Deloitte Haskins & Sells

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AU BON PAIN CAFÉ INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **AU BON PAIN CAFÉ INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control

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relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

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

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2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

KOLKATA, 5th May, 2016

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

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

We have audited the internal financial controls over financial reporting of **AU BON PAIN CAFÉ INDIA LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Deloitte Haskins & Sells
Chartered Accountants

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
(Membership No. 054785)

KOLKATA, 5th May, 2016

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ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

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

(b) The fixed assets were physically verified during the year by the management in accordance with a regular program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.

(ii) As explained to us, inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the current year or any earlier year.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess, and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

(c) There are no dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Value Added Tax as on March 31, 2016 on account of disputes.

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Chartered Accountants

(viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

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

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm Registration No. 302009E)

Abhijit Bandyopadhyay
Partner
Membership No. 054785

KOLKATA, 5th May, 2016

Au Bon Pain Café India Limited

Balance Sheet as at 31 March 2016

Rs. In Lacs

	Notes	As at 31.03.2016	As at 31.03.2015
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	**9,440.00**	8,000.00
(b) Reserves and surplus	04	**(8,108.59)**	(5,973.34)
		1,331.41	2,026.66
(2) Share Application money pending Allotment	05	**272.65**	102.65
(3) Non-current liabilities			
Long-term provisions	06	**21.86**	26.92
		21.86	26.92
(4) Current liabilities			
(a) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises	32	**-**	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	07	**286.18**	333.47
(b) Other current liabilities	08	**50.95**	62.94
(c) Short-term provisions	06	**0.25**	0.39
		337.38	396.80
TOTAL EQUITY AND LIABILITIES		**1,963.30**	2,553.03
(II) ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	09	**1,218.85**	1,739.44
(ii) Intangible assets	10	**193.82**	146.17
(iii) Capital work-in-progress	11	**13.33**	44.53
		1,426.00	1,930.14
(b) Long-term loans and advances	12	**272.34**	388.34
		1,698.34	2,318.48
(2) Current assets			
(a) Inventories	13	**94.23**	131.01
(b) Trade receivables	14	**31.13**	20.32
(c) Cash and bank balances	15	**53.07**	22.48
(d) Short-term loans and advances	12	**86.53**	60.74
		264.96	234.55
TOTAL ASSETS		**1,963.30**	2,553.03

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata , 05th May, 2016

For and on behalf of the Board of Directors

Manish Tandon

Director

Subhrangshu Chakrabarti

Director

S. Ganesh

Company Secretary

Kolkata , 05th May, 2016

Deloitte Haskins & Sells Chartered Accountants

AU BON PAIN CAFE INDIA LTD.

Au Bon Pain Café India Limited

Statement of Profit and Loss for the year ended 31 March 2016

Rs. In Lacs

		Note	Year Ended 31.03.2016	Year Ended 31.03.2015
I	Revenue from operations	16	**1,576.36**	1,615.53
II	Other Income	17	**6.73**	10.80
III	**Total Revenue (I + II)**		**1,583.09**	1,626.33
IV	**EXPENSES**			
	(a) Cost of materials consumed	18	**588.19**	692.81
	(b) Purchases of Stock In Trade	19	**86.82**	111.89
	(c) Changes in inventories of finished godds, work-in-progess and stock in trade	20	**14.38**	10.84
	(d) Employee benefit expense	21	**791.60**	858.22
	(e) Finance costs	22	**22.37**	24.51
	(f) Depreciation and amortisation expense	9 & 10	**399.76**	415.14
	(g) Other expenses	23	**1,815.22**	1,761.42
	Total Expenses		**3,718.34**	3,874.83
V	**Loss before tax (III-IV)**		**(2,135.25)**	**(2,248.50)**
VI	Tax Expense		**-**	-
VII	**Loss for the year (V - VI)**		**(2,135.25)**	**(2,248.50)**
VIII	**Loss per equity share (Rupees):**			
	Basic and Diluted	27	**(2.67)**	(5.61)

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

For and on behalf of the Board of Directors

Manish Tandon

Director

Subhrangshu Chakrabarti

Director

S. Ganesh

Company Secretary

Kolkata , 05th May, 2016

Kolkata , 05th May, 2016

Deloitte Haskins & Sells Chartered Accountants

AU BON PAIN CAFE INDIA LTD.

Au Bon Pain Café India Limited

Cash Flow Statement for the year ended 31st March, 2016

Rs. In Lacs

	Year Ended 31.03.2016	Year Ended 31.03.2015
A. Cash Flow from Operating activities:		
Profit before taxes	(2,135.25)	(2,248.50)
Adjustments for:		
Depreciation	399.76	415.14
Loss on assets sold/ discarded	195.20	46.67
Liability no longer required written back	(4.85)	(8.61)
Provision for doubtful debt		-
Provision for doubtful advances	4.80	1.78
Bad debt Written Off		-
Other Provisions		
Miscellaneous write offs	8.94	-
Operating profit before working capital changes	(1,531.40)	(1,793.52)
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(10.81)	8.65
Short term Loans and advances	(25.79)	(35.32)
Long term Loans and advances	111.73	(74.41)
Inventories	36.78	(7.01)
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(51.07)	88.66
Other Current Liabilities	(14.86)	3.35
Short Term Provisions	(0.14)	0.05
Long Term Provisions	(5.06)	7.37
Cash generated from operations	(1,490.62)	(1,802.18)
Direct taxes paid	(0.31)	0.22
Net cash from operating activities	(1,490.93)	(1,801.96)
B. Cash Flow from Investing activities:		
Capital Expenditure on fixed assets including capital advances	(90.54)	(733.37)
Proceeds from sale of Fixed Assets	2.06	1.10
Sale of External Investment	-	-
Fixed deposits not considered as Cash and cash equivalents	1.50	(1.93)
Net cash utilised in investing activities	(86.98)	(734.20)
C. Cash Flow from Financing activities:		
Proceeds from issue of equity shares	1,440.00	4,000.00
Share Application money pending allotment	170.00	(1,476.85)
Net cash utilised in financing activities	1,610.00	2,523.15
Net increase or decrease in cash or cash equivalents	32.09	(13.01)
Cash and cash equivalents as at 1st April [1]	18.98	31.99
Cash and cash equivalents as at 31st March [1]	51.07	18.98

Notes:

1. Include cash and Cheques on hand, balance in current and deposit accounts with banks (refer note 15)
2. Figures in brackets represent outflows.
3. Previous year figures have been regrouped/restated wherever necessary.

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

Abhijit Bandyopadhyay

Partner

Kolkata , 05th May, 2016

For and on behalf of the Board of Directors

Manish Tandon

Director

Subhrangshu Chakrabarti

Director

S. Ganesh

Company Secretary

Kolkata , 05th May, 2016

Deloitte Haskins & Sells Chartered Accountants

AU BON PAIN CAFE INDIA LTD.

Au Bon Pain Café India Limited

Notes to the Financial Statements

01 Corporate information

The Company Au Bon Pain Café India Limited (ABPCIL), is engaged in setting up a chain of retail cafes currently having operation in Bangalore, Kolkata and expanding in Northern Capital Region (NCR). For developing the business, master franchise agreement has been entered into between ABPCIL and Au Bon Pain Corporation USA on 14th July 2008, for the grant of exclusive franchise to the Company.

02 Significant Accounting Policies

a). Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services rendered by the Company and the time between the cost incurred for rendering the services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

b). Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

c). Revenue Recognition

i). Revenue is recognized to the extent it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

ii). Revenue is recognized on transfer of significant risk and rewards of ownership of the goods to the buyers.

iii). Interest income is recognised on a time proportion basis based on the amount outstanding and the rate applicable.

d). Tangible Assets

All tangible assets are valued at cost less depreciation. The cost of an asset includes the purchase cost of materials, including import duties and non refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalised as part of the cost of the asset until such time that the asset is ready for its intended use.

e). Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

f). Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and non refundable taxes, and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates.

Deloitte Haskins & Sells Chartered Accountants

AU BON PAIN CAFE INDIA LTD.

02 Significant Accounting Policies

g). Depreciation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except for certain class of assets as mentioned in note 1 below. Improvement to leased properties is amortized over the period of lease.

i).	Leasehold Improvement	: 2 to 9 years
ii).	Plant and Machinery (1)	: 3 to 15 years
iii).	Furniture fixture (1)	: 4 to 9 years
iv).	Motor Vehicles (1)	: 5 years
v).	Office Equipments (1)	: 3 to 5 years
vi).	Electrical/ Café Equipments (1)	: 3 to 10 years

Cost of Intangible Assets are amortized as follows:

i).	Brand License	: 2 to 10 years
ii).	Computer Software	: 4 Years

(1) The useful life of these categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

h). Impairment

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss, except in case of revalued assets.

Leases

i). Leases where the lessor effectively retains substantially all the risk and benefits of ownership of the leased asset, are classified as operating leases. Operating lease payment is recognized as an expense in the Statement of Profit and Loss on the straight-line basis over the lease term.

Investment

j). Long term investments are carried at cost less provision for diminution other than temporary (if any) in value of such investments.
Current investments are carried at lower of cost and fair value.

k). Inventories

Raw materials are valued at cost or net realisable value whichever is lower. Cost comprises purchase price, freight and handling charges, non refundable taxes and duties and other directly attributable costs.

Finished products produced and purchased by the Company are valued at lower of cost and net realisable value.

Work-in-progress is carried at lower of cost and net realisable value.

Stores and packing materials are valued at cost comprising of purchase price, freight and handling charges, non refundable taxes and duties and other directly attributable costs less provisions for obsolescence.

Cost of inventories are generally ascertained on the "weighted average" basis.

l). Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

m). Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of 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 based on the available information.

n). Foreign Currency Transactions

Foreign Currency transactions are recorded on initial recognition in the reporting currency i.e. Indian rupees, using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in currencies other than the reporting currencies and foreign exchange contracts remaining unsettled are remeasured at the rates of exchange prevailing at the balance sheet date. Exchange difference arising on the settlement of monetary items, and on the remeasurement of monetary items, are included in statement of profit and loss.

Deloitte Haskins & Sells Chartered Accountants

AU BON PAIN CAFE INDIA LTD.

Au Bon Pain Café India Limited

Notes to the Financial Statements

02 Significant Accounting Policies

o). Employee Benefits

(i) Short term benefits

Short term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

(ii) **Post employment benefits**

Defined Contribution plans:

Defined Contribution plans are those plans where the Company pays fixed contribution in return for the service rendered by the employees during the year. Retirement benefits in the form of Provident & Superannuation Funds are defined contribution schemes and the contributions are charged to Statement of Profit and Loss of the year when due.

Defined Benefit Plans:

The Company provides Gratuity and Leave Encashment Benefits to its employees. Gratuity is a defined benefit obligation and contribution, by way of premium is paid to Life Insurance Corporation of India (LIC)under the group gratuity scheme. The liability towards leave benefits is unfunded. The present value of these defined benefit obligations are ascertained by an independent actuarial valuation as per the requirement of Accounting Standards 15 - Employee Benefits. The liability recognised in the balance sheet is the present value of the defined benefit obligations on the balance sheet date less the fair value of the plan assets (for funded plans), together with adjustments for unrecognised past service costs. All actuarial gains and losses are recognised in the Statement Profit and Loss in full in the year in which they occur.

p). Earnings Per Share

The Company reports basic and diluted earnings per share in accordance with Accounting Standard (AS) 20- Earnings Per Share. Basic earnings per equity share have been computed by dividing net profit after tax attributable to equity share holders by the weighted average numbers of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

q). Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

r). Taxes on Income

Current Tax:

Provision for Current tax is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax:

Deferred tax assets and liabilities are recognised by computing the tax effect on timing differences which arise during the year and reverse in the subsequent periods. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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AU BON PAIN CAFE INDIA LTD.

Au Bon Pain Café India Limited
Notes to the Financial Statements

03 Share Capital

	As at 31.03.2016 Rs. In Lacs	As at 31.03.2015 Rs. In Lacs
Authorised:		
100,000,000 Equity Shares of Rs. 10 each *(31.03.2015: 100,000,000 Equity Shares of Rs. 10 each)*	**10,000.00**	**10,000.00**
	10,000.00	10,000.00
Issued:		
96,000,000 Equity Shares of Rs. 10 each *(31.03.2015: 80,000,000 Equity Shares of Rs. 10 each)*	**9,600.00**	**8,000.00**
	9,600.00	8,000.00
Subscribed and Fully Paid up:		
94,400,000 Equity Shares of Rs. 10 each *(31.03.2015: 80,000,000 Equity Shares of Rs. 10 each)*	**9,440.00**	**8,000.00**
	9,440.00	8,000.00

Notes :

(i) Reconciliation of Number of shares

Issued, Subscribed and Fully paid	As at 31.03.2016 No. of Shares	As at 31.03.2016 Amount Rs. lacs	As at 31.03.2015 No. of Shares	As at 31.03.2015 Amount Rs. lacs
At the beginning of the year	**8,00,00,000**	**8,000.00**	4,00,00,000	4,000.00
Issued during the year	**1,44,00,000**	**1,440.00**	4,00,00,000	4,000.00
At the end of the year	**9,44,00,000**	**9,440.00**	8,00,00,000	8,000.00

(ii) Details of shareholders holding more than 5% of outstanding shares

Shareholder	As at 31.03.2016 No. of Shares	As at 31.03.2016 %	As at 31.03.2015 Nos. shares	As at 31.03.2015 %
(1) Spencer's Retail Limited	**8,64,00,000**	**91.53**	7,20,00,000	90.00
(2) Mr. Varin Narula	**80,00,000**	**8.47**	80,00,000	10.00
	9,44,00,000	**100.00**	**8,00,00,000**	100.00

(iii) The Company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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04 Reserves and Surplus

	As at 31.03.2016 Rs. In Lacs	As at 31.03.2015 Rs. In Lacs
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	**(5,973.34)**	(3,724.84)
Add: Profit / (Loss) for the year	**(2,135.25)**	(2,248.50)
Balance as at 31st march	**(8,108.59)**	(5,973.34)

05 Share Application money pending Allotment

	As at 31.03.2016 Rs. In Lacs	As at 31.03.2015 Rs. In Lacs
Share Application money pending Allotment	**272.65**	102.65
	272.65	102.65

Note:

Share Application money as above represents money received from the Company's Holding Company - Spencer's Retail Limited towards equity shares proposed to be issued in coming year(s).

06 Provisions

	As at 31.03.2016 Rs in lacs		As at 31.03.2015 Rs in lacs	
	Long Term	**Short Term**	Long Term	Short Term
(a) Provision for employee benefits				
(1) Post-employment Defined Benefits				
Retiring Gratuity	10.91	0.13	14.60	0.23
(2) Other Employee Benefits :				
Leave Encashment	10.95	0.12	12.32	0.16
Total Provisions	**21.86**	**0.25**	26.92	0.39

07 Trade Payables

	As at 31.03.2016 Rs. In Lacs	As at 31.03.2015 Rs. In Lacs
Creditors for supplies and services	**286.18**	333.47
Total Trade Payables	**286.18**	333.47

08 Other Current Liabilities

(a) Capital Creditors	**12.85**	9.98
(b) Creditors for other liabilities		
(i) Employee recoveries and employer contributions	**11.91**	10.59
(ii) Statutory Dues	**22.96**	38.43
(iii) Other credit balances	**3.23**	3.94
Total Other current liabilities	**50.95**	62.94

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AU BON PAIN CAFE INDIA LTD.

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09 Tangible assets

Rs. In Lacs

As at 31.03.2016	Leasehold Improvements	Plant and Machinery	Furniture and fixtures	Office Equipments	Electrical/Café Equipments	Vehicles	Total Tangible Assets
Cost at beginning of year	589.27	544.25	491.32	99.38	1012.45	3.50	2740.17
Additions	11.21	2.02	6.10	0.12	15.27	0.00	34.72
Deductions	156.11	4.53	29.58	8.44	42.77	0.00	241.43
Cost at end of year	**444.37**	**541.74**	**467.84**	**91.06**	**984.95**	**3.50**	**2533.46**
Depreciation at beginning of year	192.01	220.50	209.29	29.29	348.53	1.11	1000.73
Charge for the year	80.87	61.26	61.15	4.99	151.49	0.57	360.33
Disposals	25.47	0.75	8.00	2.86	9.37	0.00	46.45
Depreciation at end of year	**247.41**	**281.01**	**262.44**	**31.42**	**490.65**	**1.68**	**1314.61**
Net book value at beginning of year	397.26	323.75	282.03	70.09	663.92	2.39	1739.44
Net book value at end of year	**196.96**	**260.73**	**205.40**	**59.64**	**494.30**	**1.82**	**1218.85**

As at 31.03.2015	Leasehold Improvements	Plant and Machinery	Furniture and fixtures	Office Equipments	Electrical/Café Equipments	Vehicles	Total Tangible Assets
Cost at beginning of year	382.72	485.58	398.00	86.09	708.13	1.59	2,062.11
Additions	235.97	58.70	127.83	13.29	340.92	2.31	779.02
Deductions	29.42	0.03	34.51	-	36.60	0.40	100.96
Cost at end of year	589.27	544.25	491.32	99.38	1,012.45	3.50	2,740.17
Depreciation at beginning of year	135.89	163.98	159.13	23.95	198.01	1.24	682.20
Charge for the year	73.46	56.54	71.64	5.34	168.81	0.25	376.04
Disposals	17.34	0.02	21.48	-	18.29	0.38	57.51
Depreciation at end of year	192.01	220.50	209.29	29.29	348.53	1.11	1,000.73
Net book value at beginning of year	246.83	321.60	238.87	62.14	510.12	0.35	1,379.91
Net book value at end of year	397.26	323.75	282.03	70.09	663.92	2.39	1,739.44

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Notes to the Financial Statements

10 Intangible assets (Acquired)

Rs. In Lacs

	Brand Licence	Software Costs	Total Intangible Assets
Gross Block as at April 1, 2015	**290.90**	**50.90**	**341.80**
Additions	**-**	**89.36**	**89.36**
Deduction	**1.45**	**13.76**	**15.21**
Gross Block as at March 31, 2016	**289.45**	**126.50**	**415.95**
Accumulated Amortisation as at April 1, 2015	160.01	35.62	**195.63**
Charge for the year	23.46	15.97	**39.43**
Deduction	0.99	11.94	**12.93**
Accumulated amortisation as at March 31, 2016	**182.48**	**39.65**	**222.13**
Net book value as at April 1, 2015	**130.89**	**15.28**	**146.17**
Net book value as at March 31, 2016	**106.97**	**86.85**	**193.82**

As at 31.03.2015	Brand Licence	Software Costs	Total Intangible Assets
Cost at beginning of year	288.61	39.17	327.78
Additions	10.13	11.73	21.86
Deduction	7.84	-	7.84
Cost at end of year	290.90	50.90	341.80
Amortisation at beginning of year	132.44	27.61	160.05
Charge for the year	31.09	8.01	39.10
Deduction	3.52	-	3.52
Amortisation at end of year	160.01	35.62	195.63
Net book value at beginning of year	156.17	11.56	167.73
Net book value at end of year	130.89	15.28	146.17

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11 Capital work-in-progress

		As at 31.03.2016 Rs. In Lacs	As at 31.03.2015 Rs. In Lacs
a)	Capital work-in-progress- Tangible assets	13.33	18.71
b)	Capital work-in-progress - Intangible assets		25.82
		13.33	44.53

12 Loans and advances

	As at 31.03.2016 Rs. In Lacs		As at 31.03.2015 Rs. In Lacs	
	Long Term	Short Term	Long Term	Short Term
Loans and advances (Unsecured considered good)				
(a) Capital advances	4.44	-	3.91	-
(b) Security deposits	273.72	30.39	385.76	36.55
Less: Provision	6.58	-	1.78	-
	267.14	30.39	383.98	36.55
(c) Other loans and advances				
(1) Other advances and prepayments	-	56.14	-	24.19
(2) Advance payment of taxes	0.76	-	0.45	-
Total Loans and advances	272.34	86.53	388.34	60.74

13 Inventories

	As at 31.03.2016 Rs. In Lacs	As at 31.03.2015 Rs. In Lacs
(a) Raw materials	38.75	59.16
(b) Work in Progess	-	-
(c) Finished goods	10.79	23.25
(d) Stock in Trade	7.73	9.65
(e) Stores and packing material	36.96	38.95
Total Inventories	94.23	131.01

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14 Trade receivables

	As at 31.03.2016 Rs. In Lacs	As at 31.03.2015 Rs. In Lacs
Trade receivables		
(a) Outstanding for a period exceeding six months		
- Unsecured, Considerd good	2.40	3.26
- Unsecured, Doubtfull	2.50	2.50
	4.90	5.76
Less: Provision for doubtful debts	2.50	2.50
	2.40	3.26
(b) Others		
- Unsecured, Considerd good	28.73	17.06
Total Trade Receivables	31.13	20.32

15 Cash and bank balances

	As at 31.03.2016 Rs. In Lacs	As at 31.03.2015 Rs. In Lacs
Cash & Cash equivalents		
(a) Cash on hand	9.66	10.40
(b) Cheques, drafts on hand	20.94	2.29
(c) Balances with banks		
- In Current Accounts	20.47	6.29
	51.07	18.98
Other Balances		
(a) Balances with banks		
In Deposit Accounts (maturity more than three months and less than twelve months) - marked as lien against Bank Guarantee for Sales Tax	2.00	3.50
Total cash and bank balances	53.07	22.48

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Notes to the Financial Statements

16 Revenue from operations

	Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
Gross Revenue from Operations	**1,604.31**	1,649.64
Less: Excise duty	**27.95**	34.11
Total Revenue from Operations	**1,576.36**	**1,615.53**

17 Other Income

		Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
(a)	Income from Investment	**-**	-
(b)	Interest on Fixed Deposit	**0.28**	0.39
(c)	Liability no longer required written back	**4.85**	8.61
(d)	Other non operating Income	**1.60**	1.80
Total Other Income		**6.73**	**10.80**

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18 Cost of materials consumed

	Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
Raw materials consumed		
Opening Stock	**59.16**	50.43
Add: Purchases	**567.78**	701.54
	626.94	751.97
Less: Inventory at the end of the year	**38.75**	59.16
	588.19	**692.81**

Raw material consumption comprises	Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
(a) Groceries	**92.40**	119.69
(b) Dairy	**161.25**	193.37
(c) Others	**334.54**	379.75
Total Raw Material Consumed	**588.19**	**692.81**

19 Purchases of Stock in Trade

	Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
(a) Beverages	**36.82**	42.37
(b) Impulses and others	**50.00**	69.52
	86.82	**111.89**

20 Changes in Stock of Finished Goods, Work in Progress and Stock in Trade

		Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
Opening Stock			
	Finished Goods	**23.25**	32.55
	Stock in Trade	**9.65**	10.34
	Work in Progess	**-**	0.85
		32.90	**43.74**
Less	**Closing Stock**		
	Finished Goods	**10.79**	23.25
	Stock in Trade	**7.73**	9.65
		18.52	**32.90**
Net (Increase)/Decrease		**14.38**	**10.84**

Au Bon Pain Café India Limited
Notes to the Financial Statements

21 Employee Benefit Expense

		Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
(a)	Salaries and wages, including bonus	**726.41**	749.79
(b)	Contribution to provident and other funds	**42.43**	55.19
(c)	Staff welfare expenses	**22.76**	53.24
Total Employee Benefit Expense		**791.60**	**858.22**

22 Finance costs

		Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
(a)	Bank Charges	**22.37**	24.51
Total finance costs		**22.37**	**24.51**

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23 Other Expenses

			Year Ended 31.03.2016 Rs. In Lacs	Year Ended 31.03.2015 Rs. In Lacs
(a)	Consumption of stores and packing materials		**112.56**	131.76
(b)	Repairs to buildings		**0.47**	1.46
(c)	Repairs to machinery		**47.89**	14.20
(d)	Repairs to others		**20.01**	57.65
(e)	Purchase of power		**225.74**	251.58
(f)	Freight and handling charges		**16.42**	54.08
(g)	Rent		**710.37**	681.51
(h)	Rates and taxes		**15.16**	25.76
(i)	Other expenses		**666.60**	543.42
	(1)	Auditors remuneration and out-of-pocket expenses	**14.00**	10.10
		(i) As Auditors #	**9.00**	7.50
		(ii) For Taxation matters #	**2.00**	1.50
		(iii) Other sevices #	**3.00**	1.00
		(iv) Auditors out-of-pocket expenses #	**-**	0.10
	(2)	Legal and other professional costs	**36.83**	21.47
	(3)	Advertisement, Promotion and Selling Expenses	**124.13**	166.30
	(4)	Travelling Expenses	**58.25**	81.58
	(5)	Security Expenses	**21.88**	23.35
	(6)	Communication Expenses	**29.05**	30.67
	(7)	Printing and Stationery	**9.81**	13.80
	(8)	House Keeping	**55.19**	56.57
	(9)	Royalty	**67.36**	69.36
	(10)	Loss on assets sold/ discarded	**195.20**	46.67
	(11)	Provision for doubtfull Advances	**4.80**	1.78
	(12)	Other General Expenses	**50.10**	21.77
Total Other Expenses			**1,815.22**	**1,761.42**

Note #: The above amounts are exclusive of Service Tax

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24 Estimated amounts of contracts remaining to be executed on capital account and not provided for : Rs.5.42 lacs (*As at 31.3.2015: Rs. 60.29 lacs*) [Net of advances of Rs. 1.71 lacs (*As at 31.03.2015 Rs.0.94 lacs*)].

		Year ended 31.03.2016		Year ended 31.03.2015	
		%	**Amount (Rs. In lacs)**	%	Amount (Rs. In lacs)
25	**Consumption of Imported and Indigenous Materials**				
	a). Raw Materials consumed				
	- Indigenous	**100%**	**588.19**	100%	692.81
	- Imported	**-**	**-**	-	-
		100%	**588.19**	100%	692.81

		Year ended 31.03.2016 Amount (Rs. In lacs)	Year ended 31.03.2015 Amount (Rs. In lacs)
26	**Expenditure in Foreign Currency (on accrual basis)**		
	a) Franchisee Fee (Net of Withholding taxes)	-	7.72
	b) Others - Travelling Expenses	5.34	-
	c) Royalty Fees on Sales (Net of withholding taxes)	53.68	52.67

		Year ended 31.03.2016	Year ended 31.03.2015
27	**Loss per share**		
	Loss for the year (Rs. In lacs)	**(2,135.25)**	**(2,248.50)**
	Weighted average number of equity shares for basic loss per share	**8,00,39,344**	4,01,09,589
	Add: Adjustment for share application money pending allotment	**1,62,568**	27,332
	Weighted average number of equity shares for diluted loss per share	**8,02,01,912**	**4,01,36,921**
	Basic and diluted loss per equity share (Rs.) #	**(2.67)**	(5.61)

Since the effect of potential equity shares are anti dilutive, basic and diluted loss per share is equal.

28 **Deferred Tax Assets**

In view of the absence of virtual certainty of absorption of unabsorbed losses, deferred tax assets have not been recognized in accordance with the principles set out in Accounting Standard 22 'Accounting for Taxes on Income'.

	Deferred tax liability/ (Asset) as at 01.04.2015	**Current Year Charge/ (Credit)**	**Deferred tax liability/ (Asset) as at 31.03.2016**
Deferred Tax Liabilities			
Difference between book and tax depreciation	254.02	(254.02)	-
Deferred Tax Assets			
Unabsorbed depreciation (restricted to the extent of deferred tax liability on depreciation)	(254.02)	254.02	-
Deferred Tax Assets (Net)	-	-	-

The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax.

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29 Related party transaction

a). List of Related Parties and Relationship

Name of the Related Party	Relationship
i) CESC Limited	Ultimate Holding Company
ii) Spencer's Retail Limited	Holding Company
iii) CESC Properties Limited	Fellow Subsidiary #
iv) Mr Varin Narula	Co-Venturer
v) Mr. Sanjay Gupta	Key Management Personnel
vi) Mr. Manish Tandon	Key Management Personnel

Companies with which there are transactions during the Current & Previous Year

b). Related party transactions

Name of the related party	Nature of transactions	Year ended 31.03.2016 Amount (Rs. In lacs)	Year ended 31.03.2015 Amount (Rs. In lacs)
CESC Limited (Ultimate Holding Company)	Expenses Incurred	36.95	36.16
		31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	3.00	3.23
	Amounts receivable	2.76	2.76
Name of the related party	Nature of transactions	Year ended 31.03.2016 Amount (Rs. In lacs)	Year ended 31.03.2015 Amount (Rs. In lacs)
Spencer's Retail Limited(Holding Company)	Expenses Reimbursed	-	16.85
	Sale of Goods	0.61	0.07
	Equity Contribution	1,440.00	4,000.00
	Share Application money pending Allotment	272.65	102.65
		31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Share Application money pending Allotment	272.65	102.65
	Amounts receivable	-	-
Name of the related party	Nature of transactions	Year ended 31.03.2016 Amount (Rs. In lacs)	Year ended 31.03.2015 Amount (Rs. In lacs)
CESC Properties Limited (Fellow Subsidiary Company)	Expenses Incurred	49.43	43.87
		31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
	Amounts payable	2.88	4.46
	Amounts receivable	12.33	12.33
Name of the related party	Nature of transactions	Year ended 31.03.2016 Amount (Rs. In lacs)	Year ended 31.03.2015 Amount (Rs. In lacs)
Mr Manish Tandon (Key Management Personnel) - Whole Time Director (w.e.f November 15, 2015)	Remuneration Incurred	34.93	-
		31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
		-	-
Name of the related party	Nature of transactions	Year ended 31.03.2016 Amount (Rs. In lacs)	Year ended 31.03.2015 Amount (Rs. In lacs)
Mr Sanjay Gupta (Key Management Personnel) - Whole Time Director (till November 30, 2015)	Remuneration Incurred	67.56	93.54
		31.03.2016	31.03.2015
		Amount (Rs. In lacs)	Amount (Rs. In lacs)
		-	-

30 Employee Benefits

Defined Contribution Plans

The Company has recognised, in the Profit and Loss Account for the current year an amount of Rs. 32.98 lacs *(Previous year : Rs. 35.37 lacs)* expenses under defined contribution plans.

	2015-16 Amount (Rs. In lacs)	2014-15 Amount (Rs. In lacs)
i). Contribution to Provident Fund	30.32	31.75
ii). Contribution to Superannuation Fund	2.66	3.63
	32.98	35.38

Defined Benefits Plans

Details of the Gratuity and Leave Encashment Benefit are as follows

Description	2015-16		2014-15	
	Gratuity (Funded)	Leave (UnFunded)	Gratuity (Funded)	Leave (Unfunded)
	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)	Amount (Rs. In lacs)
1. Reconciliation of opening and closing balances of obligation				
a. Obligation as at 01.04.2015	18.35	12.48	12.54	9.34
b. Current service cost	3.64	3.88	4.00	2.76
c. Interest cost	1.30	0.52	0.88	0.54
d. Acquisition adjustment				
e. Actuarial (gain)/loss	(5.72)	6.09	4.14	5.08
f. Benefits paid	(4.26)	(11.90)	(3.21)	(5.24)
g. Obligation as at 31.03.2016	13.31	11.07	18.35	12.48
2. Change in fair value of plan assets				
a. Fair value of plan assets as at 01.04.2015	3.51	-	1.99	-
b. Acquisition adjustment		-		-
c. Expected return on plan assets	0.28		0.17	
d. Actuarial gain/(loss)	(1.52)	-	1.35	-
e. Contributions made by the company	4.26		3.21	
f. Benefits paid	(4.26)		(3.21)	
g. Fair value of plan assets as at 31.03.2016	2.27	-	3.51	-
3. Reconciliation of fair value of plan assets and obligations				
a. Present value of obligation as at 31.03.2016	13.31	11.07	18.35	12.48
b. Fair value of plan assets as at 31.03.2016	(2.27)	-	(3.51)	-
c. Amount recognised in the balance sheet (Assets)/ Liability	11.04	11.07	14.84	12.48
4. Expenses recognised during the year				
a. Current service cost	3.64	3.88	4.00	2.76
b. Interest cost	1.30	0.52	0.88	0.54
c. Expected return on plan assets	(0.28)	-	(0.17)	-
d. Actuarial (gains)/loss	(4.20)	6.09	2.79	5.08
e. Expenses recognised during the year	0.46	10.49	7.50	8.38
5. Investment details				
a. Others (Funds with Life Insurance Corporation of India)	2.27	-	3.51	-
6. Assumptions				
a. Discount rate (per annum)	8.00%	8.00%	8.00%	9.00%
b. Estimated rate of return on plan assets (per annum)	8.00%	-	8.00%	-
c. Rate of escalation in salary	6.00%	6.00%	5.00%	5.00%

7. **Experience adjustments**

	2015-16	2014-15	2013-14	2012-13
Gratuity				
a. Present value of obligation as at the end of the year	**13.31**	18.35	12.54	7.16
b. Fair value of plan assets as at the end of the year	**(2.27)**	(3.51)	(1.99)	(1.15)
c. (Surplus)/Deficit in the plan	**11.04**	14.84	10.55	6.01
d. Experience adjustments on plan liabilities (loss/(gains))	**(8.03)**	(1.74)	7.32	0.15
e. Experience adjustments on plan assets ((loss)/gain)	**(1.49)**	1.20	0.74	0.02
Leave				
a. Present value of obligation as at the end of the year	**11.07**	12.48	9.34	7.62
b. Fair value of plan assets as at the end of the year	-	-	-	-
c. (Surplus)/Deficit in the plan	**11.07**	12.48	9.34	7.62
d. Experience adjustments on plan liabilities (loss/(gains))	**4.17**	3.30	7.84	1.68
e. Experience adjustments on plan assets ((loss)/gain)	-	-	-	-

31 The Company is engaged in Food and Beverage business. As the Company is operating in a single business and geographical segment, the reporting requirement for primary and sceondary segment disclosure prescribed by the paragraphs 39 to 51 of Accounting Standard 17, Segment Reporting, is not applicable.

32 Based on and to the extent of information obtained from suppliers regarding their status as Micro, Small or Medium enterprises under Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to them as at the end of the year.

33 As at March 31, 2016 the Company's paid up capital and accumulated losses are Rs. 9,440.00 lacs and Rs. 8,108.59 lacs respectively and the Company had incurred net loss of Rs. 2,135.25 lacs during the year ended March 31, 2016.

The Company, however having created a robust infrastructure for food and beverage business, is confident of generating positive cash flows and operational surplus in the near future with certain interim support from the holding company. Therefore the Company is confident about the continuity of its operations and long term viability.

Accordingly, these financial statements have been prepared on a going concern basis and do not include any adjustments relating to the recoverability and classification of recorded assets, or to amounts and classification of liabilities that might result if the Company is unable to continue as a going concern.

34 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors

Manish Tandon
Director

Subhrangshu Chakrabarti
Director

S. Ganesh
Company Secretary

Kolkata , 05th May, 2016

Deloitte Haskins & Sells Chartered Accountants

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