CONSUMED

₹ (in Crore)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock of raw coffee, packing materials, perishables, consumables and merchandise	62.63	94.35
Purchase of raw materials and packing materials		
- Purchase of coffee beans	430.03	431.34
- Purchase of perishables, consumables and packing materials	321.61	324.76
- Purchase of merchandise items	24.64	21.51
Closing stock of raw coffee, packing materials, perishables, consumables and merchandise	(74.18)	(62.63)
	764.73	809.33

27 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

₹ (in Crore)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Opening stock		
Finished goods	14.28	16.43
Work-in-progress	4.74	7.90
	19.02	24.33
(b) Closing stock		
Finished goods	19.07	14.28
Work-in-progress	4.16	4.74
	23.23	19.02
	(4.21)	5.31

Notes to the Consolidated Financial Statements

28 EMPLOYEE BENEFITS EXPENSE

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages	230.43	215.27
Contribution to provident and other funds	24.67	22.89
Staff welfare expenses	4.32	5.10
	259.42	243.26

29 FINANCE COSTS

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense	77.30	65.16
Other borrowing costs	3.83	3.12
	81.13	68.28

30 DEPRECIATION AND AMORTIZATION EXPENSE

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment (refer note 4)	182.45	170.31
Amortization of intangible assets (refer note 6)	6.92	3.97
	189.37	174.28

31 OTHER EXPENSES

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent (refer note 35)	256.79	221.86
Transportation, traveling and conveyance	81.42	73.69
Power and fuel	32.18	30.19
Café housekeeping and maintenance	18.95	16.86
Subcontracting charges	17.95	15.02
Brokerage and commission	17.76	14.66
Grinding and curing charges	7.18	7.45
Repairs and maintenance		
- plant and machinery	11.58	8.79
- buildings	0.07	0.08
- others	3.58	2.99
Advertising and sales promotion	5.38	7.14
Legal and professional fees (refer note 31B)	5.82	4.52
Freight and handling charges	5.09	4.29
Communication expenses	4.03	3.36
Office maintenance and utilities	3.55	2.30
Rates and taxes	4.30	2.10
Insurance	1.60	1.65
Printing and stationery	1.54	1.33
Provision for doubtful debts	1.40	-
Provision for doubtful advances	3.50	-
Foreign exchange loss, net	-	4.99
Miscellaneous (refer note 31C)	7.17	6.44
	490.84	429.71

Notes to the Consolidated Financial Statements

31B Auditor's remuneration (included in legal and professional fees and excludes goods and service tax)

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor		
- for statutory audit	0.32	0.70
Reimbursement of expenses	-	0.09
	0.32	0.79

31C Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were primarily allocated to a corpus and utilized through out the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Amount required to be spent by the Company during the year	0.83	0.54
(b) Amount spent during the year for:	-	-
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	0.77	0.54

32 INCOME TAX

A. Major components of income tax expense for the years ended March 31, 2019 and March 31, 2018:

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax:		
Current income tax charge	27.42	30.91
Adjustments in respect of current income tax of previous years	(0.63)	-
	26.79	30.91
Deferred tax:		
Relating to origination and reversal of temporary differences	(2.42)	(3.32)
	(2.42)	(3.32)
Income tax expense reported in the statement of profit or loss	24.37	27.59

B. Income tax recognised in other comprehensive income

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Effective portion of gains and losses on hedging	-	0.01
Net (gain)/loss on remeasurement of defined benefit liability/ (assets)	-	0.21
Income tax charged to OCI	-	0.22

Notes to the Consolidated Financial Statements

C. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	64.99	64.72
Current-year losses of subsidiary companies	8.00	5.84
Adjusted profit before tax	72.99	70.56
Indian Statutory Tax rate	34.94%	34.61%
Tax at the Indian tax rate	25.50	24.42
Impact non-deductible expenses for tax purposes	-	3.17
Others	(1.13)	-
Income tax expense	24.37	27.59

D. Deferred tax

Deferred tax relates to the following:

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<i>Deferred tax assets/ (liabilities)</i>		
Excess of depreciation allowed under Income Tax Act, 1961 over depreciation as per books	6.88	5.04
Borrowings	(1.42)	(0.01)
Security deposit	1.06	2.32
Employee benefits	1.00	0.60
Rent straight lining	4.23	3.10
Provision for doubtful debts / advances	3.11	1.38
	14.86	12.43

33 CONTINGENT LIABILITIES, COMMITMENTS AND CONTINGENT ASSETS

₹ (in Crore)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
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)	70.22	65.04
Commitments:		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	10.17	13.37

Notes:

- 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.
- 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.

Notes to the Consolidated Financial Statements

34 EARNINGS PER SHARE (EPS)

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

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit as for the year	40.62	36.96
Net profit for basic earnings per share	40.62	36.96
Net profit for diluted earnings per share	40.62	36.96

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

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Number of equity shares at the beginning of the year	17,11,37,567	16,99,06,657
Add: Weighted average number of equity shares issued during the year:		
- Due to conversion of debentures	1,59,12,909	6,27,258
Number of weighted average equity shares considered for calculation of basic earnings per share	18,70,50,476	17,05,33,915
Add: Dilutive effect of convertible debentures	-	1,97,55,822
Number of weighted average equity shares considered for calculation of diluted earnings per share	18,70,50,476	19,02,89,737

For the year ended March 31, 2019 25,46,355 (March 2018: 25,46,355) compulsorily convertible debentures issued to FMO which are convertible into 18,46,365 (March 31, 2018: 18,46,365) equity shares were not included in the calculation of diluted weighted average number of equity shares as their effect would have been anti-dilutive.

(iii) Earnings per share:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
From continuing operations		
- Basic (₹)	2.17	2.17
- Diluted (₹)	2.17	1.94

35 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:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Cancellable	0.37	0.86
	0.37	0.86

Assets taken on operating lease:

The Group has taken on lease a number cafe outlets, office premises and warehouses under operating lease agreements. The lease typically runs for a period of six to nine years, with an option to renew the lease after that period. The Group

Notes to the Consolidated Financial Statements

intends to renew such leases in the normal course of its business. Total rental expense under operating leases was ₹256.79 crore and ₹221.86 crore for the year ended March 31, 2019 and March 31, 2018 respectively.

Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating leases as on March 31, 2019 and March 31, 2018 are as follows:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Payable in less than one year	41.17	53.39
Payable between one and five years	104.68	130.07
Payable after five years	42.58	49.10

Certain leases provide for additional payments that are contingent on revenue earned by the respective café outlets. Contingent rents included in profit or loss amounted to ₹23.37 crore (March 31, 2018: 24.85 crore).

36 SEGMENT INFORMATION

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, Managing Director of the Group has 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:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from external customers:		
Production, procurement and export division	347.12	425.39
Retail operation	1,653.33	1,590.70
Inter-segment revenue:		
Production, procurement and export division	0.70	0.46
Retail operation	-	-
Total segment revenue	2,001.15	2,016.55
Reconciling items:		
- taxes and discounts on sales	(186.53)	(239.05)
- inter-segment revenue	(0.70)	(0.46)
Total revenue as per statement of profit and loss	1,813.92	1,777.04

Notes to the Consolidated Financial Statements

(ii) Segment results:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Production, procurement and export division	6.50	7.40
Retail operation	328.99	299.88
Total segment results	335.49	307.28
Reconciling items:		
- depreciation	(189.37)	(174.28)
- finance cost	(71.03)	(77.55)
- foreign exchange loss considered as finance cost	(10.10)	9.27
- share of loss of joint ventures accounted for by the equity method	-	(0.17)
Profit before tax as per statement of profit and loss	64.99	64.55
Income tax expense	(24.37)	(27.59)
Profit after tax as per statement of profit and loss	40.62	36.96

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:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<i>Revenue from external customers:</i>		
- India	1,535.91	1,405.75
- Europe	257.92	341.12
- Other foreign countries	20.09	30.17
Total segment revenue	1,813.92	1,777.04

(ii) Segment non-current assets

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
- India	1,340.05	1,138.92
- Europe	3.04	3.29
Total	1,343.09	1,142.21
Reconciling items:		
- deferred tax assets	14.86	12.43
- non-current financial assets	86.32	86.97
- Other tax assets	0.71	4.49
Total non-current assets	1,444.98	1,246.10

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Revenue from major products and services

The Group's revenue from continuing operations from its major products or services are as follows:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of coffee beans	398.01	476.65
Sale of food, beverages and other items	1,353.24	1,299.69
Sale of merchandise items	69.51	62.95
Service income from vending machines	113.78	97.43

Information about major customers

The Group does not derive more than 10% of its revenues from any single customer.

37 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 March 31, 2019, the Company has received cumulatively, total grant of ₹13.16 crore (March 31, 2018: ₹9.63 crore).

The Group has incurred a cost of ₹6.06 crore (Previous year: ₹2.31 crore) under various expense heads. The said expenses has been reduced from the proceeds of this grant.

The unutilised amount of of the total grant received as at March 31, 2019 is ₹0.21 crore (March 31, 2018: 0.35 crore).

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Rates and taxes	0.84	0.81
Rent	3.14	0.79
Staff welfare expenses	1.88	0.54
Printing and stationery	-	0.08
Transportation, traveling and conveyance	0.01	0.04
Power and fuel	0.05	0.04
Legal and professional fees	0.03	0.01
Repairs and maintenance - buildings	0.06	-
Others	0.05	-
	6.06	2.31
Less: Expenditure from Internally generated funds	2.96	0.88
Service charges and tax deducted at source on grant sanctioned	0.58	0.08
	3.54	0.96
	2.52	1.35

38 EVENTS AFTER THE REPORTING PERIOD

The Group is operating F&G division which is in the business of selling coffee powder and its variants through retail outlets and franchisees. During the month of April 2019, the Group has entered into Business Transfer Agreement with Coffee Day Econ Private Limited (CDEPL) to transfer the business of F&G division to CDEPL, mainly to expand the business activities of F&G division.

- 39 M/s.Coffee Day Enterprises Limited (holding company), its subsidiaries, its directos and certain related parties of the company were subjected to search/ survey by the Income Tax Department under section 132/ 133A during

Notes to the Consolidated Financial Statements

September 2017. The company has filed the returns of income in response to notice u/s 153A of the Act and there was no undisclosed income to be admitted in the return of income. The assessments are pending and the company does not foresee any impact of the search/ survey on the financial statements of the company.

40 INTEREST IN OTHER ENTITIES

A. Subsidiary companies:

The consolidated financial statements of the Group includes subsidiary companies 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 (%)	
			March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
A.N Coffeeday International Limited	Cyprus	Investment	100.00	100.00	-	-
Classic Coffee Curing Works	India	Coffee Curing	100.00	100.00	-	-
Coffeelab Limited	India	Retail	100.00	100.00	-	-
Coffee Day Gastronomie Und Kaffeehandles GmbH	Austria	Retail	100.00	100.00	-	-
Coffee Day CZ a.s	Czech Republic	Retail	100.00	100.00	-	-

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 March 31, 2019 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.

Name of the entity	Country of incorporation	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2019	March 31, 2018
Coffee Day Schaerer Technologies Private Limited	India	49.00	Joint venture	Equity method	-	-

- (ii) Summarised financial information about the joint venture company and the carrying amount of the Group's interest in the joint venture company:

Summarised balance sheet	Coffee Day Schaerer Technologies Pvt Ltd	
	As at March 31, 2019	As at March 31, 2018
<i>Current assets:</i>		
- Cash and cash equivalents	0.10	0.43
- Other current assets	1.26	5.14
Total	1.36	5.57
<i>Non-current assets</i>	0.35	0.44
<i>Current liabilities:</i>		
- Financial liabilities (excluding trade payables)	0.50	2.60
- Trade payables	2.74	3.93
- Other current liabilities	0.03	0.02
Total	3.27	6.55
<i>Non-current liabilities:</i>		
- Provisions	0.01	0.01
Total	0.01	0.01
Net assets	(1.57)	(0.55)
Group's share of net assets (49%)	(0.77)	(0.27)
Carrying amount of interest in joint venture	-	-

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Summarised statement of profit and loss	Coffee Day Schaerer Technologies Private Limited	
	As at March 31, 2019	As at March 31, 2018
Revenue	2.02	2.65
Other income	0.08	-
Total income	2.10	2.65
Cost of materials consumed	1.21	1.74
Changes in inventories of finished goods and work-in-progress	0.29	(0.08)
Employee benefits expense	0.61	0.41
Depreciation and amortization	0.08	0.08
Other expenses	0.93	1.40
Total expenses	3.12	3.55
Loss from operations for the year	(1.02)	(0.90)
Other comprehensive income	-	-
Total comprehensive income	(1.02)	(0.90)
Group's share of total comprehensive income (49%) restricted to the cost of investment	-	-

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 March 31, 2019 is as follows:

₹ (in Crore)

Name of the entity in the group	Net assets, i.e., total assets minus total liabilities		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	93.63%	1,288.11	119.74%	48.63	-155.84%	(1.20)	114.59%	47.43
Indian subsidiaries								
Classic Coffee Curing Works	0.12%	1.68	-0.30%	(0.12)	0.00%	-	-0.29%	(0.12)
Coffeelab Limited	-0.09%	(1.27)	-1.26%	(0.51)	-3.90%	(0.03)	-1.30%	(0.54)
Foreign subsidiaries								
A.N Coffeeday International Limited	6.29%	86.54	-0.30%	(0.12)	101.30%	0.78	1.59%	0.66
Coffee Day Gastronomie Und Kaffeehandles GmbH	0.01%	0.08	-4.41%	(1.79)	6.49%	0.05	-4.20%	(1.74)
Coffee Day CZ a.s	0.05%	0.65	-13.47%	(5.47)	151.95%	1.17	-10.39%	(4.30)
Joint ventures (investment as per the equity method)								
Indian								
Coffee Day Schaerer Technologies Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Total	100.00%	1,375.79	100.00%	40.62	100.00%	0.77	100.00%	41.39

Notes to the Consolidated Financial Statements

42 RELATED PARTY DISCLOSURE

A. Related parties with whom transactions have taken place during the year

I. Parent entity

- Coffee Day Enterprises Limited

II. Joint venture company

- Coffee Day Schaerer Technologies Private Limited

III. Entities under common control, associates of holding company with whom transactions have taken place:

- Tanglin Developments Limited
- Mysore Amalgamated Coffee Estates Limited
- Dark Forest Furniture Company Private Limited
- Mindtree Limited
- SICAL Logistics Limited
- Tanglin Retail Reality Developments Private Limited
- Coffee Day Hotels and Resorts Private Limited
- Wilderness Resorts Private Limited
- Karnataka Wildlife Resorts Private Limited
- Way2Wealth Brokers Private Limited
- Way2Wealth Securities Private Limited

IV. Key management personnel of the entity

- V.G. Siddhartha, Managing Director
- Malavika Hegde
- Jayraj Hubli, Chief Financial Officer
- Venu Madhav A
- Sanjay Nayar
- S.V.Ranganath
- K.P.Balaraj
- Sadananda Poojary, Company Secretary

B. Transactions with related party:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Transactions with :		
I. Parent entity: Coffee Day Enterprises Limited		
Reimbursable expenses incurred by the Company	0.23	0.01
Sale of consumables	0.06	0.06
License fees	0.10	0.09
II. Joint venture company		
<i>Purchases of coffee vending machines</i>		
- Coffee Day Schaerer Technologies Private Limited	2.38	2.65
Reimbursable expenses incurred by the Company on behalf of		
- Coffee Day Schaerer Technologies Private Limited	1.17	0.95
III. Entities under common control, associates of holding company:		
<i>Commission income</i>		
- Tanglin Retail Reality Developments Private Limited	0.48	0.16
- Wilderness Resorts Private Limited	0.28	0.22
- Tanglin Developments Limited	0.07	-

Notes to the Consolidated Financial Statements

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
<i>Commission expense</i>		
- Tanglin Developments Limited	0.05	-
<i>Transportation and subcontracting charges</i>		
- SICAL Logistics Limited	72.02	62.83
<i>Sale of coffee and service income</i>		
- Mindtree Limited	2.40	2.87
- Coffee Day Hotels and Resorts Private Limited	0.09	0.15
- Karnataka Wild Life Resorts Private Limited	0.03	0.05
<i>Purchase of clean and raw coffee</i>		
- Mysore Amalgamated Coffee Estates Limited	70.90	39.23
<i>Purchase of fixed assets</i>		
- Dark Forest Furniture Company Private Limited	31.46	20.93
<i>Purchase of software and maintenance</i>		
- Mindtree Limited	3.52	2.56
<i>Advance paid to</i>		
- Dark Forest Furniture Company Private Limited	25.41	41.06
- Mysore Amalgamated Coffee Estates Limited	394.21	365.01
<i>Interest received on advances paid</i>		
- Mysore Amalgamated Coffee Estates Limited	5.10	0.37
<i>Reimbursable expenses incurred by the Company on behalf of</i>		
- Tanglin Developments Limited	0.36	0.38
- Way2Wealth Brokers Pvt Ltd	0.33	0.48
<i>Rent and Maintenance Expenses Payable by the company</i>		
- Way2Wealth Securities Pvt Ltd	0.14	0.13
<i>Repayment of advances from</i>		
- Mysore Amalgamated Coffee Estates Limited	266.54	321.94
<i>Guarantee taken/ (closed)</i>		
- Tanglin Developments Limited	100.00	-
<i>Guarantee given/ (closed)</i>		
- Tanglin Retail Reality Developments Private Limited	(95.00)	(95.00)
- Wilderness Resorts Private Limited	(55.00)	(30.00)
- Tanglin Developments Limited	45.00	-
<i>Guarantee received/ (closed)</i>		
- Tanglin Developments Limited	100.00	-
IV. Key management personnel of the entity		
<i>Key management personnel compensation</i>		
- Jayraj Hubli	1.26	1.14
- Sadananda Poojary *	0.65	0.57
- Venu Madhav A	1.21	1.09
(* net off of reimbursement from group company ₹0.22 crore (March 31, 2018 ₹0.09 crore))		
<i>Guarantee given/ (closed)</i>		
- V. G. Siddhartha	355.95	228.78

Notes to the Consolidated Financial Statements

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

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
I. Parent entity: Coffee Day Enterprises Limited		
- Compulsorily convertible debentures	-	410.00
- Other receivables	-	0.04
II. Joint venture company		
<i>Creditors for capital goods</i>		
- Coffee Day Schaerer Technologies Private Limited	0.02	3.14
<i>Reimbursement of expenses receivable</i>		
- Coffee Day Schaerer Technologies Private Limited	0.24	2.47
III. Entities with common control, associates of holding company:		
<i>Trade receivables</i>		
- Mindtree Limited	0.45	0.82
- Coffee Day Hotels and Resorts Private Limited	-	0.10
<i>Creditors for capital goods</i>		
- Mindtree Limited	3.22	3.05
<i>Capital advance</i>		
- Dark Forest Furniture Company Private Limited	24.54	30.59
<i>Supplier advance</i>		
- Mysore Amalgamated Coffee Estates Limited	64.82	3.46
- SICAL Logistics Limited	19.66	9.03
<i>Creditors for Expenses</i>		
- Way 2 Wealth Securities Pvt Ltd	0.01	0.25
<i>Trade payables</i>		
- Dark Forest Furniture Company Private Limited	-	0.34
<i>Other receivables</i>		
- Tanglin Developments Limited	0.15	0.15
- Way2Wealth Brokers Private Limited	-	0.17
<i>Corporate Guarantees taken</i>		
- Tanglin Developments Limited	100.00	-
<i>Corporate guarantees given</i>		
- Wilderness Resorts Private Limited	-	25.00
- Tanglin Developments Limited	45.00	-
IV. Key management personnel of the entity:		
<i>Personal guarantee received for loans taken</i>		
- V. G. Siddhartha	801.95	446.00

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:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits *	3.12	2.80
	3.12	2.80

* net off of reimbursement from group company ₹0.22 crore (March 31, 2018 ₹0.09 crore)

Notes to the Consolidated Financial Statements

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

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Change in projected benefit obligation:		
Obligations at the beginning of the year	15.39	12.93
Service cost	3.51	2.52
Interest cost	1.09	0.75
Actuarial (gains) losses recognised in other comprehensive income:		
- due to changes in financial assumptions	0.21	(1.70)
- due to experience adjustments	0.10	2.00
Others	0.07	
Benefits settled	(2.01)	(1.11)
Obligations at year end	18.36	15.39

Change in plan assets:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Plans assets at the beginning of the year, at fair value	12.20	10.58
Expected return on plan assets	0.95	0.70
Actuarial (loss)/gain	0.25	(0.27)
Contributions	4.11	2.30
Others	0.07	-
Benefits settled	(2.02)	(1.11)
Plans assets at year end, at fair value	15.56	12.20

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

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Net defined benefit assets	15.56	12.20
Total employee benefit assets (non-current)	15.56	12.20
Net defined benefit liability	18.36	15.39
Total employee benefit liabilities	18.36	15.39
Net liability:		
Non-current	2.80	3.19
Current	-	-
	2.80	3.19

C. (i) Expense recognised in profit or loss:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Current service cost	3.51	2.52
Interest cost	1.09	0.75
Interest income	(0.95)	(0.70)
Net gratuity cost	3.65	2.57

C. (ii) Remeasurements recognised in other comprehensive income:

Particulars	₹ (in Crore)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
Actuarial (gains) / losses	0.31	0.33
(Return)/ loss on plan assets excluding interest income	(0.25)	0.27
	0.06	0.60

D. Plan assets comprise of the funds amounting to ₹15.56 crore (March 31, 2018: 12.20 crore).

E Defined benefit obligation

(i) Actuarial assumptions

Principal actuarial assumptions at the reporting date:

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Interest rate	6.85% - 7.40%		7.15% - 7.60%	
Salary increase	3% - 4%		3% - 4%	
Attrition rate	10% - 20%		10% - 20%	
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.

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(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:

₹ (in Crore)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (100 basis points movement)	17.29	19.27	14.49	16.39
Future salary growth (100 basis points movement)	19.23	17.35	16.34	14.53

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 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.

₹ (in Crore)

Particulars	Carrying value as at	Fair value (Refer note below)			Total
	March 31, 2019	Level 1	Level 2	Level 3	
Financial assets measured at amortized cost:					
- Other financial assets (current)	10.16	-	-	-	-
- Fixed deposits and margin money with banks	0.02	-	-	-	-
- Trade receivables	195.95	-	-	-	-
- Cash and cash equivalents	461.42	-	-	-	-
- Bank balances other than cash and cash equivalents	7.04	-	-	-	-
- Security deposits	87.37	-	-	-	-
- Loans (current and non-current)	2.08	-	-	-	-
Total	764.04	-	-	-	-
Financial liabilities					
- Borrowings (current and non-current)	712.85	-	-	-	-
- Other financial liabilities (current and non-current)	229.29	-	-	-	-
- Trade payables	9.91	-	-	-	-
Total	952.05	-	-	-	-

Note: 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, 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.

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₹ (in Crore)

Particulars	Carrying value as at	Fair value (Refer note below)			Total
	March 31, 2018	Level 1	Level 2	Level 3	
Financial assets measured at amortized cost:					
- Other financial assets (current)	8.88	-	-	-	-
- Fixed deposits and margin money with banks	0.90	-	-	-	-
- Trade receivables	213.90	-	-	-	-
- Cash and cash equivalents	384.69	-	-	-	-
- Bank balances other than cash and cash equivalents	7.41	-	-	-	-
- Security deposits	86.65	-	-	-	-
- Loans (current and non-current)	2.09	-	-	-	-
Total	704.52	-	-	-	-
Financial liabilities					
- Borrowings (current and non-current)	398.12	-	-	-	-
- Other financial liabilities (current and non-current)	181.44	-	-	-	-
- Trade payables	30.84	-	-	-	-
Total	610.40	-	-	-	-

Note : 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, 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:

- recognised and measured at fair value
- measured at amortized 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.

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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.

Financial instruments measured at fair value	Type	Valuation Technique	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Amortized 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 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.

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 pertain to customers who pay at the point of sale at the cafe and xpress outlets. However there is low risk on

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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 March 31, 2019 and March 31, 2018:

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 credit impaired/ doubtful and provision is created for the balance.
- Receivables from retail operations: Receivables above 6 months are considered to be credit impaired/ 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:

Particulars	₹ (in Crore)			
	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Provision amount	Carrying amount	Provision amount
Unsecured, considered good	195.95	-	213.90	-
Credit impaired	5.40	5.40	4.00	4.00
	201.35	5.40	217.90	4.00

The gross carrying amount of trade receivables is ₹201.35 crore as at March 31, 2019 (March 31, 2018: ₹217.9 crore).

Reconciliation of loss allowance:

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Loss allowance in the beginning of the year	4.00	4.00
Changes in allowance	1.40	-
Loss allowance at the end of the year	5.40	4.00

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.

Notes to the Consolidated Financial Statements

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 for which credit risk has not increased significantly since initial recognition	31-Mar-19	Security deposits	87.37	-	-	87.37
		Loan	2.08	-	-	2.08
Loss allowance measured at 12 month expected credit loss for which credit risk has not increased significantly since initial recognition	31-Mar-18	Security deposits	86.65	-	-	86.65
		Loan	2.09	-	-	2.09

(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.

₹ (in Crore)						
As at March 31, 2019	Carrying amount	Total	Less than 1 year	1-2 years	3-5 years	More than 5 years
<i>Non-derivative financial liabilities</i>						
Current borrowings	384.00	384.00	384.00	-	-	-
Non-current borrowings (including current maturities)	417.95	456.54	74.74	74.72	191.90	115.18
Trade payables	-	9.91	9.91	-	-	-
Other financial liabilities (current and non-current)	140.19	138.01	75.54	-	-	62.47
	942.14	988.46	544.19	74.72	191.90	177.65

Notes to the Consolidated Financial Statements

₹ (in Crore)						
As at March 31, 2018	Carrying amount	Total	Less than 1 year	1-2 years	3-5 years	More than 5 years
<i>Non-derivative financial liabilities</i>						
Current borrowings	186.67	186.67	186.67	-	-	-
Non-current borrowings (including current maturities)	260.89	268.70	57.25	59.06	93.43	58.96
Trade payables	-	30.84	30.84	-	-	-
Other financial liabilities (current and non-current)	132.00	132.00	90.04	-	-	41.96
	579.56	618.21	364.80	59.06	93.43	100.92

(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 INR. 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:

₹ (in Crore)				
Particulars	As at March 31, 2019		As at March 31, 2018	
	EUR	USD	EUR	USD
Trade receivables	-	0.70	-	1.24
Advances recoverable in cash or in kind	-	-	-	0.02
Other current financial liabilities	-	(0.02)	-	-
Loan from banks	(1.92)	(3.45)	(1.92)	(1.40)
Net statement of financial position exposure	(1.92)	(2.77)	(1.92)	(0.14)
Less: Forward exchange contracts	-	-	-	-
Net exposure	(1.92)	(2.77)	(1.92)	(0.14)

in ₹		
INR	Year-end spot rate	
	March 31, 2019	March 31, 2018
USD 1	69.47	64.64
EUR 1	78.29	81.32

Notes to the Consolidated Financial Statements

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.

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
₹ (in Crore)				
March 31, 2019				
Euro (4% movement)	6.01	(6.01)	-	-
USD (7% movement)	13.47	(13.47)	-	-
March 31, 2018				
Euro (17% movement)	27.17	(27.17)	-	-
USD (0.3% movement)	0.03	(0.03)	-	-

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 :

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Financial asset	-	0.94
Net exposure	-	0.94

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.

Commodity price sensitivity	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
₹ (in Crore)				
March 31, 2019				
Coffee (20% movement)	-	-	-	-
March 31, 2018				
Coffee (20% movement)	(0.16)	0.16	-	-

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 had entered into interest rate swap to hedge the interest rate risk.

Notes to the Consolidated Financial Statements

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 :

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Fixed rate instruments:		
Financial assets	422.19	353.31
Financial borrowings	(410.61)	(214.33)
Effect of interest rate swaps	-	-
Fixed rate instruments exposed to interest rate risks	11.58	138.98
Variable rate instruments:		
Financial assets	-	-
Financial borrowings	(391.34)	(233.23)
Effect of interest rate swaps	-	-
Variable rate instruments exposed to interest rate risks	(391.34)	(233.23)

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.

Particulars	₹ (in Crore)	
	Profit or loss 1% increase	1% decrease
March 31, 2019		
Variable rate instruments	(3.91)	3.91
March 31, 2018		
Variable rate instruments	(2.33)	2.33

Hedge accounting

The Group holds the following instruments to hedge exposures to changes in interest rates:

Particulars	₹ (in Crore)			
	March 31, 2019		March 31, 2018	
	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	-	-	-	-
Average fixed interest rate (LIBOR)	-	-	-	-

Notes to the Consolidated Financial Statements

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

As at March 31, 2019:

₹ (in Crore)

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	-	-	Other financial assets	-	-	Nil	Nil	NA

₹ (in Crore)

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	-	-	Other financial liabilities	0.04	(0.04)	Nil	Nil	NA

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:

₹ (in Crore)

Particulars	March 31, 2019	March 31, 2018
	Equity head 'Effective portion of cash flow hedges'	Equity head 'Effective portion of cash flow hedges'
Opening balance for the period	-	(0.03)
Cash flow hedges : Interest rate risk		
Changes in fair value	-	0.03
Amount reclassified to profit or loss	-	-
Amount included in the cost of non-financial items	-	-
Tax on movements in relevant items of OCI during the year	-	-
Closing balance for the period	-	-

45 SCHEME OF AMALGAMATION BETWEEN AMALGAMATED HOLDINGS LIMITED, COFFEE DAY PROPERTIES (INDIA) PRIVATE LIMITED, GANGA COFFEE CURING WORKS LIMITED WITH THE COMPANY

On June 22, 2017, the Board of Directors of the Company approved a draft Scheme of arrangement ("Scheme") for amalgamation of the subsidiaries Amalgamated Holdings Limited, Coffee Day Properties (India) Private Limited, Ganga Coffee Curing Works Limited ("the transferor / transferor companies") with the Company ("the transferee company") under Section 233 of the Companies Act, 2013. The Regional Director approved the scheme vide its order dated January 30, 2018 with an Appointed Date of April 01, 2017. In the previous year, the Company has given effect to the

Notes to the Consolidated Financial Statements

Scheme by restating the balances in standalone financial statements for the year ended March 31, 2017, as per the available guidance for accounting for transactions under common control in accordance with Ind AS.

46 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 March 31, 2019 and March 31, 2018 was as follows.

Particulars	₹ (in Crore)	
	As at March 31, 2019	As at March 31, 2018
Total liabilities	986.12	682.57
Less: cash and cash equivalents	461.42	384.69
Less: Bank balances other than cash and cash equivalent	7.04	7.41
Adjusted net debt	517.66	290.47
Total equity	1,375.79	1,334.88
Less: effective portion of cash flow hedges	-	-
Adjusted equity	1,375.79	1,334.88
Adjusted net debt to equity ratio	0.38	0.22

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.

47 PREVIOUS YEAR AUDIT WAS CARRIED OUT BY A FIRM OTHER THAN M/S ASRMP & CO., CHARTERED ACCOUNTANTS.

As per our report of even date attached

For ASRMP & CO
Chartered Accountants
Firm Registration No.018350S

A S Sundaresha
Partner
Membership No.019728

Place: Bangalore
Date: May 24, 2019

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

V. G. Siddhartha
Managing Director
DIN: 00063987

Jayraj C Hubli
CFO/ Director
DIN: 00073670

Malavika Hegde
Director
DIN: 00136524

Sadananda Poojary
Company Secretary
M.No.5223

NOTICE IS HEREBY GIVEN THAT THE 11th 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 (KA) 560059 ON SATURDAY, THE 14TH DAY OF DECEMBER, 2019 AT 11:00 A.M. TO TRANSACT THE FOLLOWING BUSINESSES:

A. 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 31 March 2019, 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.

B. SPECIAL BUSINESS

Special Resolution

Item no 3

Re-appointment of Shri S. V. Ranganath (DIN 00323799) as an Independent Director of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolutions as **Special Resolutions:**

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 24th May, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Shri S.V.Ranganath (holding DIN 00323799) whose current period of office is expiring on 16th January, 2020 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made thereunder and Listing Regulations and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company, whose term shall not be subject to retirement

by rotation, to hold office for 5 (five) consecutive years on the Board of the Company for a term w.e.f. 17th January, 2020 upto 16th January, 2025."

"RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

Item No: 6

Date: 13 November 2019

By Order of the Board
for **Coffee Day**
Enterprises Limited

Registered Office:
23/2, Coffee Day Square
Vittal Mallya Road
Bangalore (KA) - 560001
CIN: L55101KA2008PLC046866 FCS: 5223

Sd/-
Sadananda Poojary
Company Secretary &
Compliance Officer

NOTES:

1. 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 FORTY-EIGHT (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 (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN (10) PERCENT OF THE TOTAL SHARE CAPITAL OF

THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. 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.

2. A statement pursuant to Section 102 of the Companies Act, 2013 setting out the material facts in respect of Special Business under 'Item No. 3' is annexed hereto.
3. The additional details of Director in respect of 'Item no. 2 & 3' pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "LODR") and the Secretarial Standards (SS-2 effective from 01st October, 2017) issued by the Institute of Company Secretaries of India (ICSI), are annexed hereto.
4. **Change of Address:**
 - I. Members holding shares in 'Demat form' are requested to intimate immediately any change, if any, in their registered address along with the pin code to their depository participants with whom they have Demat accounts. The Company or Registrar and Share Transfer Agents cannot act on any request received directly from the members holding shares in electronic form in this regard.
 - II. Members holding shares in 'physical form' are requested to intimate immediately any change, if any, in their registered address along with the pin code to the Company or the Registrar and Share Transfer Agents.
5. **Submission of PAN:**
 - I. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Accordingly, members holding shares in 'Demat form' are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat account(s).
 - II. Members holding shares in 'physical form' can submit their PAN to the Company or the Registrar and Share Transfer Agents.
6. Members seeking any information or clarifications about the Financial Statements for the financial year 2018-19 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 documents relating thereto may be made available, if the Chairman permits such information to be furnished.
7. Members may also note that the Notice of the 11th Annual General Meeting and the Annual Report for the financial year 2018-19 will be available on the Company's website i.e. www.coffeeday.com.
8. The Company has designated an exclusive E-mail Id viz., investors@coffeeday.com to enable investors to register their complaints/queries, if any.
9. The Annual Report of the Company for the financial year ended March 31, 2019 along with AGM 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.

The members who have not registered their e-mail address are requested to register the same with the respective Depository Participant or Registrar and Share Transfer Agents to support the '**Green initiative**' in good Corporate Governance practice. However, members who still desire to have a physical copy of the Annual Report 2018-19 should send a request to the Company's e-mail id viz., investors@coffeeday.com or a letter to the registered office clearly mentioning their Folio number/DP and Client ID.
10. The 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 (i.e. 09:00 a.m. to 06:00 p.m.) of the Company up to the date of this Annual general Meeting.
11. **Voting through Electronic means:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 and Rule 21 of the Companies (Management and Administration) Amendment Rules, 2016, the Company is pleased to provide the members facility to exercise their right to vote at the 11th Annual General Meeting by electronic means and the business set out in the Notice of this meeting, may be transacted through e-voting services provided by **National Securities Depository Limited (NSDL)**. In accordance with the Regulation 44 of SEBI (LODR) Regulations, 2015, the Company has also provided the facility for voting through physical ballot for members who does not have access to internet. Facility for voting through 'tablet' will also be provided to the members at the Meeting who have not cast their vote either through Ballot Paper or e-Voting. Complete instructions for e-voting including details of Login Id, process for generating or receiving password and for casting vote in secured manner are annexed to this Notice.

ADDITIONAL DETAILS OF DIRECTOR W.R.T. 'ITEM NO. 2 AND 3 OF THE NOTICE SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING OF THE COMPANY [PURSUANT TO REGULATION 36(3) OF THE SEBI (LODR) REGULATIONS, 2015 AND SS-2 ISSUED BY ICSI]

Name of the Director	Malavika Hegde	S.V.Ranganath
Date of Birth/Age	12/06/1967 51 Years	25/04/1953 66 Years
Nationality	Indian	Indian
Date of Appointment on the Board	20th June, 2008	17th January, 2015
Qualification	B.Com	IAS
Directorship held in other Public Companies	Forms Part of the Corporate Governance	Forms Part of the Corporate Governance
Memberships/ Chairmanships of Committees as per Corporate Governance report held across all other listed Companies	Forms Part of the Corporate Governance	Forms Part of the Corporate Governance
Shareholding in the Company	85,62,506 4.05%	Nil
Brief Profile	Forms Part of the Corporate Governance	Forms Part of the Corporate Governance

Annexure to Notice

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013 ("THE ACT")

ITEM NO. 3

Re-appointment of **Shri S.V.Ranganath (DIN 00323799)** as an Independent Director of the Company

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder and applicable SEBI regulations with the stock exchanges, at the Extra Ordinary General Meeting held on 17th January, 2015, **Shri S.V.Ranganath** was appointed as an Independent Director of the Company for a period of 5 (five) consecutive years for a term upto 16th January, 2020. Since, **Shri S.V.Ranganath** will complete his initial term as an Independent Director of the Company on 16th January, 2020, he is eligible for re-appointment for one more term. **Shri S.V.Ranganath**, aged 66 years, retired Chief Secretary for Government of Karnataka and an IAS Officer of Karnataka- 75 cadre. His other Directorships include Qs-Era India Private Limited, Center for Study of Science Technology and Policy, Indian Institute for Human Settlements, Coffee Day Global Limited, Bosch Limited and Jana Capital Limited. He is the Chairman of Audit & Nomination Remuneration Committee of the Company. As on 31st March, 2019, he does not hold any shares of the Company. As per the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 24th May, 2019, subject to approval of Members at this Annual General Meeting and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the

Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force) and based on his skills, rich experience, knowledge, contributions, continued valuable guidance to the management made by him during his tenure and outcome of performance evaluation of the Independent Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of **Shri S.V.Ranganath (DIN 00323799)** as an Independent Non-Executive Director of the Company for the second term of 5 (five) years w.e.f. 17th January, 2020 upto 16th January, 2025 and he shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013. The Company has received a declaration from **Shri S.V.Ranganath**, being eligible for re-appointment as Independent Director for the second term providing his consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, as amended from time to time. The Company has also received a declaration from **Shri S.V.Ranganath** confirming the criteria of Independence as prescribed under Section 149(6) of the Companies Act, 2013 and under Regulation 16(b) of the Listing Regulations, as amended from time to time. **Shri S.V.Ranganath** is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013, as amended from time to time. In the opinion of the Board, he fulfills the conditions specified in the Companies Act, 2013 and is independent of the management. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member for proposing the candidature of **Shri S.V.Ranganath** to be re-appointed as an Independent Non-Executive Director of the Company as per the provisions of the Companies Act, 2013. A copy of the draft letter for re-appointment of **Shri S.V.Ranganath** setting

out the terms and conditions of re-appointment is available for inspection between 11.00 a.m. to 1.00 p.m. during office hours on all working days except Sundays and Holidays at the Registered Office of the Company. Disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard-2 issued by the Institute of Company Secretaries of India are set out in the Annexure to the Explanatory Statement. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail his services.

Accordingly, consent of the Members is sought for passing Special Resolution as set out in this item of the Notice for re-appointment of **Shri S.V.Ranganath** as an Independent Director of the Company.

Except **Shri S.V.Ranganath**, being an appointee, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3. This Explanatory Statement may also be regarded as an appropriate disclosure under the Listing Regulations.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL.
Open web browser by typing the following URL:
<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter

the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the

.pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
- b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to compliance@hrbandco.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

Notes

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Notes

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BREWING
COFFEE
BRIDGING
CULTURES





**COFFEE
Day**

Registered Office of the Company

23/2, Coffee Day Square,
Vittal Mallya Road,
Bengaluru – 560 001